DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

SECOND SESSION—SIXTEENTH PARLIAMENT

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1928

CANADA

House of Commons Debates

OFFICIAL REPORT

Friday, May 4, 1928

The house met at three o'clock.

ST. LAWRENCE WATERWAY

BEAUHARNOIS POWER COMPANY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend asked yesterday whether an application had been made by the Beauharnois Power Company to the International Joint Commission or had been referred by the government to that tribunal. The answer to both questions is in the negative.

INQUIRY FOR RETURN

On the orders of the day:

Mr. MACKENZIE KING: The hon. member for St. Lawrence-St. George (Mr. Cahan) asked yesterday with respect to an order of the house passed for a return of certain documents relating to applications for the construction of a dam between lake St. Francis and lake St. Louis.

Mr. CAHAN: I meant to say "canal". It, I think, is misreported.

Mr. MACKENZIE KING: Probably it is the same order. I am advised by the Department of Railways and Canals that its portion of the return has already been made, and by the Department of Public Works that its portion of the return will be made by that department next week. I am sorry to have to inform my hon. friend that the word in Hansard is "dam." I know my hon. friend did not intend to use that word.

ALLEGED POLITICAL PARTISANSHIP

APPOINTMENT OF MR. CHARLES CROCKETT COMMISSIONER TO INVESTIGATE CHARGES

On the orders of the day:

Mr. MACKENZIE KING: The hon. member for Pictou (Mr. Cantley) asked yesterday with regard to a return relating to a commission investigating charges of political partisanship against public employees in the province of Nova Scotia. I am advised that the return is ready for signature and that it will be brought down by the minister on Monday.

TECHNICAL EDUCATION

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): There is a press despatch in the morning papers stating that a delegation waited upon the Prime Minister yesterday in regard to technical education and that the Prime Minister intimated that as certain of the prairie provinces and Prince Edward Island had not participated in the grant until several years after it was provided, it was the intention of the government to extend the grant to Saskatchewan, Alberta and some of the other provinces. Is that the intention of the government?

Mr. MACKENZIE KING: With respect to grants for technical education the government has under consideration a policy similar to that adopted with respect to grants for road and highway construction at the time those grants expired under the statute by which they were provided. That is to say, where provinces up to the present have not made use of the opportunity which they have had the government will be prepared to consider extending the time for them. I think my hon. friend may rely upon the extension being considered favourably.

SCATARIE ISLAND MARINE SIGNALS

On the orders the day:

Mr. J. A. MACDONALD (Richmond-West Cape Breton): I wish to call the attention of the house—

Some hon. MEMBERS: Hear, hear.

Mr. MACDONALD (Richmond): I should like to ask my hon. friends opposite if this ovation is an expression of goodwill and if it comes from them as a result of my having defeated the chief Liberal whip in 1925.

I wish to call the attention of the Minister of Marine and Fisheries to an article which appears in the Halifax Chronicle under date of May 1st. It says:

The jagged rocks of Scatarie island, or its adjacent promontories, have claimed another victim. The Dutch steamer Callisto, 2,660 tons register, is a total loss, and its crew, estimated at from 25 to 30 men, have gone to the bottom of the Atlantic.

Deck hatches, life boats, a life boat, badly battered, and the nude body of seamen were washed up on the shores of Main-a-Dieu and Scatarie, this afternoon. Parts of the deck and other paraphernalia found along the shores, told only too plainly the fate that had met the Dutch vessel, bound probably for Sydney or Louisburg to load bunker.

I should like to ask the minister as to the nature and condition of the signals on Scatarie island. I notice in the article a statement made by Mr. Burke, a well known Main-a-Dieu fisherman, that in that vicinity some five or six ocean-bound vessels have been wrecked and that in a good many instances the whole crews have been lost. In one instance, in 1926, five men went down. I claim, and this man, Mr. Burke, claims, that these men could have been saved.

Mr. SPEAKER: I would ask the hon. gentlemen to come to his question.

Mr. MACDONALD (Richmond): Is it the intention of the government to place proper signals on the western coast on Scatarie island? I would also state that a seaman, Mr. James Burke of Main-a-Dieu—

Some hon. MEMBERS: Order.

Mr. MACDONALD (Richmond): —I stated that these accidents could have been avoided if proper storm signals had been placed at that point.

Mr. SPEAKER: The hon. gentleman has stated his question. He cannot go beyond his question based on the article.

Mr. MACDONALD (Richmond): The seamen cannot hear the present fog whistle and there is no gun on the island. In thick, heavy weather the sound of the fog whistle cannot be heard in a westerly direction, two miles west of the island. Everyone of these ships could have been saved if proper storm signals had been provided.

Mr. SPEAKER: Having called the attention of the government to what has happened and having put his question, I think the hon. gentleman might now resume his seat.

Mr. MACDONALD (Richmond): Is it the intention of the Minister of Marine and Fisheries to hold an investigation into this matter and if the facts as reported are correct, will his department see that the proper signals are given for the guidance of ships going in that direction?

[Mr. J. A. Macdonald.]

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): The question raised by my hon. friend is certainly one that should be looked into. I will undertake to secure all the necessary information in regard to the matter and I can assure him that the department as well as the government are always anxious to take all possible precautions to protect fishermen and navigators. We are endeavouring to do the best we can but if there is something else we can do, I am quite prepared to do it.

RADIO—CANCELLATION OF LICENSE

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): May I ask the Minister of Marine and Fisheries (Mr. Cardin) when the house may expect him to table the correspondence relating to the cancellation of the radio license held by the International Bible Students Association?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I think that the copies have been completed and sent to the Department of the Secretary of State, and I expect to be in a position to table the correspondence shortly, probably on Monday.

BUSINESS OF THE HOUSE

MORNING SITTINGS

On the orders of the day:

Mr. L. P. BANCROFT (Selkirk): I would like to ask if the government intend to begin morning sittings of the house next week, and whether it is considered advisable to suspend the eleven o'clock rule for the balance of the session.

An hon. MEMBER: And sit on Sundays.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government has not yet considered the points which my hon. friend mentions, but it may do so in the course of a short time.

ROYAL COMMISSION ON FISHERIES

On the orders of the day:

Mr. H. B. SHORT (Digby-Annapolis): I would like to ask the Minister of Marine and Fisheries (Mr. Cardin) when we may expect the report of the royal commission on fisheries. Some two weeks ago the minister promised that it would be tabled last week. Another week has passed and we have heard nothing about it. The session is pretty well advanced;

we should like to have a discussion upon the report, and I think it is desirable that it should be tabled at the earliest possible moment.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I am informed that the report is completed, and I shall be in a position to table it probably on Monday or Tuesday.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public Works—Ottawa—greenhouse, $27,000.

Mr. CHAPLIN: What is the explanation of this item?

Hon. J. C. ELLIOTT (Minister of Public Works): This is a revote. It is intended to provide a greenhouse and potting shed either in Major Hill park or on parliament hill to replace the greenhouse now located in Major Hill park. The chief architect reports that the present greenhouse is past repair, and that the woodwork has become so badly decayed that to renew it would mean practically rebuilding the superstructure. The greenhouse is also too small to meet the gardener's requirements, which consist of propagating bulbs and plants for the parks and supplying ferns, palms, and so forth for parliamentary functions. He suggests the building of a palm house with two greenhouse units and a potting shed, but that the present requirements may be met by the building of one greenhouse and potting shed. When the full arrangements are completed the greenhouse situated near the supreme court building and which is in very bad condition, will be removed.

Mr. McQUARRIE: Would it not be possible to take care of all this work at the Central experimental farm? What is the necessity for having a greenhouse in Major Hill park? Could we not save money by concentrating all this work at the farm?

Mr. ELLIOTT: I am afraid that that suggestion would hardly be practicable in view of the distance of the farm from the parliament buildings.

Mr. CHAPLIN: Would the minister explain why it is impracticable?

Mr. ELLIOTT: Perhaps my hon. friend did not hear me. I said on account of the distance.

Mr. CHAPLIN: The minister must know that commercial houses have the means for carrying their stuff much longer distances than that.

Mr. ELLIOTT: Oh yes, but it would necessitate the transferring of it.

Mr. CHAPLIN: You would save two overheads.

Mr. ELLIOTT: The location of the greenhouse which is to be replaced has always been in Major Hill park.

Mr. McQUARRIE: You are doing away with the greenhouse near the supreme court building?

Mr. ELLIOTT: Yes.

Mr. McQUARRIE: My suggestion is that they both be done away with. The distance from Major Hill park to the farm is not very great, and it is well known that most greenhouses are situated out in the country, not in the city. Vancouver gets its supply of flowers and shrubs and all that kind of thing at a considerable distance from the city. The nurserymen have found it economical to locate their greenhouses outside the city.

Mr. BARBER: This vote is apparently for just one unit. What is the estimated total cost of completion?

Mr. ELLIOTT: This is the total cost of what is now proposed.

Mr. BARBER: I thought the minister said this was for one unit.

Mr. ELLIOTT: There is something in the suggestion of my hon. friend from New Westminster as to the location. This is a revote, and perhaps the reason why the work was not undertaken a year ago was because of this question of location. We have not been able to decide definitely what is the very best location. That question is still under consideration, and I shall be glad to bear in mind the representations made by my hon. friend, but I do not want to lead him to believe that any suggestion of the kind he has made has been favoured in the past.

Mr. CHAPLIN: Has there been any money spent on this proposition?

Mr. ELLIOTT: No.

Mr. CHAPLIN: Then it seems to me the minister had better reconsider the matter. Having several greenhouses run independently seems to me a waste of money. You could

save a lot of overhead by having them all in the one place. The suggestion of the hon. member from New Westminster looks to me a very good one. I think it is the common sense thing to do.

Mr. GARLAND (Carleton): Is this to replace the greenhouse immediately west of the parliament buildings?

Mr. ELLIOTT: It is to replece the one in Major Hill park.

Mr. GARLAND (Carleton): If we place a few more hotels and greenhouses in Major Hill park there will be little of the park left.

Mr. McQUARRIE: What is the estimated cost of upkeep?

Mr. ELLIOTT: It is difficult to say. In all probability the upkeep of this greenhouse will not be greater than that of the present structure, and certainly the cost of maintenance will not be exceeded.

Mr. McQUARRIE: What is the cost of upkeep of the present greenhouse?

Mr. ELLIOTT: It is not kept separate from the cost for repairs of the other government buildings in the city.

Mr. McQUARRIE: How many men are employed in connection with the greenhouse?

Mr. ELLIOTT: The men who look after the greenhouses are on the staff of the superintendent of all the government buildings in this city.

Mr. CHAPLIN: What is the area of this particular greenhouse?

Mr. ELLIOTT: I have not the size.

Mr. CHAPLIN: Surely there are plans for an expenditure of $27,000.

Mr. ELLIOTT: The plans are not yet out.

Mr. CHAPLIN: When the minister submits a vote of $27,000 for a greenhouse he ought to be able to tell the committee its dimensions. That appears to me to be a reasonable question.

Mr. ELLIOTT: We are judging the cost by the cost of other greenhouses constructed by the department at the experimental farm and at Rideau Hall.

Mr. CHAPLIN: How many other greenhouses are there in separate locations like this; how long are they expected to last; what shape are they in? It seems to me that this is an opportunity for co-ordination. A small greenhouse cannot be run profitably. The major cost of this greenhouse will be the fuel necessary to heat it and the wages of special men to run it, because unskilled men around the building cannot run this or any other greenhouse. I have one of my own and I know what I am talking about. It seems to me foolish for the minister to ask for a vote of $27,000 for a greenhouse of which he cannot tell us the size. I think with his usual courtesy he will allow this item to stand until he had secured the necessary information.

Mr. ELLIOTT: Perhaps my hon. friend was not present when I read the statement as to the necessity of replacing the old greenhouse.

Mr. CHAPLIN: Yes. That was the reason for my questions.

Mr. ELLIOTT: I would not have thought so. My hon. friend of course realizes that the cost of heating will not be more than for the old greenhouse.

Mr. CHAPLIN: That is admitted.

Mr. ELLIOTT: This is to replace the worn-out structure.

Mr. CHAPLIN: I agree with the minister that it will cost no more to run this greenhouse where he proposes to put it than it did to run the old one last year. But I want an improvement. If he is going to build a new greenhouse let him put it where it can be run with the surplus heat generated for the other greenhouse. That is the point the minister misses.

Mr. SPENCE: When this vote was up last session I opposed it vigorously. The minister was then asked as to the size of the proposed structure, and he said it would be about 25 by 60 feet. A greenhouse of this size should not cost $27,000. I know something about the cost of construction, for unfortunately I have a greenhouse myself. The hon. member for Lincoln (Mr. Chaplin) has made a good suggestion, that these units should be co-ordinated. The old greenhouse should be remodelled and placed in a more convenient location so that delicate plants could be distributed from it without too much cost. There is no need of a greenhouse in Major Hill park. It is a bleak place and it will always be difficult to maintain the temperature of the greenhouse at the right point. As the minister has not the plans and cannot give the committee any information, I move:

That this item be reduced by $10,000, and that the old greenhouse be remodelled and used until the minister makes up his mind what he will do with it.

This will reduce the vote to $15,000, a sum sufficient to build two greenhouses of the dimensions that he speaks of.

Mr. ADSHEAD: Was this money voted last year and not spent?

Mr. ELLIOTT: Yes.

Mr. SPENCE: I do not see how any minister can expect to get this vote through, knowing as little as he does about the business. A year ago he had no plan to submit to the committee, and now he comes back as per usual without any information.

Mr. ELLIOTT: I think my hon. friend has not yet clearly understood what is intended by this vote. True, we have not the plans and specifications. Certain changes in the local buildings at the present time are partly responsible for the location not having yet been settled, but this will be considered, and my hon. friend may rest assured that this greenhouse will be located in the most desirable spot. No doubt both my hon. friends have a great deal of experience with regard to the construction of greenhouses, but I can assure them that a larger greenhouse than has been suggested by either of them will be necessary to meet the requirements of the parliament buildings. All we are aiming at is the substitution of a new building for an old and worn out one. The new building will provide better facilities and it has been urgently demanded. We are not proceeding precipitately in this matter. For a number of years this demand has been made, the building being absolutely required. I do not know that there is any further information that I can give. My hon. friends know that for less money a suitable building to replace the present one could not be constructed.

Mr. CHAPLIN: If the minister could give us some idea of the size of the greenhouse we could tell whether it could be constructed for less or not; but he does not give us any information.

Mr. ELLIOTT: When the plans are completed public tenders will be called for, and the lowest tender will be accepted. That is a safeguard against the payment of any undue price. My hon. friends may have no worry on that score.

Amendment (Mr. Spence) negatived: yeas, 31; nays, 52.

Ottawa—improvement of square west of post office, $30,000.

Mr. STEVENS: Is this the first vote for the improvement of the square west of the post office?

Mr. ELLIOTT: It is the first vote, but my hon. friend understands that it is for the improvement of the square after the removal of the buildings, including cleaning up and putting the square into proper shape.

Mr. STEVENS: I do not want to inconvenience the minister, but I will ask two questions: First, out of what vote is the cleaning up of the present work being paid? Secondly, will the minister explain what this vote is to be used for?

Mr. ELLIOTT: The cleaning up going on at present is to be paid for out of the proceeds of the removal of the building. We are receiving something over $8,000 by way of salvage from the removal of the buildings, and what is now being done in the way of cleaning up is being provided for out of that.

Mr. STEVENS: The minister has not answered the second question; I will add a third to it. How is this going to be spent, and why is the money not spent out of the grant to the Federal District Commission?

Mr. ELLIOTT: This is not part of the Federal District Commission's work; the section west of the post office is not under the jurisdiction of the commission.

Mr. STEVENS: Then we are to understand that some half a million we voted last year, and this $30,000—and undoubtedly more money will be spent on this improvement scheme—are all in addition to the statutory vote of $3,000,000 voted a few days ago?

Mr. ELLIOTT: The statutory vote of $3,000,000 relates to the Federal District Commission. This is not under the commission.

Mr. STEVENS: It is in addition?

Mr. ELLIOTT: Yes.

Mr. HOCKEN: What work will be done with this vote? Is it proposed to use it to pay for the removal of the present post office?

Mr. ELLIOTT: Not at all.

Mr. HOCKEN: Is it merely to clean up the spot and put some grass on it?

Mr. ELLIOTT: As the work progresses the department will be able to decide better as to what will be required. At present the estimate is for a considerable amount of paving, running to about 4,000 yards at $4 a yard. That represents $16,000. The pavement will be the main part of the work

Then there will be grading, estimated at $4,000, and new sidewalks, $1,440, besides drainage, surface drains, manholes, catch-basins electric light poles and other items running to, say, $5,000. That is our best estimate.

Mr. HOCKEN: When the work is completed, is it proposed to make the spot a parking station for the people of Ottawa as the present plaza is?

Mr. ELLIOTT: No, that is not the intention.

Mr. CHAPLIN: What is the idea of paving 4,000 yards at $4 a yard? That is a considerable item.

Mr. STEVENS: That is so the street cars can turn easily.

Mr. CHAPLIN: Four thousand yards at $4 a yard represents altogether too high a figure; the estimate is entirely wrong.

Mr. ELLIOTT: If we can get it done for less we will do so.

Mr. CHAPLIN: I hope it will be done by contract. I know some people who would like to have that job at $4 a yard.

Mr. EDWARDS (Frontenac): There is an old expression which has been often used, referring to persons spending money like drunken sailors, and I think it is applicable to this government in view of the way they are now seeking to spend the money of the people of this country. Tens of thousands of dollars have been spent tearing down a city block, and now $30,000 is required to cover that area with concrete in order to add to the general appearance of these parliament buildings and to beautify the city of Ottawa. In proposing an expenditure of this kind the government are giving another example of their absolute disregard for the needs of the people of Canada in those hundreds of places throughout the country which have inadequate accommodation both as to post offices and otherwise. The government are showing no concern in matters of public health and other questions of vital interest; there is no money for such things, but they can tear down a perfectly good city block in Ottawa and now ask for $30,000 to clean up that little bit of land consisting of only about a quarter of an acre. That sum would clean up about fifty acres of the most heavily timbered land in British Columbia. Therefore I am going to move, Mr. Chairman that this item be reduced to $25,000.

[Mr. Elliott.]

Mr. PECK: May I ask the area of this piece of land?

Mr. BLACK (Halifax): Is there any plan of the proposed alterations or improvements?

Mr. ELLIOTT: Yes.

Mr. BLACK (Halifax): Could we have a look at it? This sum of $16,000 for putting in a few little paths astonishes me. This is a small piece of land, and I do not see where $16,000 can be spent in that way.

Mr. ELLIOTT: That is the estimate of the chief architect.

Mr. CHAPLIN: What is the area of the land?

Mr. ELLIOTT: The area which it is proposed to pave is 4,000 square yards.

Mr. CHAPLIN: What are the dimensions of the plot?

Mr. ELLIOTT: I do not know that I can give my hon. friend the exact area of the plot.

Mr. STEVENS: Why not make it a nice green grass plot; that will cost about one-tenth or one-twentieth of this amount and will have a much more pleasing effect. The only excuse I can see for this amount is to provide for a job which should be done by the Ottawa Electric Railway. I have before me an item which reads, "Certain property described as part of lot 27 south on Wellington street" but the minister has not extended the price or the size.

Mr. ELLIOTT: It is not settled yet.

Mr. STEVENS: Can the minister not tell me the area?

Mr. ELLIOTT: Only the area it is proposed to pave.

Mr. CHAPLIN: Will the minister say whether there was a contract for demolishing the buildings?

Mr. ELLIOTT: Yes.

Mr. CHAPLIN: And the government received so much for the salvage?

Mr. ELLIOTT: Yes.

Mr. CHAPLIN: When the contract was drawn, why was not some arrangement made to have these people take the other stuff that was there when they took the salvage? You let them tear down the buildings for salvage and leave all their rubbish, while we must

spend this money to clean it up. Did not the contract for salvage contain anything which would provide for the mess to be cleaned up?

Mr. ELLIOTT: My hon. friend knows very well that when several buildings are being removed, after they are taken away it is desirable to make your own levels yourself, rather than leave it to the parties who removed the buildings.

Mr. CHAPLIN: I could understand that answer if each individual owner of property demolished his own building, but the government made a contract with one firm to look after all the salvage, for which the government received so much, and the mess they left was nothing more or less than a crime They took away all the stuff that was any good and no provision was made to have them take away the rubbish, which should have been looked after when the arrangement was made.

Mr. HOCKEN: That will provide another contract.

Mr. CHAPLIN: It means that another contract will be given in order to spend a little more money.

Mr. PECK: I have not yet received an answer to my question; I want to know the area of this land, and if the minister does not know let him say so.

Mr. ELLIOTT: I have not the area of the land, but I can obtain it.

Mr. STEVENS: Give us the dimensions.

Mr. BRADY: I have waited for a day or two in order to get the proper orientation with regard to these estimates, and I am thoroughly convinced that the people throughout Canada who are building up this country feel disgusted and ashamed with what the government are doing with these estimates. According to the Bureau of Statistics, during the past five years 573,854 immigrants have entered Canada, while during the same period 591,121 Canadians left for the United States.

Some hon. MEMBERS: Order.

Mr. BRADY: I wish to bring out my point in this way: Throughout the length and breadth of this country we are pleading for the people who are building up Canada, and who are being denied even the bare necessities which will keep them in Canada. I protest against this extravagance, and I am sure that protest will be echoed by many members. We must now decide squarely—

Some hon. MEMBERS: Louder.

Mr. BRADY: I will speak louder in a moment if it is necessary. We must decide right now whether this absolute waste on matters which do not concern the well being of the country is to pass unchallenged in this house. The other day we voted $3,000,000 for the city of Ottawa, and the sum of $8,000 was mentioned for pulling down the buildings on that square. We have now $30,000 to clear it up, and when it is cleared up, I think it will simply be used for the unemployed to sit and gaze at the House of Commons. I have written to the Minister of Public Works, I have presented appeals for necessary works throughout my great constituency, I have gone many hundreds of miles that I might get the exact facts to put before the minister, and what has been done? The voice of the common people, that the Liberal party repeatedly say is the voice they listen to, is not heard when these estimates are being prepared or discussed. Provision is rightly made for legitimate expenditures in the great province of Quebec but to-day there is nothing short of tyranny in the handling of questions affecting the interests of the people of western Canada.

I shall read a letter that I wrote to the minister when I presented to him a statement of the necessary public works, supported by his own federal engineer and supplemented by requests from large representative bodies. What was the result? I do not know yet whether we shall get even a fraction of what has been asked; but I say this that any government that does not give consideration to the legitimate needs and wants of this country can only have one ending, and that is that the people will have enlightenment enough to put in a constructive government when the hour of voting comes. Here is the letter which I wrote to the minister:

> I most earnestly request that some provision be made in the supplementary estimates for the following necessary public works in the constituency of Skeena, which are appended to this letter.
>
> None of the works and improvements I present in this report are brought forward but in strict accord with the legitimate needs of the localities concerned.
>
> As the minister must be aware the crying need throughout western Canada, the latest to be developed among the provinces, is good roads and wharves, in brief, transportation facilities.
>
> Where roads and wharves are lacking, and where either or both are not kept in proper repair, transportation is handicapped and communities and settlements suffer.
>
> I am well aware of the fact that the federal government of public works has to look after the needs, not of one constituency or of one province, but of the whole of Canada. Conceding this, still I feel that through lack of knowledge of conditions in the Skeena

country, progress is retarded, settlement is checked, settlers are losing heart and abandoning a country the finest in Canada. The government of a nation that has a sense of its dignity and responsibility, should realize that the interests of Canada, its people, its future, are at stake, and the Department of Public Works should be above all politics and all parties.

Now, sir, as you are aware, the appropriation for the Prince Rupert floats and the Stewart wharf were tabled in this house, and yet, despite the fact that trade and commerce have almost doubled in both these places since these appropriations were made, these necessary works have not been done; in fact the appropriations were withdrawn.

Am I right in thinking that their withdrawal was due to politics?

Surely, sir, when you consider the justice of my demands you will not hesitate to put into the supplementary estimates for the present year the small sums which will give relief to these districts, and at the same time add to the revenues of the country.

Appended I present a list of the most necessary public works for the large constituency I represent. Those marked with an asterisk have the approbation of the federal engineer resident in Victoria; the others are as necessary, and, I trust the minister will see that money be provided in the supplementary estimates for that purpose.

Mr. Chairman I have here on my table a whole series of letters and petitions from these people, asking for a few dollars to construct a wharf to enable the people to carry on their legitimate vocations; and I have received the cold shoulder. The life of our people and the future of our young Canadians are at stake, and they are greater than your greenhouses and your parks and your squares; and I make an appeal to-day for these things for which we have asked. I am sure that the people of Canada are well aware that this government is falling down. When we find our people departing from this country, and the government, which is but the servant of the people, playing hide and seek with the destinies of our sons and our daughters, I say, Mr. Chairman—

The CHAIRMAN: I am sure my hon. friend will not complain if I refer him to the rule which says all discussions must be relevant to the matter before the committee.

Mr. BRADY: All right, Mr. Chairman. My feelings are deeper than I have words to express.

Mr. STEVENS: That is relevant.

Mr. BRADY: Where there are legitimate reasons for carrying on work already done in our cities, our harbours and our ports, that is all right and I have no objection; but when I find that in many parts of this country where facilities are necessary to hold the people, the necessary encouragement is not given them to remain. I think it is time that we entered a formal protest against all unnecessary expenditures and turned attention to those that are absolutely essential.

Mr. ROSS (Kingston): I want to say, Mr. Chairman, that for many reasons I am going to support the amendment. Members on the other side of the house, as well as the chairman, talk about what is relevant to this subject. We thought we had voted money for the beautification of Ottawa. But when we study the question we find that there are two or three different votes with practically the same object. If you want to find out what the beautification of Ottawa means and what it is costing the country, all you need to do is to walk around the canal and see what is being done. I considered that that was all a question of beautifying Ottawa, but it will be found that part of the work comes under railways and canals. That part of the work of beautifying Ottawa has been done in the following way: They have taken down an earth bank along the canal in order to put up a permanent cement wall. The earth has been thrown into the canal and for a time two or three men with shovels were throwing it out. I believe the water is now to be let into the canal and then dredges will be used to remove the earth. This is beautifying Ottawa at the expense of the country. We are willing to spend money but we are not willing to waste money, and we want the people of Ottawa and the country to understand that.

In the same way we believed that we were voting money for a park. We are told by the minister that on one side of the road the park is not under the Federal District Commission but that on the other side it is to be under the commission. The government should get this question straightened out and tell us what we are voting for. Perhaps it is a question of slipping through a vote here and another there but there is no question that this is a waste of money. Last night under the pretence of repairing the citadel at Quebec we voted $150,000 and there was a waste of money there. This appropriation is also, I believe, an absolute waste of money and when we are asking for things that are important we find that the money is being used to throw earth from the bank into the channel of a canal, water being let in and then a dredge brought along to take the earth out again.

As soon as parliament began some time ago to discuss the question of water the city got busy and hired an engineer. I think after the amendment is carried quite enough money will

remain in this appropriation to cover the levelling of the site. My opinion is that by this vote the government is simply splitting the city of Ottawa into two sections or making two cities of it. It is making a paved square which the people from one part of the city will never cross in the hot summer, if we have such in Ottawa, or in the cold weather. The government is absolutely destroying the city and doing it for one purpose, namely to glorify and keep in power the King government.

Mr. CHAPLIN: A few minutes ago I asked the minister to give us the area of the piece of property which they have acquired and on which this vote is to be expended, but he is a little short of information. He tells us that the proposition is to pave four thousand square yards within the property or around it. From what I know of the property—and we pass it every day—four thousand square yards constitute practically the whole property and consequently the whole of it is going to be paved. Is the committee prepared to spend this vote of $30,000 and $8,000 of salvage on a proposition of that kind in Ottawa? The proposal of the minister is simply absurd, nothing more and nothing less.

Mr. ELLIOTT: I apparently have not made myself clear with regard to the $8,000 of salvage. We were paid the $8,000. We did not pay it.

Mr. CHAPLIN: I understand that quite well.

Mr. ELLIOTT: My hon. friend was adding the two together.

Mr. CHAPLIN: The government have been paid $8,000 for salvage. I presume with that $8,000 they can do something; or does that money go into the treasury?

Mr. ELLIOTT: Yes.

Mr. CHAPLIN: And $30,000 is the money to be spent?

Mr. ELLIOTT: Yes.

Mr. CHAPLIN: That explains the matter but my remark still stands regarding the foolishness and inappropriateness of this. If these improvements are to be made around Sparks street, as the plan we have shows, the Ottawa Street Railway or somebody else should pay for them or part of them.

Some hon. MEMBERS: Carried.

Mr. CHAPLIN: The minister may be able to get his vote through but my hon. friends had better not make such a row or it will probably be delayed more. My hon. friends are entitled to state their points of view; I am entitled to state my objection to this vote and I propose to do so. My hon. friends cannot get anything simply by calling "carried". This is an absurd vote. This appropriation of $30,000 is wasted money. It is in addition to what we have already voted for Ottawa. After what we have heard this square should be paid for out of the $3,000,000 appropriation and the government should not come back and ask us to vote more money in drips and drops as they are doing.

Mr. MALONEY: I should like to ask the Prime Minister if the immediate destruction of the post office building comes within the scope of his scheme of beautification, and if the destruction is not immediate, when he proposes starting to tear down that building.

Mr. ELLIOTT: It is not the intention to tear down the post office for some years at any rate.

Mr. BLACK (Halifax): Do I understand that a contract was entered into for the removal of those buildings?

Mr. ELLIOTT: Yes.

Mr. BLACK (Halifax): Has the minister a copy of it?

Mr. ELLIOTT: Yes.

Mr. BLACK (Halifax): Is it not customary in connection with the removal of buildings, to have the debris removed, that is, to have the property left in a reasonably clean condition? Any business man of acumen would have a contract drawn up to that effect and therefore a large portion of the expenditure which is now being made for the removal of the debris would not be necessary. Every business man making a contract for the removal of a building requires that the site shall be left in a reasonably clean and proper condition so that all he has to do is to erect his building without having to remove rubbish and other stuff left by the contractor. If a contract was made, why was a clause of that kind not inserted?

Mr. ELLIOTT: It was in January, I think, and the ground was all covered with snow and ice at the time of the removal of the buildings. There was in the contract a clause such as my hon. friend suggests. Tenders were called for and a contract was entered into, the highest tenderer being given the contract.

Mr. ADSHEAD: The highest or the lowest?

Mr. ELLIOTT: The highest. We asked how much they would give for the buildings which they were to remove. At the time they finished removing the buildings it was impossible, on account of the frost, ice and snow, to level the site. Part of the debris was removed by the contractor and then an arrangement was made by him allowing us $700, the department to do the levelling themselves as soon as the frost was out of the ground.

Mr. STEVENS: Were these public tenders?

Mr. ELLIOTT: Yes; they were advertised.

Mr. STEVENS: Who got the contract?

Mr. ELLIOTT: The Betcherman Company.

Mr. STEWART (Leeds): When the grant for the Federal District Commission was before the house a few days ago, the Prime Minister presented a plan which I think we all understood covered and included the work that was to be done by the commission, and on that plan I see included this particular area, and no paving is shown on the plan. It is simply a matter of shrubbery, grass and a few paths. Has this plan been departed from, and if so, why has the change been made?

I want to say that from time to time in the past few years I have endeavoured to get an extension of the rural mail delivery or some other comparatively inexpensive service for the people of the constituency I represent, and I have been unable to get these essential services which would be so valuable to the people of my constituency. Yet here we are asked to vote $3,000,000 one day, and now $30,000, and further sums in connection with this square. It does seem to me that we are losing our sense of proportion, and that we are not giving our attention to the matters that should really have our serious consideration, and that we are spending these moneys unnecessarily. For these reasons I am strongly in favour of the amendment. If this area were converted into a grass plot, it seems to me that would be very much better than paving. One can scarcely see how so much paving on this small area could possibly be required, unless it is to be converted into a parking area.

Mr. BOYS: Yesterday afternoon the minister informed the committee that he had received about one hundred applications for public buildings throughout various parts of Canada, and he informed me that he would be able to give me a list of the places from which the requests had come, together with the estimated cost. I was wondering if he had that list ready yet.

[Mr. Adshead.]

Mr. ELLIOTT: I certainly have not. Did my hon. friend expect that I would have it this afternoon?

Mr. BOYS: Frankly, I would have thought that a clerk could have got it ready without the slightest difficulty, but perhaps that is because I have not a proper comprehension of the work entailed. I hope the minister will agree to let me have the list before his estimates are concluded.

Mr. ELLIOTT: Yes.

Mr. STEWART (Leeds): Has there been any departure from the plan of the federal commission as to this particular area? The minister's statement does not seem to correspond with the plan submitted to the house.

Mr. ELLIOTT: It does not correspond entirely with the plan. The plan my hon. friend refers to has been suggested since the estimates were published, and it is possible that there may be a variation which will render less paving necessary than was contemplated by the architect as absolutely necessary. But the estimate we have before us is the best estimate we can give as to the expenditure, in order to make the area in keeping with the general scheme.

Mr. BOYS: Is it not part of the Federal District Commission's scheme as a whole?

Mr. ELLIOTT: This part is under the Dominion government entirely. The other part of the federal scheme is under the commission.

Mr. BOYS: I was given to understand when this matter was under discussion before, that one of the reasons for this plan was to get a driveway leading from the canal up to the parliament buildings, perhaps not in the exact location shown in the plan, but at all events as part of the scheme. If that is so, I do not see why this work has not been done by the federal commission, and out of the appropriation they are getting, which surely was large enough for the purpose. Are we to understand that the country is not only to provide the sum already voted, but that in addition this square is being taken over by the Public Works department, and that more money will be spent on it too? I can understand that this plan, as the minister says, is not absolutely accurate, but I feel confident that I am right when I say we were told that the intention was that there should be a driveway continued from the canal and approaching this building from the southeast. Am I not right in that?

Mr. ELLIOTT: Yes.

Mr. BOYS: Then that driveway must come beside or through the square in question, and surely it forms part of the general scheme of the commission. If that be so, why is the work not left to the federal commission?

While I am on my feet, I would like to say that if it is the intention to pave that area, that does seem to me to be a serious mistake. What is the sense of doing that? I thought it was to be a park, and that is what we all understood. The idea of putting a cement square right in the heart of Ottawa, which is hot enough in the summer time as it is, is absurd. If we want to improve that area, surely it would be much better to have it laid with grass, with perhaps a fountain or something of that kind. I can hardly believe that the federal commission should contemplate paving it.

Mr. STEVENS: And perhaps use boiled tar.

Mr. BOYS: We have had some experience with creosote and boiled tar in connection with the square in front of the Chateau. I think the minister ought to give us some more definite idea of what is intended, unless he expects us to vote this sum blindly. We do not know what the size is, we do not know what the intention is, we do not know whether it is part of the general scheme, or whether it is something being undertaken by the Public Works department apart altogether from the general scheme for which we have already voted a very large sum of money. The minister ought to give us some information. This plan was passed around the house, and I certainly did think at the time that it was to apprise us as to the intention of the Federal District Commission, but now when we want to use the plan in connection with this vote, although this area is shown on the plan as part of the federal commission's scheme, we are told that the commission has nothing to do with it, and that it comes under the Public Works department. Why should they be separated unless it is to get more money?

Mr. ELLIOTT: I thought I had made it clear to my hon. friend that this expropriation of buildings west of the post office has been carried on by the Department of Public Works, and not by the federal commission.

Mr. BOYS: The expropriation, certainly.

Mr. ELLIOTT: Yes, and the ownershinp of the property will be in the Public Works department as soon as the values are ascertained. The ownership is really vested in the department now.

Mr. STEVENS: What was offered by the government for this property?

Mr. ELLIOTT: Speaking from memory, something in the neighbourhood of $600,000.

Mr. STEVENS: Is that all?

Mr. ELLIOTT: Yes, but I want to say that these plans are more or less tentative. The plans of the federal commission will be followed as far as they can be followed by the government in connection with making this part of the general scheme, but I am bound to state to my hon. friend that the expenditure here is being borne by the Department of Public Works, and the work is being done by the department, and not by the commission.

Mr. BOYS: Are we to understand that the tearing down of the Russell block comes under the Public Works department too?

Mr. ELLIOTT: No, that is federal commission work. The part which the Public Works department is doing is the part in the block in which the post office is situated.

Mr. STEVENS: And we pay that $600,000 out of the consolidated revenue fund of Canada?

Mr. ELLIOTT: Yes.

Mr. STEVENS: Mr. Chairman, here is an amazing situation. There is a good deal of laughing on the other side; apparently this is a joke. The other day the Prime Minister made a very long and apparently a very carefully prepared speech in which he presented to the house what he described as an elaborate scheme for the beautification of this capital and to add to the dignity of parliament hill. In presenting that scheme he rather appealed to the house for support on the ground that wisdom dictated that a large sum should be appropriated, even though it was to be spent over a period of years. Therefore he introduced a separate bill for a grant of some three million dollars.

But what are the facts? We have this bill for three million dollars to be handed over to the Federal District Commission. In addition to that we have a prospective vote of $600,000 for a property which is part of the scheme; we have this paving vote for $30,000; we have a vote of $500,000 or more for the New Edinburgh mills which I understand were

offered for sale a couple of years ago for $250,000; we have an extra sum of $100,000 for Rideau Hall above the $60,000 that has been voted in the last two years for improvements and maintenance and furnishings, and we have an extra sum of $150,000 above what we were asked to vote last year for the citadel in Quebec for gubernatorial purposes—a total of $4,800,000. Unquestionably this huge total will be added to by other votes similar to what we are now considering for the purpose—well, some say, of beautifying Ottawa, but I think, Mr. Chairman, it is simply to cater to the extravagant social spirit of this city.

I hold in my hand the plan. It shows a green plot with trees on it in the very area for which the minister is asking a vote of $30,000 for paving. Why in the name of common sense should we pave this area and later break it up and plant trees there if we conform to this plan? The whole proposal seems to me preposterous. I wholly agree with what my friend from Kingston (Mr. Ross) said a moment ago, that by our vote in relation to the Ottawa improvement scheme we are driving a wedge through the very heart of this city and dividing it into two sections, and in this way actually destroying its symmetry. We find that for years the drift of business has been towards Bank street, and now the Prime Minister comes along with this scheme. It is not the town planning scheme which was prepared by experts a few years ago at an expense of sixty or seventy thousand dollars. It is a scheme that the Prime Minister has taken into his particular care and presented to parliament. I repeat, the scheme is not in harmony with the natural growth of this city. It is going to divide the city into two sections. It was bad enough before when business was carried through by the Russell block and the buildings on the other side of the street; but now business will go down the Bank street section, and the Rideau street section will be neglected and depreciated in value. I am confident that the taxpayers of Ottawa as yet do not quite understand just what the effect will be when the Russell block is cleared away.

I am opposed to this vote of $30,000 as an attempt to extract from the exchequer under—I will not say false pretenses; perhaps that would be too strong a term—under a misapprehension by parliament and the people, because we fully understood that the three million dollars vote the other day, which we thought excessive, was to cover all the necessary expenses of this scheme. Let me recapitulate. In adition to that parliament is voting at least six hundred thousand dollars for this property which, mark you, is the offer by the government, but experience justifies us in asserting that the cost will be in excess of this figure by at least ten or twenty per cent; five hundred thousand dollars or more for the New Edinburgh mills, and the minister is coming to parliament in his supplementaries for an additional sum to remodel the saw mill for the purpose of turning it into an office for the statistical branch. In addition to that we have these extra sums for Rideau Hall. Surely, Mr. Chairman, it is time that parliament seriously faced its duty here and insisted that the government should curtail these extravagances. If the Prime Minister had come to parliament this session and asked for half a million dollars to proceed with the general scheme of development of this capital city, I do not think there would have been any very great objection; but he actually asks for four or five million dollars, with no assurance whatever that this will be the end of the expenditure. This, I submit, is carrying the matter altogether too far.

It may seem almost ridiculous to drop from four or five million dollars down to eight thousand dollars, but after all eight thousand dollars is a considerable sum. The minister gets eight thousand dollars for the buildings which are included in the purchase price of the property, and I have no doubt that they were valued at a hundred thousand dollars. Will the minister tell us? I venture to say that that is about the figure. He sells the buildings for eight thousand dollars. If I am wrong the minister will correct me, for undoubtedly he has the particulars. Not only is there this great sacrifice, but the contractor who clears away the buildings leaves hundreds of tons of debris on the site, and we are now paying seven hundred dollars to clear off that debris. Then he is going to spend thirty thousands dollars or thereabouts to improve the property.

Another complaint I have is that the vote as it appears in the estimates is entirely misleading. It reads:

Ottawa post office—addition.

Mr. ELLIOTT: My hon. friend is wrong. He is referring to the item above:

Ottawa—improvement of square west of post office.

Mr. STEVENS: That is right. But there is another item "Ottawa post office—addition —$30,000" right below that. I forgot to include this vote. This too must go into the beuatification scheme?

Mr. ELLIOTT: When we reach the item I will give the particulars.

Mr. STEVENS: Will the minister answer me now; is it going into the beautification scheme?

Mr. ELLIOTT: No. This addition is for the purpose of providing a covered entrance to the post office for the vehicles that are taking the mails in and out, and for increased postal facilities.

Mr. STEVENS: It is on the property immediately to the west of the present post office, and actually connected with the property we are now discussing. The only reason for putting that cover there is to cover up what was previously the back door of the post office, which will now be fronting on this park area. So that we can add another $30,000, made necessary unquestionably by the cleaning up of the property. I submit to the committee that this is the grossest form of extravagance; there is no justification whatever for it. One half of the members sitting on the other side know in their hearts at this moment that it is an unjustifiable extravagance on the part of the government, and the only reason on earth why they are voting for it is simply to maintain in power the government they happen to be supporting at the present time.

Mr. BOYS: I have been trying to find out where the square is to be paved. I understand that the property we are discussing is bounded on the east by the post office, on the north by Wellington street, on the west by Elgin street and on the south by Rideau street, or the continuation of Sparks street. Am I to understand that the whole of that is to be paved? If that is so you are going to have cement within 66 feet of the buildings which we pass on the west side of Elgin street immediately we leave the parliament grounds. In that case you will have no driveway whatever up to the parliament buildings, which certainly we were led to believe by the Prime Minister when he made his address during the discussion of this subject. And the plan handed to us plainly shows that this is the intention. It may be that this has to be altered slightly; but is it possible that this pavement is going to continue within 66 feet—that is the ordinary width of a street—of the eastern boundary of Elgin street? In other words, when you have the improvements made along the canal and someone, driving along the driveway, wants to reach this building, he must go into Rideau street until he comes to the 66-foot strip of roadway, along which people drive to-day if they want to get to the parliament buildings. One can understand that if the driveway were to conform to the plan which has been exhibited, it would go right to the centre of the property, and at all events there would be continuity of approach to the parliament buildings from the Rideau canal driveway, up through the southeast corner. I want to find out whether it is the intention of the minister to pave the whole square. Unless you are to have motors driving over the whole of the pavement you will have no entrance at all to the parliament buildings in line with the driveway which is supposed to lead up to them. The committee should be informed on this point.

The minister says this is a tentative plan. Is it possible that the government have come to parliament for this vast sum of money without having before them a solitary plan which can be described as in any degree a definite scheme of improvement, and that the whole proposition is merely tentative? I can only say in all sincerity to the minister, if that is so—and that is the impression he leaves with the committee—it is not business, it is not common sense, it is not fair to those of us who want to take the slightest interest in the matter, to ask us to vote in this blind manner. I cannot conceive that there is any member prepared to vote this money to pave that square and not leave a driveway leading up to the buildings. The only possible excuse for the work would be a driveway up to the southeast entrance to the grounds. It would be extravagant then, although there would be some justification for it. We have asked the minister to tell us what the area is that is to be paved; and I gather, when he tells me that the boundaries of the property are as I have indicated, that it must be as I have suggested: it is going to be paved to within 66 feet of the existing buildings on Elgin street on the western side. If that is so you will not have any entrance whatever to the grounds. I do not suppose that vehicles will be able to cross it very well; there will be railings or something to stop them. For that reason they will have to drive to the 66-foot driveway.

I want to be right on this matter; I do not wish to offer any objections that have no basis in commonsense. But as the minister has presented the matter to us, I think we have taken the proper interpretation from his statement. If there is some definite scheme, does not the minister think the committee should have it? Should not the committee be given some idea of the situation, by means, for example, of some plan such as has appeared in the newspapers? This all came out in the newspapers, and I presume the gov-

ernment must have known the newspapers were getting it. It appeared in connection with the published address of the Prime Minister. Now we are told that the whole thing is only tentative.

Mr. ELLIOTT: As regards the width of the pavement, my hon. friend and I are absolutely in agreement. It is not to be limited to the 64 feet he speaks of.

Mr. BOYS: Is the driveway to go through the centre of this very property we are discussing?

Mr. ELLIOTT: That was not the intention at the time the estimate was prepared.

Mr. BOYS: It is the intention according to the plan.

Mr. ELLIOTT: The plan which my hon friend has in his hand is that of the Federal District Commission. The department intends to meet their views as far as it possibly can, so as to make what eventually will be a uniform scheme of beautification for the whole area that is being improved. So far as the pavement is concerned, what was contemplated was a certain amount of paving, flagstones to be laid down on a portion of it, with trees in between so as to produce the most attractive kind of park.

Mr. BOYS: I do not want to interrupt the minister, but this is such an appropriate time to ask the question that I can hardly resist. Am I to understand that there is some more definite scheme—something which is not tentative—showing exactly how this is to be paved?

Mr. ELLIOTT: It is not settled as to exactly how it is to be done.

Mr. BOYS: Then it simply means that the minister has come to parliament for money, not knowing where in the world the paving is to be done, where the flagstones will be laid, or anything else in connection with the matter. When he came and asked for the money, one would have thought that an engineer or an architect would have been employed to lay the thing out in accordance with plans of the department, and that upon that basis an estimate would have been made. I can hardly imagine that the minister has come without that information. If so, he has come altogether too soon.

Mr. ELLIOTT: What we have in the estimates is the recommendation of the architect.

Mr. STEVENS: Read it.

Mr. ELLIOTT: It was made on the fifth of January, before the estimates were prepared.

Mr. STEVENS: Read it.

[Mr. Boys.]

Mr. ELLIOTT: I have given my hon. friend the details. The chief architect reported on the matter on January 5, 1928. He made the statement that until it was actually decided what was to be done in connection with this property, it was impossible to prepare an accurate estimate, but he considered the following items to represent the minimum cost: Pavement, 4,000 yards at $4, $16,000; grading, $4,000; new sidewalks, $1,440; drainage, surface drains, manholes, catchbasins, electric light poles and so forth, say, $5,000. This represents a total of $26,440. He provides for contingencies, $2,000, making a total of $28,440; and he suggests that a sum of $30,000 be placed in the estimates.

Mr. BOYS: Then supposing we are in a motor car at the Russell hotel corner near the post office, and we want to drive to the parliament buildings. After this contemplated work is done, what course will that car follow to reach the southeast entrance to these grounds? Must we drive in front of the Russell house along Sparks or Rideau street, and then having reached Elgin street must we turn up just as the cars do now?

Mr. ELLIOTT: No; the plan which my hon. friend has before him will show what is contemplated.

Mr. BOYS: Then I can only say that the proposition before the committee is absolutely ridiculous, because the plan shows a driveway running diagonally through this property from the corner of the driveway up to the southeast entrance to these grounds. If that were the scheme there would be some continuity to it, but the minister has told the committee that this amount is required to pave the whole of this area; he has left the impression that when the work is finished there will be nothing but pavement in that area and the driveways will remain as they are at present. If an architect has been dealing with this matter surely he must know where the driveway is to be and surely the committee should be given that information. I will ask the minister to furnish that information before the item passes.

Mr. ELLIOTT: I think I have already said that if the scheme of the Federal District Commission as shown by that plan is followed, it alters the recommendation made by the architect on January 5, before that plan was drawn and before these estimates were printed. However, probably it does not much alter the actual expenditure which will be required.

Mr. BOYS: The minister makes it very plain; it simply means that his department and the Federal District Commission have not got together. In the meantime they are going to spend $30,000 to pave that whole square, and when the driveway comes through the centre of the pavement for which we are now paying that money, it will be ripped up again.

Mr. ELLIOTT: I will admit very frankly that the details of the plan have been varied since this estimate was prepared and printed, but I understand that if we act in accordance with the plan of the Federal District Commission, as my hon. friend has it before him, the cost will be approximately the sum for which we are now asking.

Mr. MACKENZIE KING: In the discussion which is taking place before the committee I think the house has lost sight of the decision it reached two or three years ago, at the time of the Ottawa centenary. Hon. members will recall that at that time it was suggested that a small park be constructed in the centre of the city between the post office and Elgin street and between Wellington and Sparks streets. That park was to be a contribution from the Dominion government to the city of Ottawa in connection with the centenary which was being celebrated in that year. The project was so presented to the house, and we voted the money for the purpose of constructing the square in that place. That is the square about which we are speaking this afternoon.

In connection with the properties which were to be demolished, there were some which had been purchased by a previous administration and already belonged to the government of Canada, but a few remained which were of a rather dilapidated appearance and obviously of no great value. It was felt by the present administration, having regard to the location of these buildings, that it would be much in the interest of the improvement of the surroundings of the parliament buildings to have an open square in that location. The estimate was presented to the house, which supported a vote for that purpose.

Mr. BOYS: May I not fairly say that the house thought, from the plan which was submitted, that the driveway was going through the centre of this square to the southeast entrance to the parliament grounds?

Mr. MACKENZIE KING: No, at that time there was no talk of a driveway at all.

Mr. BOYS: The plans were handed out.

Mr. MACKENZIE KING: No; my hon. friend has not heard what I said or he would have understood differently. I am recalling to his mind a vote which I think he supported in this house two or three years ago to create a square—and I use the word "square" in a general sense to describe the area—between Sparks street and Wellington street, between the post office and Elgin street, which was to be known as By park, or to be associated in some way with the name of Colonel By, it being the year of the Ottawa centenary. The appropriation for that square was voted by this parliament. That involved taking down the buildings which were there and arranging for a park area in that space.

Mr. BOYS: I have no recollection of supporting any such vote.

Mr. MACKENZIE KING: If my hon. friend will consult Hansard he will find that I am correct in my statement, and I will be surprised if he did not support the appropriation which was made at that time. At all events, my recollection is that the appropriation was made with comparatively little opposition in parliament, although I remember that the hon. member for Frontenac (Mr. Edwards) did take exception to the expenditure and asked whether it was the intention of the government to tear down the post office. I recall that I answered that it was not the intention to tear down the post office, but that it was proposed to convert into a square the area I have already mentioned. Parliament voted the money for that purpose and some buildings were torn down, and part of the undertaking of the government was to have that area put into a park-like condition. At that time it was contemplated that trees would be planted and perhaps a fountain placed in the centre, with walks arranged diagonally throughout the square. Some such plan was in contemplation by the government with regard to this area and it is to complete that part of the work, which is to be carried on independently by the government as apart from the Federal District Commission, that this amount is now being requested. If hon. members, in passing by, have observed that area they will have noticed that at present there are the remains of old basements and foundations which have not been removed. Apparently the persons who salvaged the buildings made an arrangement which only involved taking away the buildings, and the amount they received was fixed accordingly. No doubt if they had been

expected to remove the foundation and substitute earth for what is now stone, brick and empty space, they would have demanded a much larger sum for the undertaking.

Now may I come to the other project which is in hand. If hon. members will follow the development in the natural order of things, an order which was unforeseen at that particular time, I doubt very much if they will wish to press unduly the exceptions they are now taking to what is further planned. Last fall the government were informed that the Russell hotel was to be demolished, and the Federal District Commission which has to do with the improvement of the city came before the government and intimated that in their opinion it would be a great mistake, having regard to the future development of Ottawa, to allow another hotel building to be constructed on that site. They told us that if some steps were not taken at that time probably for all time to come it would be impossible to enlarge the open area in the heart of this city, an enlargement which is very much needed in the capital, as any one who seeks to cross the street anywhere between here and the old Russell house or the post office will soon observe. That portion of the capital is becoming more and more congested. The commission drew attention to the fact that the part we have now been discussing was going to be made into a park. They drew attention also to the fact that to the east of the Russell house there was already a park-like stretch between the Russell house and the canal, and that if the government was to acquire the Russell house property, the Dominion would then own a very large area right in the heart of the city, an area that could be developed in connection with the smaller park scheme in a way which would give the capital what was needed for better road accommodation, for a more adequate approach to the parliament buildings, for more in the way of much needed open space and, incidentally, adornment of the city itself. When this proposition was presented to the government we had to decide without delay whether or not we would authorize the commission to expropriate the Russell house property; and the expropriation was taken at the time because, as I have already said, it was the one moment at which the decision had to be made.

The commission in presenting its plan to the government has presented what my hon. friend has alluded to this afternoon, a diagram which outlines what they have in contemplation, and that outline is undoubtedly

[Mr. Mackenzie King.]

an approach connecting with the other parks in the city from the Laurier avenue bridge to the houses of parliament, very much in accordance with what was recommended by the commission which was appointed by Sir Robert Borden to plan the capital. All that was fully discussed when we were considering the proposed appropriation to the Federal District Commission.

It is true that at the moment these two matters come to be linked together, but I think it is only right that they should be kept distinct in the minds of hon. members of the house in recognizing what are the respective obligations. The government has an obligation with regard to this By park area to complete it and put it into a form to harmonize with the work done by the Federal District Commission. It is for that we are asking for this $30,000 appropriation.

Reference has been made to the post office improvement item, which comes a little lower down. When the large buildings which were in front of the post office were torn down, they did disclose a side of the post office that formerly had not been seen from the public thoroughfares; and the post office officials, I understand intimated to the Department of Public Works that they were in need of more space in the post office, and also that they wished to have that particular approach to the post office enclosed, so that in the winter months their vehicles could load under cover and without being exposed to the coldness of the winter season. Having in mind the changes that would be necessary to give additional space and to make that enclosure, the architects of the Department of Public Works estimated that a sum of $30,000 would be required. I understand that the minister has since come to the conclusion that what is required in the way of additional space can not be met adequately in the manner in which he had previously thought, and that instead of asking for the $30,000 needed to give the additional space, he intends to reduce the estimate to a smaller amount and ask only for what will be necessary to make a satisfactory enclosure for the trucks and vehicles that carry away the mail.

My hon. friend from Vancouver Centre (Mr. Stevens) has brought together a number of items of expenditure. It does so happen that a good many expenditures with respect to public buildings are falling on the present administration in the meeting of public needs at this particular time, but that is simply because for the last five years, or since this administration has been in office, we have resolutely refused to meet many of the demands for much needed public buildings.

Mr. STEVENS: Will the Prime Minister permit me to say I did not quote a single item in connection with public buildings in Ottawa. I purposely excluded them, using only items applicable to the beautifying of Ottawa scheme.

Mr. MACKENZIE KING: My hon. friend spoke of the Edwards mills property, and that is property purchased for the purpose amongst other reasons of giving accommodation, for office buildings.

Mr. STEVENS: Surely the Prime Minister does not mean that they are purchasing at $500,000, the Edwards mill property at the Rideau for the purpose of office accommodation?

Mr. MACKENZIE KING: The buildings are already there. The Minister of Public Works first made a complete survey of available buildings in the city, and found out that those buildings are not only more accessible but better suited to the needs of the government at the moment than any other property we can obtain in the city.

Mr. STEVENS: For which he is paying $500,000 or more.

Mr. MACKENZIE KING: We can discuss that item when we come to it. What I wish to make clear to the committee is that we have been criticized over and over again by hon. gentlemen opposite for continuing to pay rents to different companies in this city for space for office accommodation. No one has been stronger in his criticism of the administration in that particular than has the leader of the opposition; and he has repeatedly said that he would not only favour but would support the administration in a plan which would have regard to the government owning its buildings for accommodation of the public services, provided that was carried out in accordance with a general scheme or plan. That is precisely what the administration is seeking to do. As hon. members know, the government of Sir Robert Borden purchased property along the bank of the Ottawa river, near the supreme court, and called for plans of departmental buildings to be erected there. I think the property I speak of was acquired as long ago as 1914. The plans have been in existence ever since Sir Robert Borden's government went out of office. The present administration are taking those plans and are asking parliament to vote what is necessary to enable a section of those departmental buildings to be erected there. In order to have the buildings erected there, it is necessary to remove the temporary quarters in which some of the government offices have been placed, the offices which are located in that part of the city; among the number are included the statistical branch of the government with many valuable records. It so happens that the Edwards mills property which has been mentioned is a fireproof property, and the documents and records can be kept there under the existing arrangement, and the whole property can be put into a form which will be satisfactory at very little cost to the government and render it available for office use and for other purposes for years to come. It is for that reason, to avoid seeking some other quarters where rents will have to be paid that the government has thought it wise to ask parliament to appropriate an amount for the purchase of that property.

Mr. BENNETT: A planing mill will not be fireproof.

Mr. MACKENZIE KING: My hon. friend will find that a large sum of money was spent when those buildings were constructed years ago. They are fireproof buildings and very much better fitted for accommodation than any other buildings we know of.

All I wish to make clear to hon. members is that if these votes are analyzed one by one the house will see that each one is justified in the circumstances which have brought it into existence. It does happen that many of them come together at the same time. As was explained in reference to the citadel at Quebec, and as will be explained later in reference to Government House at Ottawa, during the period of the war and for the succeeding years little or no expenditures were made on these premises, and they have as a consequence been allowed to run down. At some stage some government has to assume the necessary obligation, difficult as it may be, and liable to misinterpretation, as is certainly the case at the present time. We have, however, felt it a duty we owe to the country to undertake to meet this obvious obligation without further delay.

Mr. BOYS: Would the Prime Minister mind telling the committee how we shall reach the southeast entrance of these grounds supposing we have a motor car at the east end of the Russell building? I am asking him to bear in mind what has been mentioned, namely, that the whole area is to be paved.

Mr. MACKENZIE KING: My hon. friend's question is one that I hardly expected to receive from him because after all it is a matter

of a very minor detail as to just where a particular road is to run, but if I can assist him at all to visualize the plan proposed I shall be happy to do so. As I understand it, the plan which the Federal District Commission has in mind is to have a roadway that, immediately as one leaves the eastern gate of these grounds, will run directly across what is a portion or corner of the property now being cleared. It will approach a central area which will be situated in what is at the moment a part of Sparks street, here the driveway will encroach upon this park area, a part of what is now the Russell house property, a part of it will be a one-way driveway for vehicles. Having passed around one-half of the circle the driveway will continue on towards Laurier avenue bridge. Expressed in terms of coming up the other way, from Laurier avenue bridge, what the commission has planned is a driveway that will run diagonally from the canal at the point at which it passes under Laurier avenue bridge, to the eastern gate of Parliament Hill grounds, which driveway will command all the way a more or less immediate view of the main tower of the parliament buildings.

Mr. BOYS: That shows that the pavement will have to be ripped up later on when the improvement is to be gone on with.

Mr. MACKENZIE KING: I have every reason to believe that the Federal District Commission is co-operating with the Department of Public Works in regard to the plans that will be worked out. There will be no duplication. Nothing will be done in the way of expenditure which will involve further changes later on.

Mr. WOODSWORTH: Why should the development not be turned over to the Federal District Commission?

Mr. MACKENZIE KING: That is exactly what will be done in large part. As I explained a moment ago, the government itself is committed to the development of that particular portion. That is an obligation which we have assumed and we are simply carrying out our part of it, but it will be carried out in connection with the improvement commission and the work they are doing. They will doubtless make the general plan, and the government will perform its part in relation thereto.

Mr. STEVENS: I desire to direct attention to the argument of the Prime Minister that he is making a great saving by securing the New Edinburgh mills for housing the Bureau of Statistics.

Mr. MACKENZIE KING: We will come to that vote later.

Mr. STEVENS: That point has been raised. The Prime Minister says, to use his own words, that this is to avoid getting other expensive property, so that it is to be a saving. We are paying more than $500,000 for the New Edinburgh mill property; it will cost a substantial sum to remodel the sawmill and the mill, and the only building suitable for office purposes is the office building, which is comparatively small. That means that at 4½ per cent per annum we shall pay interest to the extent of at least $22,500 on this property, taking it on a basis of $500,000. Surely the Prime Minister does not for a moment suggest that it is good business to acquire property at an interest charge of $22,500 per annum to house the Bureau of Statistics. The Prime Minister must know that is not the object at all. The object in securing the New Edinburgh mill property at $500,000 and more, is simply to acquire it, if there is an excuse at all, for the purpose of a park.

Mr. MACKENZIE KING: Not at all.

Mr. STEVENS: If it is not for park purposes, the expenditure is absolutely inexcusable. And by the way, I am informed that the same property was offered a year or two ago for $250,000.

Mr. STEWART (Edmonton): I can disabuse my hon. friend's mind on that point because on behalf of the government I have tried for four or five years to secure the property and the lowest price I could get was $400,000 or $500,000.

Mr. ADSHEAD: Where is the item in the estimates?

Mr. STEVENS: I do not think it is in the estimates. Surely the hon. gentleman who has raised the objection is prepared to consider the total we are paying out in Ottawa for what I consider luxuries and extravagance.

Mr. ADSHEAD: Where is the $500,000 in the estimates?

Mr. STEVENS: It is not in the estimates.

Mr. ADSHEAD: Then how can we discuss it?

Mr. STEVENS: I am telling my hon. friend that the government has acquired a property to which they are going to move the Bureau of Statistics although they have not paid for the property and have not inserted an appropriation for it in the esti-

mates. If there were no other reason, the one my hon. friend advances would justify our holding the committee up until the government tell us why they have bought this property without having any appropriation for it in the estimates. We should have an estimate brought before parliament showing the necessity for the expenditure. We have the same thing in connection with the property between Wellington and Sparks streets. With the exception of the notice of appropriation, it has not passed into the possession of the government. I have in my hand the minister's statement that he has acquired the property on Wellington and Sparks streets, and he does not know yet what it is going to cost. He says that he has offered $600,000 for it, but he does not know whether he will have to pay $600,000 or more, and indeed the cost may be a million. Hon. gentlemen are blindly passing these estimates and yet we are chided for holding the government up. It is suggested, because the government have not, forsooth, done their duty in telling parliament what they propose to do, that we should not discuss the matter. I want to say that I will discuss it even in the face of a decision of any authority in the house.

Mr. CASGRAIN: Go ahead and discuss it.

Mr. LAPOINTE: The hon. member must observe the rules.

Mr. STEVENS: I will observe the rules to a certain point, but if there is any effort to gag the house by an improper application of the rules I will not be a party to that.

Mr. LAPOINTE: Who wants to gag my hon. friend?

Mr. STEVENS: The point is this. The government have acquired a property and have committed themselves to an expenditure of a minimum of $500,000 for the New Edinburgh property. That calls for an interest charge of $22,500 per annum at 4½ per cent. The minister informed us a moment ago—and I am not trespassing the rules any more than he is—that he proposes to bring in a supplementary estimate for a further expenditure for the New Edinburgh property for the purpose of providing accommodation for the Bureau of Statistics. Then we are told by the Prime Minister as a justification for that: Is it not better to pay $500,000 to house the Bureau of Statistics than to rent or secure property elsewhere? The Prime Minister last year brought forward the suggestion that we should go ahead with the proposed departmental buildings in Ottawa and on that occasion we gave him a vote of $500,000 to commence the erection of a building to house various branches of the public service. What have they done? All they have done so far is to lay a corner stone. Certainly we require public buildings to house the public service of Ottawa. At the present time we are paying $780,000 a year in rent—correct me if I am wrong—and this very year we are entering into new leases which will tie the hands of parliament and the government for years to come. Moreover, we are spending $4,380,000 in addition in what I claim is luxurious and unnecessary expenditure, and it commits us for fifteen years longer. Then we are chided because we bring these matters to the attention of the house.

Mr. VALLANCE: May I ask my hon. friend a question? Was the proposal for the purchase of the property in Vancouver for the hotel that was then projected submitted to this parliament when the hon. gentleman was in power?

Mr. STEVENS: It was not done when I was in power. If the committee desire to hear about that, I can tell them the whole story, as the Minister of Railways can verify. The property he refers to was bought as the result of an agreement entered into between the city of Vancouver and the Canadian Northern in 1913. The Canadian Northern was taken over by the Canadian National, and Sir Henry Thornton, on pressure from the city of Vancouver, made a revision of the agreement which was to be carried out last year. The revision was made by the city solicitor, Mr. McCrossan, with the authority of the Canadian National railways, as I think the Minister of Railways will say, with his knowledge and authority.

Mr. DUNNING: No. If we are going to get out of order this far, Mr. Chairman, I shall want to debate this subject.

Mr. STEVENS: I was only answering a question. If the minister objects—

Mr. DUNNING: My hon. friend must know that his last remarks are not at all correct and are not a full presentation of the facts.

The CHAIRMAN: The matter is certainly not relevant to the vote under consideration. It might properly be discussed under vote 132, which deals with public buildings generally.

Mr. STEVENS: I was only answering a question. I quite agree that it was out of order, Mr. Chairman.

Mr. EVANS: The Minister of Public Works stated some time ago that there were 4,000 yards to be paved, and that it was going to cost $4 a yard. I was wondering what such heavy concrete was for. As part of the beautification scheme I cannot see it at all. The price of $4 a yard would indicate that it was to be used for some very heavy work. Are we going to put up fortifications?

Mr. MACKENZIE KING: My hon. friend, if he heard what I said, will understand that what is contemplated is making such changes in relation to the other improvements that are to be made,, as are necessary to put that square into proper condition; and when the improvements are made I think he will be able to judge whether or not the expenditure has been extravagant. He can feel assured that with a view to economy the government will watch over the details as to how much paving there is to be, and the like.

Mr. MALCOLM: I should like to make an observation in connection with this vote, because my hon. friend the member for Vancouver Centre has left an entirely false impression with regard to what he terms extravagance on the part of the government in the purchase of certain properties. The bureau of statistics comes under the department which I have the honour to administer, and one of the reasons why the building has not been erected on Wellington street, as provided for some years ago, was the problem of finding suitable quarters for the bureau, which is the first building that is to be demolished. I was consulted by the Minister of Public Works. I say frankly to the house that I was not particularly in favour of purchasing the New Edinburgh mills. The Bureau of Statistics requires 41,000 feet of space to house it properly. There was no such amount of space available except in the new building which was being erected on Wellington street, which space we could not secure for less than $1.25 per foot per annum. So we were facing an annual expenditure of over $47,000 to house the bureau in rented property. I was of the impression that the New Edinburgh mill property was an old property—

Mr. BENNETT: Over twenty years old.

Mr. MALCOLM: I quite admit that, but a building of good brick and concrete construction, and when I saw the buildings, as a manufacturer knowing something about mill property and buildings I was utterly surprised at the value of this property. I will say to my hon. friend from Vancouver Centre that he cannot replace those buildings to-day, giving the same amount of floor space, at modern construction prices, including the head office, which is a very fine building, for less than $350,000 or $400,000. The property at half a million dollars is extremely cheap when you take into consideration the fact that it comprises the whole bank of the river right down to the residence of the late Sir John A. Macdonald, "Earnscliffe." There is one building on the property which contains over 50,000 feet of floor space; I think it is 600 feet long and 60 or 70 feet wide. This building, with a reasonable amount of alteration, would provide at least temporary housing for the Bureau of Statistics for a few years, until probably at some future date a more central location can be provided for the bureau. I say to the committee quite frankly that in the first instance I was opposed to putting the Bureau of Statistics in this property because of its location, but if we were to go ahead with the buildings which were to be erected on Wellington street, I had to withdraw my objections, and I may say that they were very easily withdrawn when this property was offered to the government at the price it was. I may take the committee into my confidence further and say that the price asked for that property was not $500,000, but $750,000, and there was a very considerable amount of negotiating done before it was secured for $500,000.

There is another point. We have to find a property in which to locate what this house I believe almost unanimously supports, and that is a research laboratory in Ottawa. In order to get the national research board functioning, we had to find some quarters for them, and the offices of the New Edinburgh mills provide ideal quarters, in the opinion of the board, for them to make a start in. Another part of this building can be used as temporary quarters for the research laboratory, without any very great expense, and that will enable us to make headway in co-ordinating the research work of this Dominion without extra expenditure.

I put it to the committee frankly as a business man, not as a member of the government, that the space available in the New Edinburgh mills property will save this government, not $50,000, not $100,000, but $150,000 per annum in rentals which we would otherwise have to pay if we went out to

lease property at the prices landlords are asking to-day.

My hon. friend suggests 4½ per cent. Let us take it at 5 per cent. The cost of the New Edinburgh mill property to be used by the bureau of statistics at 5 per cent would take $30,000, if we charged it all to the bureau. Suppose it takes $10,000 to paint and plaster and put the building into shape, so that the Bureau of Statistics can move in. The floors are solid, and will support heavy machinery. If you add another $5,000 for interest, this one building alone will absorb the whole amount of money chargeable to interest and really save us money on what we would have to pay if we rented any other property at the rentals asked to-day. So I feel that the committee is not ill-advised in accepting the purchase of this property, even as temporary quarters, for those who have to be turned out in order to allow the new buildings to be erected on Wellington street.

Mr. CHAPLIN: Let me ask the minister one question: Does he think the New Edinburgh mills property is a fit place in which to put the statistical branch?

Mr. MALCOLM: I think it is the best available place while our new buildings are being erected.

Mr. CHAPLIN: Mr. Chairman, the minister told us it was a fit place for temporary quarters.

Mr. MALCOLM: For several years.

Mr. CHAPLIN: The Minister of Public Works told us last night that he expected the statistical branch would be there for the next fifteen or twenty years.

Mr. ELLIOTT: I said for a number of years.

Mr. CHAPLIN: He said the branch would be there for quite a long time. That does not mean one or two years. The minister was asked if they were temporary quarters, and he said they were not to be considered as temporary.

Mr. MALCOLM: I know my hon. friend is interested in the statistical branch, having been minister of the department at one time.

Mr. CHAPLIN: I object to moving the statistical branch out to the mills, a mile and a half away, because I use the branch a good deal and I want it to be where I can get at it without having to travel a considerable distance. I think a good many members feel the same way.

Mr. MALCOLM: My hon. friend is quite right in his objection, and no one will feel the inconvenience of the new location of the branch more than the minister in charge of the department. But I ask him this question: Is it fair to criticize the government for extravagance when they take property that is going to result in economies, and at the same time criticize them for not getting a convenient location which would cost a lot of money? He cannot have both.

Mr. BENNETT: You could have.

The CHAIRMAN (Mr. Power): May I call the attention of the committee to the fact that we are discussing an item of $30,000 for improvement of the square west of the post office, Ottawa. I permitted discussion on some other building because it appeared to me to be by unanimous consent. I have no objection to its being so continued but I think hon. members should confine themselves to the item before the committee and the amendment.

Mr. CHAPLIN: Why did not the chairman call our attention to it a long time ago before other members got into the discussion?

The CHAIRMAN (Mr. Power): I allowed the discussion to continue because it appeared to me to be by unanimous consent of the committee. If all hon. gentlemen have spoken on the other building, I do not think they will take it amiss if I call them to order should they stray from the point in future.

Mr. BENNETT: I have followed the minister's explanation with some interest. I should like to know whether it is not a fact that considerable horsepower is available on the property which could be used to supply the government buildings. You have your wheels and other machinery there. I thought probably that was the basis of the purchase.

Mr. MALCOLM: If the chairman will allow this discussion to continue a little further by unanimous consent, I desire to say that the leader of the opposition has brought to the attention of the committee one very valuable asset in connection with this property, which may be of considerable importance in deciding its value when the time comes to discuss it. There is a small waterpower on the property. I thank the hon. gentleman for bringing it to our notice.

Mr. GARLAND (Carleton): I was in favour of the three million dollar vote for the beautification of the city; but I agree with the hon. member for Frontenac (Mr. Edwards) that five thousand dollars is ample to level this property. Before the buildings

were demolished the property was assessed for $56,000. The contractors paid to the government $8,311 for the buildings, and I think they made enough money out of material they salvaged to have left the site in proper condition. The work is being done now in such a way that it should not cost a fifth of the amount proposed by my hon. friend from Frontenac; in fact the site is virtually not being levelled at all. I am going to vote for the amendment, because I believe that if the work were left to the Federal District Commission they would get it done for very much less than $30,000, without interfering at all with the beautification scheme.

Amendment (Mr. Edwards, Frontenac) negatived: yeas, 33; nays, 62.

The CHAIRMAN (Mr. Power): I declare the amendment lost. Shall the item carry?

Mr. EDWARDS (Frontenac): Mr. Chairman, this property was assessed for $312,000, of which $256,000 covered the land. The item of $30,000 for levelling the site is about one-eighth the assessed value of the whole property. Already, $843.55 has been paid in legal fees in connection with expropriation proceedings, and $6,500 for commissions, to Mr. Foley and Mr. Ross on the acquisition of the property. The minister has told us that the contract entered into with the parties who were to demolish and remove the buildings covered the clearing of the site, but that the work having been done during the winter frost interferred with the operations, and the contractors made an allowance of $700 to the government in lieu of completing their work. In other words, in the estimation of the government $700 was all that should be paid for the work of levelling the site, for which we are now asked to vote $30,000.

An hon. MEMBER: No.

Mr. EDWARDS (Frontenac): I am taking the minister's own words.

Mr. ELLIOTT: Will my hon. friend permit me? I thought I made it perfectly clear that the $700 was the allowance for the work which the contractors had not done at the time it was taken over by the government, and which, on an estimate by the officials of the department, we thought we could do for $700. It has no relation whatever to anything provided for in the vote of $30,000.

Mr. EDWARDS (Frontenac): The contract required the parties who tore down these buildings to leave the site in proper condition; they did not carry out their contract, and $700 was considered by the government to be the cost of completing the work, and they accepted this sum from the contractors. Now the government are asking for $30,000 for covering this spot with concrete. It may be the intention of the government to force through every item they have on their list, regardless of any reasons advanced on this side of the house as to whether they should do so or not. However, I propose to test the matter a little further and I move therefore that this vote of $30,000 for the improvement of the square west of the post office be reduced by $15,000. This will leave $15,000 to improve the property—at least to level the place off, to plant a few trees and to put down some concrete, if the government are disposed to resort to that for beautifying purposes.

The CHAIRMAN (Mr. Power): the hon. member for Frontenac-Addington (Mr. Edwards) moves that the item, "Ottawa—improvement of square west of post office, $30,000", be reduced by $15,000. Is it the pleasure of the committee to adopt the motion?

Amendment negatived: yeas, 33; nays, 52.

Item agreed to.

Ottawa — Laboratory for Department of Mines, Booth street, $50,000.

Mr. FRASER: How much was spent of last year's vote?

Mr. ELLIOTT: Up to the thirty-first of March last, $42,473.41.

Mr. FRASER: For what purpose?

Mr. ELLIOTT: Tenders were called.

Mr. FRASER: Were they advertised?

Mr. ELLIOTT: Yes; they were advertised and the lowest tender accepted. There were four tenders: Alexander I. Garvock, $48,659; E. Monette, $50,400; Ross Meagher, Limited, $55,567; T. C. James, $66,909.

Mr. FRASER: Is the contract completed?

Mr. ELLIOTT: No. What was done last year was work on the skeleton of the building. The $50,000 was required to complete the erection of a fuel testing laboratory for the Department of Mines at the Booth street experimental station. The skeleton of this building was erected during the year 1927-28 by Mr. A. I. Garvock of Ottawa at a contract price of $48,659. It is necessary to com-

plete the building during 1928-29 by performing all the interior finish to the structure, and for that purpose the $50,000 asked for is required.

Mr. FRASER: Will this building be in connection with the other laboratory we have here?

Mr. ELLIOTT: What laboratory?

Mr. FRASER: Will it be in connection with the research laboratory? Will it be in the same location?

Mr. ELLIOTT: No.

Mr. FRASER: They will not be together?

Mr. ELLIOTT: No.

Mr. FRASER: Why should they not be together?

Mr. ELLIOTT: Does my hon. friend mean the research buildings? It is proposed to erect them on the property which is to be purchased on Sussex street, the property referred to this afternoon.

Mr. FRASER: The two are a good distance apart?

Mr. ELLIOTT: Yes.

Mr. FRASER: Why should they not be together?

Mr. STEWART (Edmonton): Perhaps I may answer the question. The Booth street laboratory has been in existence for a number of years and we have been adding to it from time to time. This is to take care of fuel testing. A structure was put up last year at a cost of $48,000, and this is to complete the building. There is a battery of fuel and metallurgical testing laboratories on Booth street, and it was deemed advisable to provide this building. There would not be room in that location for the construction of general laboratories such as are proposed in the scientific research council's program. The two branches will, however, be affiliated and this one will work in with the general scheme.

Mr. ROSS (Kingston): Is it proposed, in connection with the research council's laboratory, to have a section devoted to mining research? I should think that work of this character would constitute research.

Mr. STEWART (Edmonton): I do not follow my hon. friend.

Mr. ROSS (Kingston): In the work of the research laboratory I should think that mining would form a big factor.

Mr. STEWART (Edmonton): Yes.

Mr. ROSS (Kingston): Fuel testing is as much research as anything can be. It would appear that this was going to be another greenhouse—an absolute waste of money.

Mr. STEWART (Edmonton): We have been doing all our fuel research work there.

Mr. ARTHURS: Not on Booth street.

Mr. STEWART (Edmonton: The analysis of ores and certain research work we have been doing on Sussex street, but the operations have been disjointed, and our fuel testing laboratories have really not been laboratories at all. We have no facilities for doing the work. But there is a sufficient property on Booth street to offer accommodation and that will be necessary for mining research work. It is not, however adequate for the purposes of a general laboratory.

Mr. ROSS (Kingston): Then the mining research laboratory will be distinct from the main research laboratory?

Mr. STEWART (Edmonton): Only in so far as mining is concerned.

Mr. ROSS (Kingston): What will be done in the other research laboratory?

Mr. STEWART (Edmonton): General research of every character will be carried on. I am not familiar with the program, but it has been fairly well outlined in the report of the chairman. The department has been carrying on the work for a number of years, doing its testing on Booth street, with the single exception of ceramics, in connection with which the work has been done on Sussex street.

Mr. ROSS (Kingston): Does not the minister think it would be a good policy to have everything together and save us building two greenhouses and two or three laboratories?

Mr. STEWART (Edmonton): I can assure my hon. friend that all our oil and mineral research work will be done down on Booth street. We have rented premises in which we are carrying out pulp and paper work.

Mr. FRASER: I should like to ask the minister whether the location of these proposed works has been reviewed by the national research council, and whether it has received their approval. I understand that we have a research council which is to take charge of all this work from a national point of view.

Here we are going on to build research buildings apparently not in the same location as the laboratories which will be used by the national research council. Have they been apprised of the location of these structures?

Mr. STEWART (Edmonton): They know all about it; they have been consulted.

Mr. FRASER: And have they approved of the location?

Mr. STEWART (Edmonton): Yes.

Mr. ROSS (Kingston): Later we have to consider a vote for research laboratories, and I should like to know whether this will be considered a research laboratory under that general scheme?

Mr. STEWART (Edmonton): Yes; unless there is a change in the plans it is the intention that all the mining research work in Ottawa will be carried on in these premises.

Mr. CANTLEY: May I ask the minister who is the head of the department which is carrying on this work?

Mr. STEWART (Edmonton): It is under the Department of Mines, over which I have control.

Mr. CANTLEY: Who is the practical man in charge of the work?

Mr. STEWART (Edmonton): The man in charge of this work is Mr. Haanel.

Mr. BENNETT: I am just going to make one observation with which I think the Prime Minister must agree. This idea of setting up three or four buildings, to be presided over by different ministers with respect to research work, is starting the wrong way. I mentioned that some time ago and I refer to it again to-day. Mining research work is perhaps as important as any research work in Canada, and when the buildings are put up on Sussex street, on that vast piece of land extending from the river down to Earnscliffe, there is ample room to take care of all the research operations, which should be together. I think the Prime Minister, who perhaps has had occasion when at Harvard to see the work they were doing and have since done in connection with the Boston School of Technology, will realize that it is desirable to have every class of research work brought together so that from a single nerve centre, if I may so express it, you can touch them all.

Mr. MACKENZIE KING: I agree entirely with my hon. friend, and anticipated the very point which he has raised. Before this item came up I discussed the matter with both the Minister of Mines and the Minister of Public Works and I was informed, as the house has been informed, that these premises have been used for this work for some time. Last session some provision was made for an enlargement, which is to be completed with this present vote. If we were to begin again I think we should follow what my hon. friend has said, but I do not believe it would be wise, when it can be used for this particular branch, to throw away the plant which is nearing completion and which will be completed when this amount is voted. Otherwise I certainly feel it would be advisable to have everything together.

Mr. BENNETT: I hope the Prime Minister will not think I am unduly insistent, but the Minister of Public Works stated that this was but a skeleton, and now we are going into the interior. I think that skeleton could be used for other purposes; we could still stop this vote and use it for the buildings on Sussex street. The further point I desired to make is this: Is this department to be brought under the control of Doctor Tory, or it is to be controlled by the minister and his deputy? That is rather important, as I think the Prime Minister will see.

Mr. STEWART (Edmonton): May I satisfy my hon. friend once and for all by saying that Doctor Tory has no more ardent supporter than myself. I would also say that we have delayed this work for nearly four years; we have put up with inadequate quarters and have been unable to give the information which the public and particularly the mining people are demanding. We have been awaiting some concrete scheme of this character, but we have put up this building and I would protest most vigorously if we are not to be given the opportunity of completing it and installing everything necessary to carry on the work immediately. I would remind my friend that the plant which is to be erected this year will not come into operation until next year, and we are anxious to get this plant going. We wish to install the machinery which we cannot now use in the winter months because of the inadequacy of the premises.

Mr. BENNETT: Will it be under the control of Doctor Tory?

Mr. STEWART (Edmonton): Yes, because the Deputy Minister of Mines is on his board, and every experiment carried on there will be co-ordinated with the work of the National Research Council.

Item agreed to.

Ottawa post office—addition, $30,000.

Mr. ELLIOTT: With regard to this item I would like to say that it is now thought that sufficient protection for the loading of the mails can be provided by a structure which will cost in the vicinity of $10,000, and I suggest that this vote be reduced

Mr. LAPOINTE: I move that this item be reduced by $20,000.

Motion agreed to.

Mr. McQUARRIE: What is this?

Mr. ELLIOTT: This is a covered way for the loading and unloading of wagons and various vehicles bringing mail to the post office.

Mr. McQUARRIE: Is this to be of a permanent or a temporaray character?

Mr. ELLIOTT: It will be reasonably permanent, in keeping with the structure.

Mr. McQUARRIE: I believe it is the intention of the government to remove the post office building altogether.

Mr. ELLIOTT: Some time in the future.

Mr. McQUARRIE: Would the minister care to express any opinion as to when that will be done?

Mr. ELLIOTT: That is very difficult to say.

Mr. CHAPLIN: Has the Postmaster General prepared any plans for this work, or has it met with the approval of his department? I am afraid that this post office will look like a wart on this new scheme of the Prime Minister's, and I do not believe it is a good plan to spend even $10,000 on this work. There has not been a covered way previously, so I believe it is not necessary now.

Mr. ELLIOTT: No doubt my hon. friend believes himself correct when he states that there has not been a covered way there previously, but that is not so. We have had a covered way.

Mr. CHAPLIN: Perhaps we could not see there and it was torn down. The minister should tell us what is the nature of the construction which is to go there. Is it to be a tin lean-to or something of that kind, or what is it to be?

Mr. ELLIOTT: When the $30,000 covering was under consideration it was intended to be of stone. That would be of a more permanent character than departmental officials thought necessary, in view of the fact that probably the building will be torn down some time in the not far distant future; and it is now considered that by an expenditure of $10,000 we can do very well for the present.

Mr. STEVENS: Galvanized iron.

Mr. ELLIOTT: There may be some galvanized iron.

Item agreed to.

Ottawa—Rideau hall—alterations, improvements and furnishings, $50,000.

Mr. WOODSWORTH: Will you call it six o'clock?

Mr. MACKENZIE KING: Go ahead.

Mr. LAPOINTE: We are anxious to know what you are going to propose.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RAILWAY COMPANY

The house resumed, from April 17, consideration in committee of Bill No. 57, respecting the Edmonton, Dunvegan and British Columbia Railway Company—Mr. Kennedy—Mr. Johnston in the chair.

On section 1—New branch lines authorized.

Mr. DENIS (Joliette): This company which has a federal charter is a private company the bonds of which were guaranteed quite a number of years ago by the Alberta government. The shares are owned by the Alberta government. The deputy minister of railways in the Alberta government should therefore be entitled to have something to say in connection with this bill and I am informed, rightly or wrongly—and if I am wrong I want to be corrected—that he urged upon the mover of the bill to bring it before parliament. First of all, if the Alberta government are behind this bill, they should say so and be represented by their own government. There are many ways in which that can be done by them. If we take it for granted that the Alberta government are indirectly sponsoring the bill, my information is that they have pledged themselves to construct only twenty-five miles of the total mileage covered by the bill. If that

be so, it would tend to prove that the Alberta government do not approve the bill as it now stands.

But I am not here to plead the case of the Alberta government; I am here to plead the case of the Dominion government and the interest of Canada in this bill. The hon. member for Peace River will correct me in a moment if I am wrong. It has been said that the road is about to be sold to the Canadian National or the Canadian Pacific. That the road should be sold to the Canadian Pacific does not interest me so much, but that it should be sold to the Canadian National does interest me because the Canadian National is the property of the Dominion of Canada. In the past we have had bitter experiences in connection with railways which have been constructed by private companies or even by provincial governments, if there be any such cases, and which have later turned out to be a liability on the hands of those who constructed them. In those cases they have felt that the best thing they could do was to turn the railways over to the federal government. A few years ago a gentleman from Manitoba who sat in this house used to speak quite frequently in regard to railway matters and to say that the government of the day had loaded themselves up with a lot of lame ducks. That is true. Our railway policies in the past have been anything but what they should have been.

If this road is to belong to the Canadian National Railways or to the federal government, they should have something to do with the bill, and if extensions to the present line are to be made in one direction or another those extensions should not be made unless the Canadian National approve them. I know I shall be told immediately that the Canadian National are not the owners of the road and therefore have nothing to do with it. That is the old argument. The Canadian National did not own a number of railways that were built outside of their control and with the consent and approval of parliament over a period of twenty-five years, but the Canadian National and the people of Canada became owners of those roads. When a venture proved to be a bad one, it was put upon the shoulders of the Canadian people. I shall have something more to say later on, but for the time being I should like to hear the hon. member for Peace River answer the point which I have raised.

Mr. HEPBURN: I should like to recapitulate the events leading up to this bill standing on the order paper under date of April 17. It appears that there was some misunderstanding in regard to a certain figure used in one of the clauses, and the sponsor of the bill, the hon. member for Peace River, was unable to give the necessary information to the house at that time. The Minister of Railways thereupon said, as reported in Hansard at page 2112:

> Mr. Dunning: In any event the mistake must be corrected by some formal action on the part of this committee. I suggest to my hon. friend that he leave the bill in committee in order to enable him to confirm his impression, or he may move the necessary substitution now.
>
> Mr. Kennedy: Let it stand.

So it was at the instance of the sponsor that this bill was allowed to stand. I maintain that if any member who is sponsoring a bill in this house cannot give to the house at any time it is required the necessary information in regard to the bill, he should not ask of this house the special privilege of having his bill given preference over other bills. I am surprised indeed that such a request emanated from his part of the house, because hon. members sitting in the southeast corner of this chamber announced with great gusto on the hustings the policy of equal rights for all and special privileges for none.

Mr. KELLNER: I rise to a point of order, Mr. Chairman. The hon. gentleman is discussing a question which was settled by the house the other night, and I submit that his remarks are therefore out of order.

The CHAIRMAN: I take it that the hon. gentleman may make a reference to the bill having been allowed to stand, but he would be out of order in going into details.

Mr. HEPBURN: If hon. members in that part of the house do not like to have their inconsistencies called to their attention, all right.

With reference to the bill before us, I have given notice that on the third reading of the bill I shall move in amendment:

> That the said bill be not now read the third time, but be referred to the committee of the whole for the purpose of amending it as follows—

The CHAIRMAN: The amendment of the hon. gentleman should be moved on the third reading of the bill, not in committee.

Mr. HEPBURN: This amendment, Mr. Chairman, has a strong bearing on the bill before us, and I should like to explain why I am bringing it forward. I am moving an amendment of that nature because the hon. member for Wetaskiwin moved an amendment to a bill standing in the name of my hon. friend from West Lambton in regard

to the Sarnia bridge charter. I do not think it is out of place for me to delve into some of the doings of the hon. member from the province of Alberta, especially in view of the fact that they have displayed such a particular interest in our affairs in southern Ontario. We came down here after the election of 1926 willing and anxious to co-operate with members from other parts of the dominion, and willing to be guided largely by the advice of hon. members from distant parts of this country in matters of their concern, and it therefore seems strange to me that such particular attention should be paid by our friends from the west to bills which are of vital importance only to southern Ontario.

In asking that this bill be given precedence, the hon. member for Peace River laid great stress on its vital importance. We from southern Ontario in turn could lay just as much stress on the importance of the several bridge bills relating to southern Ontario, which are of particular and vital importance to that part of the country. So I do not think I am out of order in reciprocating that community of interest which they display, in adopting obstructive tactics which have delayed the proceedings in this house, and if we are going to expedite matters, the only way, as I see it, is to put this bill where it belongs, at the bottom of the list.

Mr. IRVINE: Is not the hon. gentleman himself the only member of this house who has talked out a bill this session? He is the only one I know of who has done that.

Mr. HEPBURN: I am going to show something of the obstructive tactics of hon. gentlemen opposite, particularly the hon. member who has just taken his seat. He moved an amendment to the Sarnia bridge bill, to safeguard, he said, the public interest, But I would direct attention to the unanimous opinion of the people of Sarnia, who are the ones directly affected by that bill and who are quite willing to pay the tolls, These are provided for in section 14 of that bill, which reads:

> The company may charge tolls for the use of the said bridge, approaches and facilities—

Mr. WOODSWORTH: Some of us are not interested in either of these bills. I submit, Mr. Chairman, that the Sarnia bridge bill is not before the house at the present time, and that the hon. member is out of order in discussing it.

Mr. HEPBURN: I do not mind these interruptions; they take up time. I simply wish to justify my position in opposing this bill.

Mr. WOODSWORTH: I would ask your ruling, Mr. Chairman, on the point of order. I claim that the hon. member is out of order in discussing the Sarnia bridge bill.

The CHAIRMAN: I have to agree that the discussion now being carried on by the hon. member is not in order.

Mr. HEPBURN: I was just anticipating, Mr. Chairman, the argument which would be used by my hon. friends opposite. However, it is a very easy matter to direct my remarks to the bill before us, if that is is what they want discussed; it is immaterial to me.

Bill No. 57 provides for the granting of a railway charter to the Edmonton, Dunvegan and British Columbia Railway Company, which asks for—

> (a) An extension of its main line of railway, from mile 357 at or near Spirit river in the province of Alberta, by the most feasible route and in a generally westerly direction a distance of one hundred and two miles more or less to a point in township seventy-seven to seventy-eight, range eighteen, west of the sixth meridian in the province of British Columbia, and
>
> (b) An extension of the Grande Prairie branch of its existing line of railway in the province of Alberta by the most feasible route and in a generally northerly and westerly direction a distance of eighty-six miles more or less to a point in township seventy-eight, ranges fourteen or fifteen, west of the sixth meridian in the province of British Columbia.

I have been ruled out of order because I wanted to point out some of the financial strings which hon. members opposite in the southeast corner wanted to put on bills relating to southern Ontario. But I would warn them that in connection with this particular bill they may be providing privileges for some unknown party because, as I understand it, this road is being offered for sale in the market to-day, and we do not know who the ultimate owners will be. I have a clipping here from the Edmonton Bulletin, reading as follows:

> Submission by the Canadian National railways of a new offer for purchase of the Alberta and Great Waterways railway was a strong probability, declared Premier J. E. Brownlee on his return Friday morning from a three weeks' trip to Ottawa, Montreal and other points.
>
> "I feel there will be an improved offer," he said, "but I don't know whether it will be sufficiently suitable for us to accept."
>
> The disposal of the provincially owned railways, he said, depended entirely upon the Alberta and great waterways. This was the key to the whole situation and the government had impressed upon both railway presidents the desirability of parting with this line along with the Edmonton, Dunvegan and British Columbia line, so that it would be unnecessary to continue a department of railways just for the one line.

Just what the prospects of an early decision on the matter were, the premier would not say. It is known that the Dominion is anxious to conclude the session at Ottawa by May 15, and that unless some agreement were reached by the end of next week it would be too late to have parliament ratify it before prorogation and it would have to stand over until next session.

In the event of an agreement being reached immediately and the offer presented to parliament—

That is one of the press reports indicating the possibility of selling this railway. In the Montreal Gazette of April 21, 1928, there is a Canadian Press despatch as follows:

Premier Brownlee, who has just returned from his trip to Ottawa and Montreal, reports that some progress has been made as a result of the ministerial mission in regard to the northern railway situation. He is hopeful of the Canadian National offer for the Alberta and Great Western line being somewhat improved, and until it is definitely known what action will be taken in that direction there will be no final decision on the sale—

On the sale, remember.

—of the Edmonton, Dunvegan and British Columbia Railway. It was made clear to both the transcontinental heads, says, Mr. Brownlee, that the Alberta government does not care to part with the Peace River lines unless it can satisfactorily dispose of the waterways road also, and the latter is, therefore, the key to the entire situation. If a better offer for the Alberta and Great Western comes through early enough, a summer session of the Alberta legislature will probably be called.

Agreement was reported upon a number of points affecting the sale of the Edmonton, Dunvegan and British Columbia, which will considerably better the province's interests, providing that the waterways deal materializes. Whatever further action is taken in the matter will depend upon a conference between Presidents Beatty and Thornton, to be held shortly.

I think that fairly definitely establishes the fact that the road is for sale. In insisting on similar stringent provisions to those which some hon. members desire to make in our bridge charters in southern Ontario, I am quite in order in moving the amendment which appears in the votes and proceedings of May 2, as I do not want my hon. friends opposite to be led astray. It is even possible that the Sarnia bridge people might buy this railway, and I want to guard my hon. friend from Peace River against such a contingency. In a press report from Edmonton of April 17, 1928, I find the following statement by another prominent man in the Alberta government, the Hon. Vernor Smith:

No sale of the Alberta government-owned railroads has been effected to date according to Hon. Vernor W. Smith, minister of railways and telephones, who returned to the city on Tuesday morning after a two weeks and a half trip to Ottawa and Montreal with Premier J. E. Brownlee.

Conferences were held with both Sir Henry Thornton and E. W. Beatty, K.C., presidents, respectively, of the Canadian National and Canadian Pacific railways, said the minister, but they were continuing their study of the problem along the lines submitted in the amended joint offer placed before the last session of the legislature.

Sir Henry was interviewed first and Mr. Beatty second. Mr. Beatty was seen on the last day of the minister's stay in Montreal and his final word was that a further interview would be held with Sir Henry Thornton.

Hon. Mr. Smith could not say whether a new offer would be made. This would be determined no doubt by the conference between the two railway heads. Asked whether any intimation had been given by either president regarding a new offer for the Alberta and Great Waterways railways, the minister said he presumed it was being considered in connection with the Edmonton, Dunvegan and British Columbia line.

The minister and the premier parted company at Montreal, the former coming home by way of Toronto and the premier going by way of Chicago. En route the minister visited the Welland canal now in course of construction, at a cost of $125,000,000. It is 24 miles long, he said. The largest steam shovel in the world, capable of loading cars raised 60 feet above it, was in use. Some sections of it will be completed within the next year.

In that part of the west it appears they are making a serious effort to sell this railway. Usually when a railway charter is granted settlers flock in. I do not think it is fair that such people should be misled. I have their welfare at heart just as much as my hon. friends have at heart the welfare of those residing in southern Ontario. Certainly it is not fair to settlers in that part of the west to bolster up their hopes in this regard. Before this charter is granted the promoters of the bill should be subjected to the same stringent requirements as were put forward in the committee on railways, canals and telegraph lines with respect to the bill for the Port Burwell and London Railway; that is, they should give some guarantee of good faith.

That there is no unanimity of opinion behind this railway is apparent from press dispatches. Mr. Hugh Allen, M.L.A., of that district, made a speech at a banquet at Wembley on May 27 last, and I think it will be of interest to the committee if I read an extract from it because it voices his views:

The joint offer for the provincially-owned railways was then taken up:

"The series of questions as to the joint offer for the provincially-owned railways, which had been directed at Premier Brownlee were a matter of interest to all.

I also think it is a matter of interest to all.

Just why the questions should be directed at the premier was not so clear. The companies specifically stated in their offer that it was made in that form to avoid further competitive bidding, and remembering the reluctance on their part in the past to submit offers and the conditions of secrecy which were imposed on the government when these offers were submitted, their statement need not be doubted. Further than that, when the present traffic agreement was made with the Canadian National Railway a year or more ago, it was violently attacked by opposition members in the legislature on the ground that it was discriminatory against all Canadian Pacific Railway points and the government was urged to make every effort to secure a joint freight rate. That suggestion undoubtedly was the origin of the idea of a joint offer, for in no other way could a joint through freight rate to both Canadian Pacific and Canadian National points be secured.

"In case of a sale of the road now, joint operation would probably mean little or no change if the present arrangement so far as handling all traffic would be concerned.

Mr. DUNNING: Mr. Chairman, I rise to a point of order. What my hon. friend is reading may have something to do with the lines now in existence in that part of Alberta, but it certainly has nothing to do with the section under discussion, which relates to an extension.

Mr. HEPBURN: If the hon. Minister of Railways will be patient he will see that I am leading up to the point. I want to show that there is no unanimity of opinion in regard to the feasibility of this railway, and before I have proceeded very far I think he will understand.

The route of the proposed extension from Wembley to Hythe has been criticized by many in this district. Representations have been made to the Minister of Railways—

And so on. Now, if there is a difference of opinion out there with regard to this railway, I do not see why parliament should be asked to grant this charter. Why do not the promoters apply to the provincial legislature. If this charter is granted and the line is surveyed, it is likely that settlers will go into the district anticipating that they will get railway facilities, and when these are not forthcoming pressure will be brought to bear on the Dominion government to build the road. It appears to me that the Alberta government is passing the buck, so to speak. They have it in their own power to secure a charter from the local legislature.

Mr. ADSHEAD: Can the Alberta legislature grant a charter for a road in the province of British Columbia?

Mr. HEPBURN: Let the Alberta government negotiate with the British Columbia government. The Dominion government have plenty on their chest at present without taking on anything more. A survey was made in 1911, and the then Alberta government, presided over by our present Minister of the Interior (Mr. Stewart), refused to guarantee the bonds for a railway over this same route. I have a map showing this particular part of the country.

Some hon. MEMBERS: Oh, oh.

Mr. HEPBURN: I am not the least disturbed by all the noise hon. members care to make.

The CHAIRMAN: Order.

Mr. HEPBURN: I welcome interruptions; I am not the least bit disturbed. Let me point out that clause (a) deals with the country to be served. I will read clause (a):

An extension of its main line of railway, from mile 357 at or near Spirit river in the province of Alberta, by the most feasible route and in a generally westerly direction a distance of 102 miles more or less to a point in township 77 to 78, range 18, west of the sixth meridian in the province of British Columbia.

We have the reports of the Dominion land surveyors as published officially by the Department of the Interior in regard to the territory proposed to be traversed by this railway. This report was submitted in 1911. I quote the following, with reference to township 79, range 13:

The Spirit River pack-trail from township 79, range 14, is the best route to this township. The soil is from three to six inches of black loam with clay subsoil and would make good farming land. The surface is nearly all covered wth poplar and willow scrub, but there are scattered prairie openings. It is badly broken up by Pouce Coupé river and by the valley of a creek which runs westerly across the township near its centre.

It is also interesting to read the description of township 78, range 13 also in the proposed line of railway:

Our pack-trail from township 77 was the only way to reach this township. The soil is from two to three inches of black loam with clay subsoil and some gravel and clay. It would make only fair farming land. The surface is nearly all covered with poplar and willow scrub. There is a high range of hills along the south and east of the township, while here and there ledges of rock crop out near the top of the hill.

He adds:

Hay is very scarce.

The description of another township in this route, township 78, range 7, is given by J. B.

Saint Cyr, Dominion land surveyor in 1909, as follows:

This township can be reached by a narrow belt of prairie south of the correction line, connecting with Spirit River prairie to the east, and then by Dunvegan wagon road. The township is thickly covered with poplar, spruce and large willow. Spirit River prairie ends at the east boundary. The country is rolling in the northern half of the township and undulating in the remainder. There is no prairie.

If there is no prairie it seems foolish to be extending the railway into that country, and that may account for the statement of the member for the provincial riding, that the proposed route has been criticized by many in the district. There are many more interesting things in these official township reports, which I shall read in a few minutes. But I want to compare the descriptions I have given with the description of the country adjacent to this proposed route where the people are asking for railway extension. I quote the following by way of contrast. As regards township 78, in range 6, now at the terminus of the existing railway and immediately adjoining the township just described, the following statement appears:

Spirit River, which is a very small stream, crosses the settlement from west to east. The soil is of good quality, being composed of a black loam resting on a sandy clay subsoil.

My hon. friend will agree that that describes good farming land worthy of being served, as it is served, by the present railway. The report goes on to say:

The surface is prairie and bluffs. The country is level with the exception of that portion of the settlement situated south of Spirit river. Wheat, oats and vegetables have been successfully raised there for a few years. The prairie furnishes good pasture. Every traveller who came there last summer appeared to like the country and to have great faith in the future of that district.

I, consider that a very good argument because the extension now proposed and which I have discussed was the very one from which I understand the Minister of the Interior (Mr. Stewart, Edmonton), when he was Prime Minister of Alberta, withdrew government support. As a matter of fact, townships 76, 77, 78, 79, 80 and 81 in ranges 8, 9, 10, 11 and 12, all adjacent to the line proposed in clause (a), have not yet been surveyed and it would appear that if this were good country a survey would already have been made. So that those who are dissatisfied with this proposed line are probably justified in their attitude.

As regards clause (b) of this proposed charter, I think that great injustice is being done to the farmers in that part of Alberta by this provision. There is a railway running from Grande Prairie to Wembley, on a line differing materially from a route which was surveyed in 1911, I believe. On the strength of that survey hundreds of settlers went into that part of the country. If this proposed extension is persisted in, while I will not say that it will represent a breach of faith on the part of the government, I will point out that the railway will be circling what was once designated as the route, with the result that the farms in the vicinity of the original location will diminish in value. That is not a very fair proposition to the people of that part of Alberta, and in this connection I would refer the committee once more to the statement of the member of the legislature for that district, to the effect that the route of extension proposed in clause (b) of this bill has been criticized by many in the district.

I want to quote some further descriptions of the property. I am doing so for the information of hon. gentlemen opposite. I am not criticizing all of them, because some hon. gentlemen opposite are willing to co-operate in our effort to expedite progress in southern Ontario. But I feel that we from Ontario ought to take some interest in Alberta and for that reason I shall give to the committee some further descriptions.

Mr. KENNEDY: Will the hon. member quote one sentence I have uttered in connection with any of the bills in which he is interested with a view to blocking them?

Mr. HEPBURN: The hon. member's colleague behind him, the hon. member for Bow River (Mr. Garland) has placed on the order paper six amendments which I am ready to read.

Mr. KENNEDY: Will the hon. member quote one sentence that I have uttered for the purpose of blocking any of these bills?

Mr. HEPBURN: I am referring to the hon. gentleman's colleague; they are close together. There is considerable collusion although they try to say they are politically independent of each other. There is just as much partisanship there as there is anywhere else.

Mr. JELLIFF: I am sitting almost directly behind the hon. member for Bow River, and I do not think my hon. friend can charge me and a number of my other colleagues with blocking any legislation in this house. In the interest of the people of Alberta, I consider it unreasonable for the hon. gentleman to pursue the course he is taking. It will not result in any advantage to him.

Mr. HEPBURN: I apologize to the hon. member for Lethbridge if he thinks I have referred to him. I did not have him in mind when I referred to the hon. member for Bow River.

An hon. MEMBER: He doesn't sit behind him.

Mr. CHAPLIN: He doesn't know that.

Mr. COOTE: Does my hon. friend realize that by his action he is apparently endeavouring to prevent the building of a railway to serve some settlers about whom a few minutes age he seemed to be expressing some concern —people who this fall, if the railway is not built, will have to haul their grain as far as eighty miles.

Mr. HEPBURN: Does the hon. member realize that we from southern Ontario have interests that are just as vital as those which he is promoting.

Mr. COOTE: Mr. Chairman, I rise to a question of privilege. I deny that I have blocked anything in this house this session.

Mr. HEPBURN: I am glad to hear this confession of faith.

Mr. COOTE: I ask that the hon. gentleman withdraw that remark.

Mr. DUNNING: Mr. Chairman, I rise to a point of order. I think the whole discussion is out of order because when this committee last sat we passed the entire bill, including this section. Then, because of some doubt as to the accuracy of a figure, the bill was allowed to stand. I fully appreciate that members of the house interested in certain private legislation feel very strongly with respect to other members of the house, particularly those in the far corner, who from time to time talked legislation out, as my hon. friend is apparently attempting to do tonight. On behalf of the government, however, I would say that we have no concern at all for the hon. member for Peace River or what he may or may not have done with respect to talking out other legislation, but we have some concern for the settlers who are affected by the proposed railway extensions, and as far as I can I would like to facilitate the passage of this measure in order that the extensions may be proceeded with. I fully appreciate the feelings of hon. members, and of course this is a private bill, but I would say that possibly on both sides of the house there might be a little more consideration given to the desirability of not pursuing these blocking tactics during this one hour. I am afraid these tactics have been altogether too common this session, and in that connection hon. members in the far corner have done their share if nothing more.

Mr. POWER: The point of order has turned out to be just a little lecture by the Minister of Railways on how members of this house should behave during the hour which is devoted to private bills. I understood the minister to say that although the bill is before us we must not discuss it, for what reason I do not know. The minister says the bill is before us, but discussion on any of the sections is not to be allowed. I would ask the minister to explain further the point of order. If he could convince us that we are not allowed to discuss sections 1 or 2 of the bill I am sure we would let it go through.

Mr. DUNNING: I will try again. All the sections of the bill were agreed to subject to the verification of a figure in section 1, and subject to that point only. That was the arrangement when the committee last considered this bill, so I submit that to all intents and purposes the committee completed their work and only desired to make sure that the figure descriptive of a certain township was the correct one.

Mr. POWER: If the minister will show me anything in the rules which says that a bill may be allowed to stand over subject to verification I should be glad to see it, but as I understand it now the minister is introducing a new procedure. He has had a longer parliamentary experience than is possessed by most of us, but I fail to see anything of that kind in the rules. I submit that if a bill stands over the whole bill is open to discussion unless at the time there was an agreement by unanimous consent that certain sections should be passed. Personally I do not know of any such unanimous consent in this case, and apparently other hon. members do not know of it either. Therefore I take it that every section, every clause and every word in the bill is open to discussion.

The CHAIRMAN: I think the minister is labouring under a misapprehension; no section of the bill was passed when it was last before the committee. It was allowed to stand over while we were discussing section 1, there being some question as to whether a certain figure in section 1 was right or wrong, so the whole bill stood until that figure could

be verified. Therefore I rule that the point of order is not well taken. I should read an amendment which has been moved, that the words "township seventy-eight" in line twenty-four be struck out and the words "townships seventy-seven or seventy-eight" substituted therefor.

Mr. DUNNING: I have another point of order with reference to the kind of discussion which has taken place on this bill. I refer to subsection (i), paragraph 293 of Beauchesne's Parliamentary Rules and Forms, which is as follows:

> Besides the prohibitions contained in this standing order, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:
> (i) use his right of speech for the purpose of obstructing the business of the house.

The very tenor of the remarks of the hon. gentleman who has been addressing the committee has been to the effect that he is giving tit for tat, so to speak; he has suffered from obstruction and is therefore obstructing this measure. I am not blaming him for so doing; on a previous occasion the hon. member for Toronto Northwest calmly announced his intention to talk out a bill. I am protesting against the whole business of obstructing the work of the house in this way, and I think I am supported by this section.

Mr. SMITH (Stormont): Would the minister permit a question? Does he not think the hon. gentleman who has spoken to-night has brought up some points which do not indicate obstruction? He has shown the possibility of this road selling out, and he has shown that valuable franchises may be given for speculative purposes. Does not the minister think these matters should be drawn to the attention of the committee?

Mr. MANION: I think when a group get together to talk over things they should put up their best performer; I do not think we should be forced to listen for an hour to an uninteresting speech of this kind.

Some hon. MEMBERS: Order.

The CHAIRMAN: Is the hon. gentleman speaking to the point of order?

Mr. MANION: Yes. I think my hon. friends would do better with a good speaker rather than such a dull performer.

Mr. CANNON: Before giving your decision, Mr. Chairman, I suggest that you look up the debate on the Georgian bay canal bill.

The CHAIRMAN: Early in the discussion I thought the remarks of the hon. member [The Chairman.] were irrelevant and asked him to bring them more closely to bear on the subject before the committee. Later on I thought his remarks were relevant and allowed him to proceed.

Mr. HEPBURN: Now that this discussion has concluded we will go on.

Some hon. MEMBERS: Your time is up.

Mr. HEPBURN: No, it is not. I have tried to bring to the attention of hon. members who have been deliberately blocking bills of importance to southern Ontario the fact that if necessary we can hit back. A few settlers in Alberta may suffer, but it is a serious thing to Ontario that these bridge companies are not permitted to spend the millions of dollars which they propose to spend. We have the same responsibility to our electors, and we have just as much right to voice our opinions in this chamber. For instance, what right has the hon. member for Bow River to place an amendment on the order paper asking that a certain portion of the tolls collected on these bridges should be paid to the Dominion government? I submit that that is a matter for the Minister of Finance, and I did not know that he had delegated any of his powers to the hon. member for Bow River. I do not think the hon. member was in order in placing such an amendment on the order paper, which he did for no other reason than to obstruct the passage of these particular bills.

Some hon. MEMBERS: Order.

Mr. HEPBURN: You cannot get me excited; holler all you like. I like to hear the Tories holler, because it shows they are being hit in the right spot. However, I have attained my objective; I have shown hon. gentlemen opposite the foolishness of the tactics which they have pursued, so I think my time has not been entirely wasted. We are willing to co-operate. We are just as interested in Alberta and in the welfare of Alberta as we are in southern Ontario. I feel where there is unanimity in such matters, there should not be placed on the order paper by hon. members motions obviously for no purpose other than obstruction of these bills. For instance, the member for Rosetown (Mr. Evans) knew so little about the matter of the Detroit river bridge—which is being constructed to-day at a cost of some $20,000,000 of American capital, with nine-tenths of the tolls upon it to be paid by Americans coming over to Canada, where they will spend hundreds of millions of dollars—that he voted against it. He says that

the bill should be a government measure. Now if we asked an appropriation of $20,000,000 to build such a bridge, he would be one of the first—

Mr. KELLNER: Mr. Chairman, the parliament of Canada should not listen to a debate on a little matter down in southern Ontario when a bill for something out in southern Alberta is under consideration. There can be no relevance in the argument, if it is an argument, which the hon. member has been making for the last half hour. I want to remind you, Mr. Chairman, that he has persistently read documents, newspapers and speeches, speeches made by members of the Alberta legislature. I am quite satisfied that during the larger part of the time he has not been in order, and I submit that it is due to parliament that the hon. member be kept a little closer to the subject.

The CHAIRMAN: In reference to this point of order, if hon. members would assist the chair in keeping order, it would be easier. At this distance it has been very hard to hear what is being said.

Mr. KELLNER: I am sure, Mr. Chairman, that there were things he said which were entirely out of order, and it might be well to rule upon them.

Mr. POWER: Mr. Chairman, I do not know what there is to rule upon. I have done my very utmost to listen to the remarks of the hon. member, but I could not understand what he was saying. I am in no position to say whether he was out of order or not. If the hon. gentleman who has just spoken will tell us what was said, we will know. I would recommend, however, that he tell us in a tone of voice sufficiently loud to be audible, whereupon we in this section of the house may know whether or not the hon. gentleman is out of order. I would like the point of order to be stated as clearly as possible.

Mr. HEPBURN: To satisfy my own curiosity, sir, I would like the hon. member to answer the query as to where I was out of order.

The CHAIRMAN: I do not want to be discourteous to the hon. member who raised the point of order. If order is kept in the committee so that I shall be able to hear the hon. gentleman who was speaking, I will see that he keeps in order.

Mr. SYLVESTRE (Translation): Mr. Chairman, I may be allowed to make a few comments in French seeing that the remarks made in English have so greatly interested the house. Notwithstanding what the Minister of Railways (Mr. Dunning) may think, we are not trying to obstruct or oppose the bill of the hon. member for Peace River (Mr. Kennedy). May we assure him that our intentions are of the very best towards him and that he has no more devoted or sincere friends than those who sit, Sir, to your right.

There are two things to be noted in this bill: the first, is that the company requests an extension of about 102 miles of its line from mile 357; the second, is a request for a further extension of about 86 miles. I must say, Sir, that I do not look favourably on private companies, especially those of railway companies which seek to obtain a charter like the one, at present, under consideration. We have the experience of the past in regard to private companies that have asked for grants to construct railways and which had but one aim in view, that of selling their interests or concede their rights for money consideration. We cannot conceive for a moment that a company, which is really in earnest and really has the intention to develop its line, will spend enormous sums to purchase locomotives, cars and construct a railway, simply to operate a few miles as in the present case. The experience of the past has been too dearly bought with schemes of this nature to induce us to adopt without matured thought the present project submitted to our consideration. We have seen, for instance, the National Railways forced to purchase branch lines from one end of Canada to the other at very high prices in order to save from bankruptcy companies whose shareholders would otherwise have been ruined.

Mr. MacDONALD (Cape Breton South) (Translation): Time is up.

Mr. SYLVESTRE (Text): I may say that my hon. friend does not disturb me.

(Translation): That is why I rose to take part in the discussion of the present bill, and notwithstanding the remarks of our national desk-pounder, it will not hinder me from discussing what interests me. The National Railways are already a burden on the country. . . .

Progress reported.

Mr. SPEAKER: The hour for private bills having been exhausted, the house will now revert to committee of supply.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Ottawa—Rideau hall—alterations, improvements and furnishings, $50,000.

Mr. WOODSWORTH: Mr. Chairman, when six o'clock was called I was on my feet and about to move an amendment to this item. I beg leave to move, seconded by Mr. Evans:

That the item, "Rideau hall—alterations, improvements and furnishings, $50,000," be reduced by $40,000.

As we were leaving the chamber, one of my Liberal friends jokingly suggested that I was following the lead of the Conservatives. In regard to the very elaborate furnishings of Rideau Hall I am inclined to think the Conservatives are following the lead of the Labour party, because for several years we have protested against the extravagant expenditure in connection with the office of the governor general. For some years past that expenditure has been steadily climbing. The other evening we were discussing a very heavy expenditure, of an extra $150,000, to provide for completing a residence at the citadel at Quebec.

It is only a few years ago, in 1924, that we had an item of nearly $43,000 for governor general's cars. Altogether during the last ten years in connection with the Department of Railways and Canals on account of governor general's cars we have spent more than $100,000 and I understand that a very heavy expenditure is contemplated this year, has in fact been made and will later be presented to the house. The figures in connection with the upkeep of Rideau hall for the past ten years are as follows:

Fiscal year	Amount
1917-18	$75,579 49
1918-19	59,994 72
1919-20	61,985 46
1920-21	69,981 38
1921-22	81,906 12
1922-23	94,425 12
1923-24	94,426 64
1924-25	96,067 42
1925-26	99,344 34
1926-27	128,560 72

That makes a total for the ten years ending 1927 of $862,271.41. With the comparatively small item of $26,374.32 for governor general's quarters at Quebec citadel, there has been a total expenditure in the ten years for the residence alone of the governor general of $888,645.73. We thought last year we were almost at an end of repairs, additions and refurnishings, but this year we have before us an item of $50,000 and there appears on the next page—I do not know why the items are separated—the following item:

Rideau Hall, including grounds, improvements, furniture, maintenance, etc., $60,000.

That is, for these two items alone—and there are many others—we are asked to vote $110,000 this year. That will not provide for the ordinary expenses of maintenance. There seems to be no limit to this kind of thing. We may give some little latitude to the Prime Minister and to the Minister of Public Works, both of whom are bachelors in their enthusiasm for house furnishing, but those of us who have had something to do with furnishing our homes might think it almost time to call a halt in the kind of furnishings and the elaborate scale on which they have been offered. I want to give only two or three items to afford the committee and the country some idea of how this grant has been spent in the past and how doubtless similar grants will be spent in the future. From the Auditor General's report for the year ended March 31, 1927, part V, page 16, I take the following items in connection with materials, supplies and repairs for Rideau hall:

Hobbs Hardware Co., London, Ont., coffee pots, $330; coffee sets, $235.50; cream and milk jugs, $550.80; flat dishes, $518; forks, $795.83; hot water jugs, $142.50; knives, $591.75; salvers, $193.50; spoons, $879.83; sugar basins, $205.20; tea pots, $261; tea sets, $219; toast racks, $189; sundries, $169.38 on account sundry supplies, $7,684.24.—Total, $12,965.53.

The next item is:

Smallman & Ingram, London, Ont., 82 pr. blankets, $1,038.95; carpet, 654 yds., $5,929.81, sundry, $948.25; 24 comforters, $504; 187 pr. curtains, $777.15; 146 yds. damask, $657; 16 doz. doylies, $288; 421½ yds. linen, $1,992.25; 442½ yds. lining, $442.25; 24 luncheon cloths, $672; 40 yds. repp, $170; 2 rugs, $1,260, $601.25; 36 pr. sheets, $781.50; table linen, $1,285.50; 48 doz. towels, $459.60; sundries, $1,457.80.—Total, $19,265.31.

And the third item is:

Accounts under $1,000: billiard table, $851.28; clocks, $292; electrical work, $170.16; erection of birch stairs, $400; hardware and plumbing supplies, $803.97; house furnishings, $1,051.09; lumber, doors, etc., $1,600.08; marble and tile work, $519.60; radiola, $362.50; pianos, Nordheimer, $540, Knabe Grand, $1,650, less $750 allowed for old one; sundries, $1,433.42.—Total, $8,924.10.

I have ventured to read these items simply because I think the people who pay for these things ought to know the extent to which we are furnishing Rideau Hall. I had rather thought that having done all that last year —and things were in pretty good condition before we began doing it—we might have had some cessation of this expenditure. We have

purchased one radio, several pianos and things of that kind. Some of us in our own homes are still using the china which we had when we were married and some of us have not even been able to afford a radio. Even some hon. members who presumably are living on a scale a good deal higher than that of many of the ordinary working people and farmers cannot afford many of these things. Yet this is the scale we are maintaining for the upkeep of two individuals who happen to be our guests here for the time. I wonder, Mr. Chairman, whether this is setting the best example to our young Canadian people. We have been told that work and thrift are the great things which we ought to have in Canada. We were told in the early days that we ought to develop Spartan-like qualities. Is it a good thing for us to set up on this scale? I have wondered!—and I have wondered where it is going to end. Everything should be more or less in proportion. I had a letter to-day from a civil servant, an employee of this government, from which I shall read a paragraph. I cannot help thinking of these things when I come to vote on expenditures of this character. It reads:

> Seeing that we shall not get any general advance in salaries this year, I hope some means will be found, before the house prorogues, to get the government to consider the payment of a minimum salary of $100 per month to all adult fully employed civil servants. This is the most important part to us, as I do not know, speaking frankly, how these married men manage to hang out on their $75 and $85 per month pittances. I am a house owner myself, and have an exceptional lass for my wife, and am on the top grade as a letter carrier, so do not feel the pinch; but how the others manage, and how local merchants can expect to carry on successfully with these wages prevailing is beyond me entirely.

Mr. MACKENZIE KING: Whom did my hon. friend say the letter was from?

Mr. WOODSWORTH: It is from a letter carrier.

Mr. MACKENZIE KING: What is his name and the date of the letter?

Mr. WOODSWORTH: I do not think it is necessary to give the name of a private correspondent.

Mr. MACKENZIE KING: I submit that it is quite contrary to the rules of the house for anyone to read a letter unless he is prepared to give the name of the writer.

Mr. WOODSWORTH: The Prime Minister will have to show me that rule before I can accept it.

Mr. MACKENZIE KING: I think I can show it to my hon. friend.

Mr. WOODSWORTH: I have quoted from a private letter that has come to me only to-day, and which states what I believe to be the facts. I have done so simply because I feel that in this house we are too apt to be caught in the atmosphere of the capital city and to judge things by the standards of the wealthy people whom we may meet with here, and we need sometimes either to go back home or to receive letters from home in order to be brought face to face with the actual conditions which confront large numbers of our people in Canada to-day. Only the other day I happened to be talking to a young working woman right here in the city of Ottawa. She was rather downcast, and I learned the reason. She said to me, "My wedding will have to be postponed. I had hoped to be married on the first of May, but my young man cannot get work, and so we cannot get married this year." That kind of thing is quite common to-day, and as I think of these young lives in which the happiness of setting up a home is indefinitely postponed because there is very little chance of getting work, even in the springtime of the year; when I think of the many homes in which medical treatment or a surgical operation is postponed year after year, much as it may be needed, because of the great expense; when I think of the many homes where the coming of a baby into the home is a domestic tragedy, when I think of the long years of part payments which so many people have to make in order to get the ordinary necessities of their home life, I wonder if we in Canada are justified in authorizing such elaborate expenditures as we pass so lightly in this house.

I have said that these are matters of comparison. I turn over to another page in these very estimates, to page 60, where under the heading of "Miscellaneous" I find:

> Grant for the Canadian National Institute for the blind, $10,000.
> Grant to the Canadian Council on child welfare, $5,000.
> Grant to the Canadian Dental Hygiene Council, $5,000.
> Grant to the Canadian Social Hygiene Council, $10,000.
> Grant to the Canadian Tuberculosis Association, $25,000.
> Grant to the Canadian National Committee for mental hygiene, $10,000.

You could put all these items together, Mr. Chairman, and they amount to practically the same as this one item which we are now being asked to vote for improving and furnishing Rideau Hall. Or I turn to the page of these estimates opposite to that

on which is the item under discussion, and I find an item greater than the total of these I have read. With the money that we are asked to vote for that one item we could double our grants to all the institutions that I have just mentioned. Surely when the government takes the ground that because of the state of the treasury, it cannot grant more than five or ten thousand dollars to these national institutions that are attempting to carry on a national work for the welfare of the public, we cannot but pause and ask whether we are justified in spending so much on carpets and curtains and all sorts of luxuries of that kind. Only in the papers to-day I read that the Prime Minister and the government have refused to continue the grant to the provinces for technical education—a matter that is vitally connected with the industrial welfare of this country and with the future of our girls and boys. When the Dominion government cannot see its way to continue its grants to the provinces for this important work, I wonder if we are justified in continuing such large expenditures of this kind.

When the beautification of the city of Ottawa was being considered I did not once rise, not that I did not feel strongly on the matter, but I was willing to let that one large expenditure go by, and other people were protesting. I yield to no one in my desire to have the capital city beautiful and dignified, but I would submit that we are in danger of centralizing the beauty and the dignity of the country here in the capital city, and letting other parts of the country go with very little consideration. I say, therefore, that it behooves us, when items of this character come up, to check them very closely. In this particular case it is not as if those things represented by this expenditure were available to all. The reason I feel most strongly with regard to matters of this kind is that in reality only a very small class, a very exclusive class, gets whatever benefit there is in an expenditure of this kind. It is only a few people who can go to Rideau Hall. It is only a few people who can enjoy these things. It is only a small class in Ottawa, most of them having opportunities in other ways of enjoying good food and pleasant surroundings. As long as there are so many under-privileged in this country, I question whether we are justified in adding still further to the advantages of the over-privileged classes.

[Mr. Woodsworth.]

There is another consideration I should like to advance, and it is this. I take it that from now on the governor general will be chosen on the advice of His Majesty's ministers in Canada. He will be the representative of His Majesty, but be chosen on the advice of His Majesty's Canadian ministers. Undoubtedly it will be only a short time before the one so chosen will be a Canadian. I have no objection to having a representative from the motherland here. I think we should have one, and we are going to have one here soon in a new capacity. But supposing as the representative of His Majesty in this country there is appointed, on the advice of his Canadian ministers, a Canadian. Do we wish to continue to maintain a standard of this kind? Again I come back to my ideals of Canadian citizenship. I believe we are acting in harmony with the ideals of the great majority of Canadians if we endeavour to approximate as nearly as possible to a condition under which everyone will have more or less an equal chance. By these votes we are setting up privileges that are available to a comparatively small group, but which must be paid for out of the taxation of the masses of this country. On behalf of the labour people whom I am trying to represent—and I know I have the backing of a great many outside that group—I protest again, as I did the other evening, against these very lavish expenditures.

Mr. STEVENS: Mr. Chairman, for many years I have supported in this house votes for the necessary improvements and to meet the necessary expenses in connection with the residence of the governor general. I believe Canada should be reasonably generous towards such votes; but we have before us certain proposals of the government which are extravagant and unreasonable. For years there has appeared in the estimates an item of $60,000, described as: "Rideau Hall, including grounds—improvements, furniture, maintenance, etc." In other words, that item is to maintain and preserve the dignity and high standing of the residence. In adition to that, immediately below is an item of $19,000, being an allowance for fuel and light—really part of the expenses of the establishment. There is nothing paid out of that item for the salaries of clerks or other members of the staff. Last session this house voted an extra sum of $50,000 for special work at Rideau Hall. I had no great objection to it. It was granted as a special vote. But we find this year the

government comes forward again with a similar vote of $50,000 for further expenditure in this regard. The minister ought to indicate precisely what this is requred for. Has this $50,000 which he is now asking for, or any portion of it, been already spent?

Mr. ELLIOTT: The purposes for which this $50,000 is asked are set out with more or less detail in the report presented to the department by the architect as the result of representations made to him by the comptroller of the household. It is required for general alterations and improvements, and for the purchase of certain furnishings for Rideau Hall. Certain details are given.

Mr. STEVENS: Would the minister read those details?

Mr. ELLIOTT: I shall be very glad to. The alterations and improvements are of a general nature, owing to the fact that for many years the hall and the furnishings were allowed to depreciate. Perhaps it would throw some light on this question to say that from 1914 to 1920 an appropriation was made each year of $65,000, the amount which was being expended at the outbreak of war.

Mr. STEVENS: Does that correspond to the vote of $60,000?

Mr. ELLIOTT: Yes; it is because the $60,000 referred to in the other vote will not be sufficient to meet some extra requirements owing to the dilapidations that have occurred on account of the $65,000 practically not having been expended since 1914. Prior to that year we were spending generally about $65,000. In 1914-15 the vote was a little over-expended—$65,176. As a matter of fact I think that has usually been the case.

Mr. STEVENS: Does that $65,000 include fuel?

Mr. ELLIOTT: No, that is for repairs to all these various buildings. They form a long list and cover an extensive area. Most of them are pretty old and require some repairs every year. After the outbreak of war the expenditures were cut down to the limit, running around $40,000, and necessary repairs were not attended to on account of the great demands made upon the treasury by the war.

Mr. GARDINER: Will the minister give us those expenditures?

Mr. ELLIOTT: Yes.

	Voted	Expended
1914-15..	$65,000	$65,176
1915-16..	65,000	57,000
1916-17..	65,000	63,000
1917-18..	65,000	58,000
1918-19..	65,000	41,000
1919-20..	65,000	44,000
1920-21..	50,000	49,000
1921-22..	60,000	60,000
1922-23..	60,000	58,000

From that time on $60,000 has been voted each year and always spent—sometimes a little over-spent.

Mr. GARDINER: Will the minister give us the over-expenditures?

Mr. ELLIOTT: Yes. In 1925-26 the over-expenditure ran to $2,698. In 1926-27 the vote was not exceeded, and the same applies to the vote for the following year. It will be seen that during those years the aggregate amount not spent was less than the total over-expenditure. I am giving the figures so that my hon. friends will see the dilapidation that has taken place in all these buildings. At this juncture perhaps I might refer to the list of buildings that are included in this property and which have been a part of it for some time. The following buildings are included: The governor general's residence; cloakroom; greenhouse; conservatories; potting shed; military secretary's residence; two semi-detached residences on Lisgar road; duplex apartments, Lisgar road; lodge at front entrance gate; superintendent's residence, Thomas street; garage; stables; laundry; dairy; guardroom and shed; curling rink; refreshment room; yard of rink; workshop; stores buildings. There is a long list of buildings covering a great area and requiring considerable repairs annually. The repairs have not been made since 1914 to anything like the extent which the government has considered proper, and that depreciation accounts in a large measure for the expenditures which have had to be made in recent years.

Mr. SPENCER: Are these buildings all built of brick or stone, and if so is the depreciation very considerable?

Mr. ELLIOTT: All the buildings, except the superintendent's house, which is of frame, are of brick or stone.

Mr. STEVENS: Will the minister come back to the $50,000 item both for last year and for this year, and tell us what was spent last year and how he proposes to spend the amount this year?

Mr. ELLIOTT: I have referred to the depreciation in the buildings and structures generally; I have said nothing about furnish-

ings. I am informed that the expenditures from 1914 to 1924 have been largely in repairs to the buildings and on work done on the grounds. As to the furnishings, practically nothing was spent during those years. So that a year or two ago the government were faced with the question of practically recarpeting and refurnishing the whole of the house. That is to a large extent the nature of the expenditures, the details of which I will give. Certain amounts accrued in 1926-27 and were paid in 1927-28, amounting to $2,334.53. I have not the details, but they were for certain demands made before the end of the year and paid after the beginning of the following year. For carpets, rugs, draperies, table linen and things of that kind, there was an expenditure of $5,045.75; for glassware and dishes for the various households, $8,832.50; for silverware, $399; for pavement of property, $4,508.40; for new verandah and steps, $3,859.40; for tennis courts and enclosures, $1,754.30; for materials used in connection with repairs—I can give my hon. friend the list of materials if he wishes it—$10,858.28; and pay list for labour, $12,407.84. That is how the $50,000 is made up.

Mr. STEVENS: How much is that?

Mr. ELLIOTT: That is $50,000. Now, for the present we are requested to make certain other repairs including a new fence around the grounds, estimated at $6,000. It is proposed to replace the old fence, which is practically falling down, with an iron fence.

Mr. GARDINER: Any stock around there?

Mr. ELLIOTT: Yes, a good deal at times.

Mr. SPENCER: Is the present fence iron?

Mr. ELLIOTT: No; it is a wooden fence. Then there is the decoration of the ballroom, $2,000. There is a request for a tennis pavilion, $2,000, and, for the installation of additional bathrooms on account of further requirements in that direction, $1,500.

Mr. WOODSWORTH: What does that mean?

Mr. ELLIOTT: What it says. Also carpets, $2,000, and dishes and glassware, $3,000. These are all that we have details of. The balance of the $50,000 will be made up of materials for general repairs to the buildings and for work done by the men.

Mr. IRVINE: What became of the furnishings which must have been there prior to the purchase of the new outfit? Certain silverware must no doubt have been there before. What has become of it?

[Mr. Elliott.]

Mr. ELLIOTT: It is all there still. The silverware that was there is preserved and is still in use. This is additional silverware required.

Mr. IRVINE: If this keeps up you will have to build a house to store the silverware.

Mr. GARDINER: Can the minister give us the details for the balance of the item?

Mr. ELLIOTT: The rest is undetermined; it will consist of general furnishings and repairs.

Mr. GARDINER: You will spend all the money?

Mr. ELLIOTT: My hon. friend need have no doubt about that.

Mr. ADSHEAD: On page 33 there is an item of $60,000 for improvements, furniture, maintenance and so forth. I presume the minister will give us the details of that item.

Mr. ELLIOTT: The question is a pertinent one, and I propose to give the details showing what are covered in that item. I may point out that there is a regular staff of gardeners and labourers—

Mr. GARDINER: Let us have some of the items.

Mr. ELLIOTT: There is a regular staff of some thirty-five men. The salaries for the thirty-five men ordinarily engaged as servants are estimated at $45,346; then there is $3,200 for additional assistance and for the repairs, purchase of materials, supplies and so forth used in connection with the grounds and premises, $11,453.

Mr. SPENCER: That is out of the $60,000?

Mr. ELLIOTT: Yes.

Mr. SPENCER: Will the minister tell us what furniture is being bought?

Mr. ELLIOTT: There will be nothing for furnishings if you pay the salaries of the thirty-five men out of the $60,000, but I think those are the terms under which this item has been usually passed. For years, however, no furnishings have been supplied under it, because it has gone to pay the salaries of the servants and for material used around the building.

Mr. GARDINER: Are these thirty-five labourers employed under the patronage system?

Mr. ELLIOTT: I do not think that system prevails there; most of them have been there for many years as gardeners, butlers and so on, and I do not think the patronage system prevails to any extent.

Mr. WOODSWORTH: The minister has an item of $50,000 here, and he has only given us items totalling $16,000. What about the remainder?

Mr. ELLIOTT: We have not the details.

Mr. WOODSWORTH: Is there an estimate?

Mr. ELLIOTT: Yes; for the general repairs and improvements which will be required, it is estimated that the additional amount will be necessary. Our experience in the past leads us to believe that this is quite within the mark.

Mr. ROBB: Before the item passes—.

Mr. CHAPLIN: It is not going to pass just yet.

Mr. ROBB: Then before my hon. friend speaks on it I should like briefly review the situation as it appears to the Department of Finance and to the treasury board. My colleague the Minister of Public Works has reminded the committee that during the war period this property was very much neglected, and that is only one side of the question. During the war period, when there was a great patriotic move throughout the country, there was no place in the capital where people gathered more frequently to consider ways and means of helping out in the war than at government house. Government house was visited from time to time not only by Canadians interested in war work but by visitors from other countries, and during that period the household furnishings were pretty well worn. I confess that when my colleague first brought to the attention of the treasury board this amount necessary to restore this property to a condition of which Canadians would not be ashamed, we did think it was a considerable sum, but we were asked to go down to government house ourselves and look it over. When we did so, as Canadians we were humiliated to find that when guests were expected from other countries, or when representative Canadians from all the provinces gathered there, the people at government house were compelled to go frequently to the Chateau Laurier or to the Rideau Club to borrow chinaware, glassware and even the forks and spoons used on the table. That was the condition which existed, and we found that the rugs throughout the house and the furniture generally was in a very shabby condition. I would not feel proud to invite visitors from other countries even to my own humble home if it were in the condition in which we found government house. Their Excellencies were reasonable; they said, "We can get along with it if Canada can," but they submitted to us that it was not a good advertisement for this country. Every person knows that at government house they entertain from time to time not only Canadians who come there, not only members of parliament, but persons from other countries. Just at the moment I remember that this year they entertained representatives of the crown, the Prime Minister of the motherland, the Prime Minister of the Irish Free State, representatives from Australia, from New Zealand, from South Africa and from the United States who came to Canada. Would any member of this parliament desire to have these visitors leave Ottawa with the impression that Canada was down at the heels? We determined that the finances were in such a condition that we might very properly put this property in such a state of repair that Canadians would not be ashamed of it.

When I look over the amounts being spent by the Dominion in restoring this property and compare them with the amounts which the present occupant of that office must pay out of his own pocket, I do not think we stand in a very good position in criticizing these votes. I heard an hon. gentleman say a moment ago that he hoped the day would come soon when a Canadian might occupy that position. I do not take any great exception to that statement, but if a Canadian is to carry on in this position at the pace which has been maintained recently, it will cost him a lot of money; it costs the present occupant of that office a good deal of money to keep up his end in addition to what the government does. While hon. members of this house imagine they are preaching economy it does not appeal to the Minister of Finance in that way, because I have observed that almost every hon. member who has spoken has found fault because we are not spending some money in his own constituency. I have only to look across the floor or at some of my friends on this side of the house to see hon. members who have urged me to give consideration to a particular public work in the constituencies which they represent. I do not find any fault with that; probably as time goes along, and perhaps sooner than they imagine, we may be able to meet their requests, but I submit to the house that if Canadians are to maintain a government house it should be done right.

Not very long ago in this very province of Ontario the newspapers, irrespective of party, carried on a campaign against government house in Toronto. They were going to get rid of it, and they almost did so when a Progressive government came in. When the Progressive government came in and looked the situation over and had a conference with the lieutenant governor, they represented to the lieutenant-governor, so I am told, that they did not object to maintaining the government house in a way that the province would be proud of, but what they objected to was some of the conditions that had been reported to prevail there. And the lieutenant governors coming into that house, because they happened to be wealthy men, able to spend their own money, have made government house in the province of Ontario popular. If then the government house in the province of Ontario is popular, how much greater reason is there to make the government house of the Dominion of Canada popular? At Rideau Hall Their Excellencies entertain not only members of parliament and visitors from sister nations, but representatives, for instance, of all the different churches of Canada who come here from time to time. I recall that not very long ago they entertained representatives of a teachers' association. They are always entertaining visitors who come to the capital city. They are ready to do their part, and are spending their money; and surely the least we can do is to keep that place in a respectable condition.

Mr. WOODSWORTH: I want to ask the Minister of Finance if he thinks it is a good thing that we should set up such style that only rich men could occupy that position?

Mr. ROBB: I submit to my hon. friend that if we are to keep an official residence for the governor general, we should at least maintain it in such a condition that when a representative Australian comes here, or a representative of New Zealand, of the Irish Free State or of the mother country, we shall not be ashamed of it, and the visitors will have occasion to go back and say: Well, after all, Canada is a pretty good country—as good as our own.

Mr. EVANS: As seconder of the amendment moved by the member for Winnipeg North Centre, nothwithstanding all that the Minister of Finance has said I am not convinced that all this money is needed every year. According to the sums read out by the Minister of Public Works to-day. I am positive that what was spent during the last fifteen years on government house and grounds is not

in value there to-day. I am wondering whether a proper balance account is kept of any part of the public works system by the government, and if the assets and liabilities balance as they go along. I do not like opposing these votes, but seeing the terrible extravagance around the city of Ottawa, including the central park and the beautification of this city, with all its lavish alterations, I say it is unreasonable at this time; and I want to tell the cabinet right here that these things are taken out of the sweated labour of those who have to make their living by the sweat of their brow to-day—out of the sweated labour of the men and women to say nothing of the children, on the farms of Canada. I recall quite clearly that last year when we sought a raise for certain civil servants whose salaries were far below the living line the Minister of Finance himself said it was time someone spoke on behalf of the taxpayers of the country.

Mr. ROBB: I will venture to say that the average civil servant in Canada is paid more than my hon. friend pays his employees.

Mr. EVANS: My employees have always been paid a living wage. I venture to say that $917 is not a living wage in Canada to-day. More than that, the minister has spoken of the different viewpoints between the Progressives and the bureaucrats of Toronto and Ottawa. I want to tell him that the Progressives when in power in any of the provinces have been the best governments. The Progressive government that was in Toronto could account for every dollar that was spent.

Mr. GOTT: Quite so, and they ended up with a deficit of $15,000,000.

Mr. EVANS: Perhaps they did not beautify the grounds of the lieutenant-governor. The grounds and the governor's residence would have had attention if required. The line of cleavage that has been drawn, particularly the last two years, by this parliament between those who have to work for their living and those who are at the head of affairs in this nation is daily becoming more and more objectionable. Much as I dislike to oppose these votes as they come along, I should not be doing my duty to-day did I not protest against this lavish extravagance.

Mr. CHAPLIN: Mr. Chairman, the Minister of Finance, speaking for the treasury board, accuses some on this side of the house of being quite willing to spend a lot more money, and further accuses them of asking for money to be spent in their own constituencies. I can answer the minister,

at any rate as far as my constituency is concerned, by saying that that remark does not apply to me. I think the Minister of Finance will search a long time before he will find any instance where I have asked to have money spent in my constituency.

The spokesman for the treasury is not acting in his usual manner. Everybody has been referring to him as a sort of watchdog, but evidently the dog has gone to sleep just lately. I do not think the Minister of Finance will take umbrage at those remarks. I have too high a regard for him to think that he would. As far as "watchdog" is concerned, I think I have heard him refer to himself in almost exactly those terms; and consequently he is not likely to take offence. I do not use the expression in any derogatory sense; I simply say that he has lost his vocation for the moment. An hon. member reminds me that he has not had much bite, but apparently the dog has lost his grip in respect of these things.

The Minister of Finance refers to the province of Ontario as having spent a lot of money on its government house, and he says; "Oh well, only a wealthy man can take the job, and somebody down there has made it popular." The person who held the position, the last occupant of the office, made it popular by spending his own money. That is one of the prerogatives of people who get these high positions. While they may set a good example to us and spend a lot of money, that is no earthly reason why in times like these we should go crazy, as if we were bitten by a dog and contracted rabies or something of that kind. I want to call the attention of the house to the difference between the minister's statement to-night regarding the expenditure at Rideau Hall, and what a return brought down the other day discloses. The Minister of Finance says we have not kept up these buildings, and yet the other minister here tells us that even during the years of the war we were spending on an average over $50,000 a year on the upkeep of Rideau Hall.

Mr. MALCOLM: Oh no.

Mr. CHAPLIN: Oh yes, he does; and besides, I have under my hand a return which shows something entirely different. The Minister of Trade and Commerce may say no, but I want to—

Mr. MALCOLM: The Minister of Public Works said that about two-thirds of that vote was for salaries for the staff.

Mr. CHAPLIN: I do not think the minister will say that. I will sit down while the minister does say it.

Mr. STEWART (Edmonton): Go on. We like to hear my hon. friend.

Mr. CHAPLIN: My hon. friend had better keep out of this. I have in my hand a return brought down only a short time ago, and according to it the upkeep and improvements at Rideau Hall during the past ten years were as follows:

Fiscal Year	Amount
1917-18	$ 75,579 49
1918-19	59,994 72
1919-20	61,985 46
1920-21	69,981 38
1921-22	81,906 12
1922-23	94,425 12
1923-24	94,426 64
1924-25	96,067 42
1925-26	99,344 34
1926-27	128,560 72

My opinion is that sums of that size are very generous to keep in repair and to take care of depreciation of stone and ordinary brick buildings. That is a very large sum of money to lay out each year in the repair and upkeep of buildings. When the Minister of Finance tells us that we are asking for the expenditure of money, let me say to him that constituencies throughout the whole of Canada are in need of public services in the public interest and yet these moneys are being spent in folderols. That is all there is to it.

Mr. MANION: I have not taken very much part in the discussion to-day and I should like to say a word in regard to the statement made by the Minister of Finance as to those who ask for the expenditure of money in their constituencies. We should be living in a strange country if all the money that we collected and spent on public buildings and so forth should be spent in Ottawa. This year we have had immense sums spent in this city and at Rideau Hall and other places and that is what the party on this side of the house is protesting against. Certainly I as a member of parliament have no intention of sitting silent in the house and not asking for necessary expenditures, for example in my constituency. Most of the expenditures asked for in different constituencies by members in various parts of the house are asked for as expenditures which will bring in a return or which are necessary to provide postal customs or other facilities. I wish to put myself on record as taking the stand that simply because some member requests that necessary money be spent in his constituency for some particular work, that does not preclude him from standing up and protesting against what he considers to be unnecessary expenditures in Ottawa or elsewhere.

Amendment (Mr. Woodsworth) negatived.

Mr. SPENCER: Before this item carries I should like some further information from the minister. The two items of $50,000 and $60,000 that we are discussing to-night amount to $110,000 and the minister has given us details in regard to amounts of $45,000 and $16,000, or a total of $61,000. It seems only reasonable that we should ask and expect to receive answers as to how the balance is going to be applied. Surely where repairs and changes are being made in such an important building as Rideau Hall, plans should be made well in advance, and I cannot understand why the minister is unable to give us particulars how the money is going to be spent. Going back into past history we find that from time to time royalty has been extravagant and that parliament has had to step in and criticize the expenditure of kings. In this case we have in Canada a representative of His Majesty who, in the opinion of many members, is getting a little too extravagant for the welfare of this country. It is a very unpleasant duty, I admit, but it is our duty to draw the attention of the government, who ask us to vote for these items, to the fact that we consider these things are too expensive.

Mr. ELLIOTT: Does my hon. friend think his question is fair? If he had paid attention to what I told him a moment ago, I stated that the $60,000 item was taken up with wages of the thirty-five servants amounting to more than $45,000, and materials used by them in connection with the various services there, amounting to about $15,000. That covers the $60,000. That leaves $50,000, of which I have given my hon. friend the details.

Mr. SPENCER: For $16,000.

Mr. ELLIOTT: Yes, and I have told him that the balance was made up in furnishings required from time to time, improvements and repairs.

Mr. FANSHER (Last Mountain): Is it the intention to build any addition to any of the buildings and, if so, has the minister the architect's plan so that he can tell us what is going to be done?

Mr. ELLIOTT: The only addition that is proposed is a tennis pavilion amounting to $10,000. May I call my hon. friend's attention to the fact that if the $65,000 item that was thought necessary and that was expended in 1914 had been followed right through, instead of what has been expended annually since that time in this particular connection, it would have made up $120,000 of the $150,000 that we spent the year before last, this last year and that we are asking for now. This is practically to make up the deficiency for those years. I would suggest, if I might, that the item of $60,000 appearing on page 33, and having a direct relation to the matter we have just been considering, be now discussed while we have the whole matter in mind.

Mr. SPENCER: This item has not been carried yet and the minister has already given us the particulars that make up the $60,000 item. The particulars we want are in connection with the $50,000 item. He has not given them to us; he has given us details covering only $16,000 and I am going to give him a wide margin. I beg to move:

That item 127: Ottawa, Rideau Hall alterations, improvements and furnishings, be reduced by $20,000.

Mr. ELLIOTT: I do not see any advantage in repetition. I have already given my hon. friend all the information I have on the subject, all the information that is available at the present moment. I have given him details as to the fencing, the decorations, bathrooms, carpets, glassware, and so forth, and it is the opinion of the architect who has looked over the grounds and buildings that it will be necessary to provide certain new furnishings and repairs, of which he cannot give definite details at the present time, but they will be required in the present year.

Mr. GARDINER: If the minister is so satisfied that they will be required, why cannot he give the details?

Mr. ELLIOTT: They are general repairs.

Mr. GARDINER: That is not a reasonable answer. If the archiect thinks that they will be required, he should give some information as to what is required, and what will be the cost. I would remind the minister again that he has only given an explanation with regard to items totalling $16,000. The amendment proposed by my hon. friend from Battle River is to reduce the item by $20,000, so there will still be a margin left of $14,000. Does not the minister think that would be sufficient for the additional requirements, especially in view of the fact that the architect is not in a position to give any details as to what the balance is required for?

Amendment (Mr. Spencer) negatived.

Item agreed to.

Rideau Hall, including grounds—improvements, furniture, maintenance, etc., $60,000.

Miss MACPHAIL: I do not think it is the desire of any member of this house to seem

to be mean in relation to the present occupants or any other occupants of government house, but one wonders where this thing is going to end. We do not mind reasonable expenditures. But last night we passed an item to renovate a residence in Quebec at a cost of $150,000, and if certain rumours that come to one's ears to-day and other days are well founded, even these two residences will not be all.

Mr. MACKENZIE KING: I should like to relieve my hon. friend's mind at once about any rumours there may be as to other residences for the purposes of the governor general. If there are any such rumours, they are entirely without foundation, and such a suggestion would not be countenanced by the government.

Miss MACPHAIL: I am very glad to hear it. Two are enough, I think. We do not want the people in government house to have to scurry out and borrow dishes and silverware. That is disgraceful. We ought to be able to provide them with enough cups and saucers and spoons so that they can eat and drink. Everybody wants to see our government houses places of beauty and culture and dignity, but all that can be had for a good deal less expenditure. I sometimes think that one almost trips over the attendants, there are so many. I am not so sure that all that is necessary in order that there shall be culture and beauty and dignity, and though it is unpleasant for me to have to say it, I think it is time that the parliament of Canada said that this is enough, and we are just saying that to the Minister of Public Works to-night, as we did last night. We feel sure that the government will take into their consideration, as the term is, the wishes of parliament in this matter. It has been very clearly shown last night and to-day that parliament does feel that the expenditure is sufficient and should not be added to, and that if there is to be a change of any kind, the amount should be reduced.

Mr. IRVINE: I think there are amounts totalling $129,000 in the estimates immediately before us for Rideau Hall, and last night we passed a vote of $150,000 for a similar purpose. To-morrow night perhaps we shall vote $200,000 more for the same purpose. I cannot say that I am really opposed to these votes because I think the people of Canada desire to maintain this kind of thing. As far as I am aware, no protest has come from any section of the country against these expenditures. It may be that they do not know what is going on, and for that reason we ought to congratulate the hon. members of the house who have drawn the attention of parliament and of the country to the amounts we are expending for this purpose. Perhaps the more we spend in this way the better, because I do not know that there is any more emphatic way of attracting the attention of the public to the situation than by spending huge amounts of money. If they want to have royal conditions and all that kind of thing, they will have to pay for it. I do not think it would be wise for us to try to maintain the office in a second-hand way. If it is going to be maintained after the order, I was going to say, of Melchisedec, but that might be regarded as sacrilegious, so I will say after the order of the middle ages, we shall have to pay for it, and if we pay a little more, it might draw the attention of the public to the situation a little more speedily. On that ground I am not in favour of reducing these votes; in fact, I would like to increase them. If we are going to have royalty in Canada, I want it to be real royalty; I do not want any of this second-hand business. Moreover, I want to see Rideau Hall provided with so many knives and forks that when parliamentarians are entertained there, there will be a few left.

So far as I am concerned I want to say frankly that I do not think we need government houses in the provinces. I think they ought to be done away with. I do not think we need a government house in Ottawa. But the people do. They have made no protest; certainly I have never received one. The people of Ottawa, so far as I have been able to observe, are very glad to welcome this kind of thing—perhaps they get some forks there too—and they know what is being paid. The more people are ruled the better they seem to like it; they seem to desire to bow and scrape before people. Well, if they enjoy that, let them pay for it. Why should we object? As long as they like that kind of thing, by all means let them have it, and let them pay for the bowing and the place to bow in. If they want to double the expenditure, that is the business of the people of Canada, and if to-night we have protests against this kind of expenditure, as the people evidently want them, I am not going to make any. I am going to wait and see whether the exposé of these figures will be noticed by my constituents, and if they take up the protest of course I shall be glad to respond to their wishes. But until that time

I shall have to believe that Canada wants royalty, and if she does she will have to foot the bill.

Item agreed to.

Mr. ELLIOTT: Will you call the next item, telephone service, Mr. Chairman?

Mr. STEVENS: Why do you want to jump to telephone service?

Mr. ELLIOTT: We are not jumping; we are there now.

Mr. STEVENS: We willingly agreed to go to that item and pass it, but now we should get back to the resolution that we were dealing with and finish it.

Mr. ELLIOTT: At the suggestion of my hon. friend I will jump back.

Ottawa—towards purchase of building for government workshops, $12,750.

Mr. GARDINER: What is this?

Mr. ELLIOTT: It is the sixth annual payment on the purchase of the property.

Item agreed to.

Ottawa—towards purchase of Daly building, $118,000.

Mr. SPENCER: How much is still to be paid on this building?

Mr. ELLIOTT: Four payments.

Mr. GARDINER: What was the original price?

Mr. ELLIOTT: One million dollars.

Item agreed to.

Rockland—public building, $5,000.

Mr. SPENCER: Explain.

Mr. ELLIOTT: This $5,000, of which $2,500 is a revote, is for the fittings, lock boxes, grading, sidewalks, and so on, required for the completion of the post office erected at Rockland during the year 1927-28.

Mr. LUCAS: What is the postal revenue?

Mr. ELLIOTT: $2,412.

Mr. LUCAS: And the population?

Mr. ELLIOTT: 3,256.

Mr. LUCAS: Was this recommended by the postal department?

Mr. ELLIOTT: I do not see any recommendation here.

Mr. GARDINER: How would the item get into the estimates without a recommendation?

[Mr. Irvine.]

Mr. ELLIOTT: A delegation of the residents and the local authorities interviewed the minister on February 26, 1924, resolutions were passed by the town council, and other representations were made locally.

Mr. SPENCER: Has the local member recommended this?

Mr. ELLIOTT: Yes.

Item agreed to.

Toronto—customs house, $500,000.

Mr. GARDINER: Explain.

Mr. ELLIOTT: This is another case where a building was required years ago, but on account of shortage of funds, due largely to the war, we have had to defer it until the present time. We have been renting buildings for the customs and other services in Toronto, paying fairly good rentals, but not getting the desired accommodation. The construction of the customs building will be started this year.

Mr. McQUARRIE: Have you got the site?

Mr. ELLIOTT: Yes, we own the land already. One of the reasons why it is advantageous to put up the building on our property close to the railway station is that to-day we are paying $15,000 a year for the transfer back and forth of the mail and customs packages that have to be dealt with in the examining warehouse. We expect to save a considerable part of this expense. I may tell my hon. friend very frankly that we are not putting up this building until we think it is required.

Mr. MANION: So the Toronto people have said.

Mr. GARDINER: What is the estimated total cost?

Mr. ELLIOTT: What we propose to construct will cost, as near as possible, two million dollars. We are making a beginning this year.

Mr. DUNNING: It will be more than that ultimately.

Mr. ELLIOTT: Yes, but all that is to be constructed at the present time will cost two million dollars.

Mr. CASGRAIN: Where are the Toronto members?

Mr. ELLIOTT: I do not think they object.

Mr. GARDINER: Let us have the final blow now.

Mr. ELLIOTT: My hon. friend will get the final blow just as soon as I get it, and I do not intend to get it until I absolutely have to. It is thought that two million dollars will meet the requirements for some time to come. This expenditure will build two of the three units that are proposed. There will be an additional unit later on. It may not be required for perhaps ten or twelve years.

Item agreed to.

Dominion public buildings, improvements, repairs, etc., $35,000; Winnipeg—Fort Osborne barracks—new boilers, $45,000; Winnipeg post office—installation of pickup tables, $7,000; Winnipeg — Minto street armoury — fittings, $16,000; Winnipeg immigration building No. 2 —repairs and improvements, $2,700.—Total, $105,700.

Mr. CANTLEY: What is the $45,000 for in connection with Fort Osborne barracks?

Mr. ELLIOTT: These are new boilers required for the barracks. This sum is needed to provide for the installation of the third unit of three modern boilers there.

Mr. CANTLEY: Did we not have a similar item last year in connection with these boilers?

Mr. ELLIOTT: Yes. The replacement of the existing boilers was commenced in 1926-27, the work to be spread over three years. In 1926-27 the first unit was installed, under contract with W. G. Edge, Limited, of Ottawa for $29,500. In 1927-28 the second unit was installed by the James Ballantyne Company of Winnipeg, the contract being for $35,397. In order to complete the work it is necessary to install the third and last unit this year, the appropriation being what is now asked.

Mr. GARDINER: Are the units of different sizes?

Mr. ELLIOTT: I have not the specifications, but no doubt they are different.

Mr. GARDINER: The first unit cost $29,000, the second $35,000 and the third unit will now cost $45,000. Unless there is some difference in size and in other respects, an explanation should be given.

Mr. ELLIOTT: I have no doubt there is a difference in the performance of the different boilers.

Item agreed to.

Saskatchewan—Dominion public buildings—improvements, repairs, etc., $17,000.

Mr. SPENCER: What are the particulars in regard to the $17,000 for Dominion public buildings?

Mr. ELLIOTT: This is the general vote. It covers buildings all over the province. The amount expended for this purpose last year was $16,998; the previous year $16,139; the year before that $16,477. It is the usual vote.

Mr. SPENCER: The depreciation in public buildings in Saskatchewan is not as great as the depreciation per annum in connection with Rideau Hall.

Item agreed to.

Prince Albert—immigration building, $45,000.

Mr. GARDINER: What is the need for this building?

Mr. STEVENS: It is the Prime Minister's riding; why should there not be a building there?

Mr. LAPOINTE: They deserve something.

Mr. STEVENS: Surely.

Mr. ELLIOTT: It is one of the many fortunate ridings in the country at the present time. The amount is required towards the purchase of a site and the erection of an immigration building at Prince Albert. The proposed building will be a two storey brick structure 90 feet by 35 feet, the estimated cost being $45,000. The erection of the building was requested by Mr. W. J. Egan, Deputy Minister of Immigration and Colonization, in communications extending over a number of years. In his letter of November 15, 1926, he states:

> The department has for some years past had an immigration hall at Prince Albert, which, while possibly meeting our needs at the time of construction and for some period afterwards, is now found to be altogether inadequate. The building is frame, one-storey, 26′ x 70′ x 10′, divided into two sections, practically one-third of it being used for the janitor's quarters, leaving available only eight rooms with a double bed in each for the use of immigrants and giving a maximum accommodation for sixteen persons only.
>
> The movement of immigrants to this section has been gradually increasing yearly and in the spring of 1926 we had occasion to accommodate approximately 350 new arrivals in three months. What we have in mind is a two storey frame building capable of accommodating one hundred persons including families, the upper floor to be devoted to dormitories for men and women with separate rooms on the lower floor for families, together with quarters for the caretaker.

Mr. ROSS (Kingston): How many places in Saskatchewan besides Prince Albert have immigration buildings?

Mr. ELLIOTT: I am afraid my hon. friend will have to ask the Department of Immigration; I could not give the information offhand. I might point out that the population of

Prince Albert in a period of a little over twenty years has increased from 1,785 to 7,500 at the end of 1927. It has increased about fivefold in the last twenty years.

Mr. GARDINER: How many persons will the building accommodate at one time?

Mr. ELLIOTT: It is intended to accommodate 100 persons including families, at one time.

Item agreed to.

Prince Albert public building—addition, $50,000.

Mr. STEVENS: What is this?

Mr. ELLIOTT: This is an addition to the public building.

Mr. SHORT: Prince Albert is well looked after.

Mr. ELLIOTT: We are trying to do the best we can.

Mr. STEVENS: Did the member for Prince Albert request this?

Mr. ELLIOTT: I do not think he did; I have no recollection of his having done so.

Mr. LAPOINTE: He didn't oppose it.

Mr. ELLIOTT: I have heard no opposition. The amount is required towards the construction of an addition to the public building at Prince Albert to provide adequate accommodation for the postal, customs, Dominion lands, national parks and forestry services. The requirements in these various branches in Prince Albert have increased, as the population has increased, out of all proportion to the existing accommodation.

Mr. McQUARRIE: Any recommendations?

Mr. ELLIOTT: From nearly everybody. Some years ago the post office gave up to the taxation branch a portion of the space they occupied, on the understanding that if required this space would be returned. Now the post office has made application for the return of this space or its equivalent. A new sketch has been prepared showing the additional accommodation required by the Department of the Interior, which necessitates a rearrangement of the whole scheme. It is considered that to enclose a portion of the court at the rear of the post office will give better accommodation than taking the space now used by the taxation branch. This will provide for the Department of the Interior, the parks branch and the forestry branch.

Mr. STEVENS: Will it include the Soldier Settlement Board?

[Mr. Elliott.]

Mr. ELLIOTT: I do not think so.

Mr. FORKE: It is intended to have the Soldier Settlement Board in the new immigration building when it is completed.

Mr. FRASER: Will this amount complete the building?

Mr. ELLIOTT: That is the estimate.

Item agreed to.

Regina—tractor for postal purposes, $1,350.

Mr. LUCAS: Is this a standard tractor?

Mr. ELLIOTT: This is a standard tractor requested by the department, costing $1,350. We are getting this kind of tractor in almost every case.

Mr. FRASER: Where are they made?

Mr. ELLIOTT: I have not that information, but they are the tractors used by the railways for similar work.

Mr. SPENCER: Why does a tractor come under this department? Why is this not provided by the Post Office department?

Mr. ELLIOTT: The Post Office department makes the request and we have to pay the money, just as we have to build the post offices.

Mr. SPENCER: This is the supply department?

Mr. ELLIOTT: Yes. The Postmaster General makes a request, and we have such faith in his requests that we try to grant them as far as possible.

Mr. FRASER: That is how the Post Office department shows a surplus from year to year; they do not pay for their equipment?

Mr. VENIOT: I am sorry, but there is no surplus.

Item agreed to.

Regina—armoury, $33,500.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This is the first payment on the purchase of a building for armoury purposes in the city of Regina. As a means of providing adequate armoury accommodation it is proposed to erect a building by private enterprise by an organization to be incorporated under the name of the Regina Armoury Association. The city of Regina is prepared to donate a site worth $40,000,

situated in the northeast corner of the exhibition grounds for the proposed structure, and the association proposes raising the necessary funds for the erection of an armoury building costing approximately $400,000. It is proposed to lease the building to the Dominion government on a rental-purchase basis at an annual rental of $33,500 for a period of twenty years, at the end of which time the building becomes the property of the government.

Mr. DUNNING: Perhaps I might say that while the term "private enterprise" was used by the minister, the association which is being formed is a non-profit organization consisting of the officers of the various units in the city. In connection with the arrangement there is no private profit of any kind at all. The city itself is contributing the site, as I say the organization will be a holding company merely to enable the cost to be amortized over a period of years.

Mr. LUCAS: What is to be the total cost?

Mr. ELLIOTT: $400,000.

Mr. GARDINER: Can the minister tell us how many units will make use of this building?

Mr. ELLIOTT: I do not think we have the number of units; I am afraid my hon. friend will have to get that from the Department of National Defence. The technical officers advise us that it is not possible for the units concerned to function efficiently in their present quarters, and the erection of an armoury is the only means of providing a suitable building. They also advise that the present rentals may be given up as an offset against the expenditure which acceptance of these proposals would entail. In this opinion the deputy ministers of National Defence and Public Works concur, and are of the opinion that acceptance of the above proposals would tend towards greater efficiency and the acquisition by the crown of a suitable building at a minimum of expenditure.

Mr. GARDINER: What is the present rental?

Mr. DUNNING: Approximately $13,000 a year is now being paid in the form of rent, speaking from memory.

Mr. ELLIOTT: And the accommodation is entirely inadequate.

Mr. FANSHER (Last Mountain): Is this building at Regina larger than the armoury at Moose Jaw, or how does it compare?

Mr. ELLIOTT: I am not able to say, because I have not the figures with regard to Moose Jaw. I understand that it is about the size of the Edmonton armoury, if my hon. friend knows that building.

Item agreed to.

Rosthern—public building, $28,000.

Mr. LUCAS: Will the minister explain this item?

Mr. ELLIOTT: This is required for the purchase of a site and towards the erection of a public building for postal purposes in the town of Rosthern. For a number of years representations have been made that the present accommodation is entirely inadequate, and a report to council was prepared for the purchase of a certain lot from the Union Supply Company Limited. This was done in 1915, but it was not proceeded with at that time, and has stood over since. Various resolutions have been passed and requests made, one by the district superintendent of postal services on December 23, 1927. Among other things he points out that the postmaster has 174 small lock boxes, all rented, and 97 larger size boxes rented; he contemplates an additional 40 small size boxes, and has a demand for a number more. The revenue is $6,248 per year. The members of the board of trade and representatives of the postal department have urged upon the government the necessity of the building.

Mr. LUCAS: What is the population?

Mr. ELLIOTT: The population is now a bit over 1,500.

Mr. GARDINER: And the revenue is over $6,000?

Mr. ELLIOTT: From postal revenue, $6,248, and from the customs $6,534.

Mr. GARDINER: Are the post office and the customs house in one building?

Mr. ELLIOTT: Yes.

Mr. GARDINER: Will the minister give the house some information as to the rental of the building?

Mr. ELLIOTT: It is a rented building, supplied by the postmaster.

Mr. GARDINER: What is the rent paid?

Mr. ELLIOTT: The postmaster receives so much and supplies the accommodation.

Mr. STEVENS: Can the minister give the amount the postmaster receives, together with the rental?

Mr. ELLIOTT: No, I cannot.

Mr. GARDINER: Is there any information as to the size of the present building?

Mr. ELLIOTT: No, except that it is reported to be entirely unsuitable.

Mr. GARDINER: Are the customs and excise at present in the same building?

Mr. ELLIOTT: No, I understand they are not.

Mr. GARDINER: What constituency is this in?

Mr. ELLIOTT: Prince Albert.

Mr. MACKENZIE KING: A very large constituency.

Mr. GARDINER: Is this $28,000 for the purpose of buying the lot?

Mr. ELLIOTT: The $28,000 is for the purchase of the site and towards the erection of a public building. The building is estimated to cost $23,000; post office and customs fittings, $3,500; grading and sidewalks, $1,500; superintendence and contingencies, perhaps from $500 to $1,000.

Mr. STEVENS: How much are you going to pay for the lot?

Mr. ELLIOTT: We have not got it yet; we have to have the vote before we can buy a lot.

Mr. GARDINER: Has the minister an estimate as to the cost of the lot apart from the building?

Mr. ELLIOTT: No.

Mr. GARDINER: Is this $28,000 both for the lot and the building?

Mr. ELLIOTT: No, it is exclusive of the site. The cost of the site has not yet been determined.

Mr. GARDINER: Can the minister explain how he is going to put up a building without having a lot to build it on?

Mr. ELLIOTT: We will not put it up without a lot to build it on.

Mr. SHORT: Why do you not build on some of the lots which you have down in the maritime provinces? You want an appropriation to go through without a lot to build on.

Mr. ELLIOTT: Those lots are too far away to be of service for this building.

[Mr. Elliott.]

Mr. POWER: The member representing this constituency is a representative statesman.

Mr. LUCAS: There was a lot in my constituency for seventeen years without a building put upon it.

Mr. VALLANCE: I might tell my hon. friend that we have a lot, bought by the Tories in 1911, on which there has been no building erected.

Mr. ROSS (Kingston): Might I ask what is the size of the village?

Mr. VALLANCE: Eleven hundred.

Item agreed to.

Saskatoon—public building, $150,000.

Mr. ELLIOTT: In this connection three projects were under consideration, one the construction of a new public building, second, the enlargement of the existing building, and third, the purchase of another building. The present post office building is entirely inadequate to provide for the business that is carried on there, and the advice from our architect is that from a structural standpoint it cannot be economically enlarged to accommodate all the government offices. It was therefore found advisable to obtain another suitable site. The site of the present building is a valuable one, and the land around there, necessary to provide the further accommodation required, is being held at a very high price. What is proposed is to purchase a lot 40 feet on Twenty-second avenue for $53,000, the property adjacent to the railway station and situated on block 148 with a frontage of 150 feet on First avenue, 120 feet on Twenty-second avenue, and distant from the post office 250 feet on First avenue, and to build on that lot.

Item agreed to.

An hon. MEMBER: It is eleven o'clock.

Mr. MACKENZIE KING: Is there any objection to finishing the item? The remaining vote, for Tisdale, is a small one.

Mr. GARDINER: It is rather a large item, Mr. Chairman, and I suggest that it stand over.

Mr. STEVENS: You have had a pretty good day.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, May 7, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

On motion of Mr. Mackenzie King, seconded by Mr. Robb, the following bills were read the first and second times on division:

Bill No. 280, for the relief of Arthur Joel Cox.—Mr. Casselman.

Bill No. 281, for the relief of Mary Ellen Gussie Edwards.—Mr. Casselman.

Bill No. 282, for the relief of William Henry Leonard Gale.—Mr. Church.

Bill No. 283, for the relief of Harriet Louisa Gates.—Mr. Ross (Kingston).

Bill No. 284, for the relief of Duke Mulloy Gordon.—Mr. Ross (Kingston).

Bill No. 285, for the relief of Victor Edward McPherson.—Mr. Ross (Kingston).

Bill No. 286, for the relief of Annie Schreiber.—Mr. Garland (Carleton).

Bill No. 287, for the relief of James Retson Watt—Mr. Bell (St. Antoine.)

REPORT OF COMMITTEE

Fourth and final report of the select standing committee on railways and shipping.—Mr. Goodison.

BANKING AND COMMERCE

MOTION FOR ADOPTION OF COMMITTEE'S REPORT

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, on behalf of the hon. member for North Perth (Mr. Hay), I beg to move that in accordance with the notice given on the 3rd instant, the eighth report of the select standing committee on banking and commerce be concurred in.

Mr. J. S. WOODSWORTH (Winninpeg North Centre): Just before that motion is adopted, there are a few remarks I should like to make, especially since it was on my motion that the inquiry was made before the banking and commerce committee. I do not desire to move an amendment to that report, which like all reports, is more or less of a compromise, but I should like to point out very briefly some of the facts which came before this committee which are not embodied in the report.

While undoubtedly the attention of the committee was centered upon the suggestion of a central bank of issue and rediscount at the same time there were other suggestions made, such as the establishment of small local banks, and the possibility of setting up co-operative credit societies. These matters were not gone into by your committee.

Futher than that, there were a number of general criticisms advanced with regard to the present banking system. The witnesses that came before the committee were, with one exception, either officials of the department or else those connected with the Canadian Bankers Association. Under these circumstances we had not the opportunity of considering as many of these criticisms as personally I should have liked. I am not blaming the committee; the trouble lay in the fact that very few business men cared to come forward to criticize the banks. I do not know whether their objections are well taken but while privately they criticize the banks, they express themselves as afraid to come forward publicly lest their credit should be interfered with. I do not know whether those fears are justified; I merely mention that for what it is worth.

In rebuttal of various criticisms which were made, the bankers made claims which I summarize as follows:

(a) That the small number of banks in Canada (four banks controlling approximately 70 per cent of the entire deposits) is in the interests of Canada.

(b) That according to the banks' code of honour, in the granting of credits there is no discrimination against a business concern that is a rival to one in which a bank director is also a director.

(c) That on the contrary, interlocking directorates are a distinct advantage.

(d) That districts remote from headquarters are under no disadvantage.

(e) That it is not the function of a bank to take the hazards of the commencement of a manufacturing business but that any solvent concern in a liquid shape can obtain all the cerdit it can reasonably desire for legitimate purposes.

Mr. A. E. Phipps puts it this way:

No legitimate loan properly secured has been refused from one end of Canada to the other, since I have been a banker.

The evidence further shows:

(a) That under the Finance Act the government performed, with less machinery and expense, some of the functions of the Federal Reserve bank, but that the banks use the Finance Act to a very limited degree.

(b) That the control of the Federal Reserve banks over the money market through the open market transactions might be difficult to exercise in Canada.

(c) That in the opinion of Governor Harding,—

1. The mutual savings banks in New England have been highly successful.

2. That in the United States, western cities would organize their own banks.

3. That the Federal Reserve banks have been helpful in stabilizing the prive level by stabilizing the money market.

4. That a federal reserve system organized on the same basis as in the United States—that is, a regional system—would be impossible in Canada.

With regard to the control of the price level, as a good many hon. gentlemen know, there are two schools of economists that differ widely. When introducing my resolution some weeks ago I quoted at length from Mr. Reginald McKenna—

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, I gather from the observations of my hon. friend that he imagines he is discussing the report of the banking and commerce committee on the inquiry into the banking system.

Mr. WOODSWORTH: Yes.

Mr. ROBB: That is not the report before the house at all. The motion is to approve the eighth report of the select standing committee on banking and commerce, which covers bill No. 38, an act to amend the Bankruptcy Act.

Mr. WOODSWORTH: I was informed by the chairman of the committee that there had been a slight error on the part of the clerk and that "seventh" and "eighth" had been confused, but that it was the report on improving the banking system that was before the house.

Mr. SPEAKER: At the foot of the motion is a note that the eighth report covers bill No. 38, an act to amend the Bankruptcy Act (attendance for examination), which the committee recommend be withdrawn in view of the several amendments to the Bankruptcy Act contemplated next session.

Motion agreed to.

RAILWAYS AND SHIPPING

Mr. W. T. GOODISON (West Lambton) moved:

That the fourth and final report of the select standing committee on railways and shipping owned, operated and controlled by the government be concurred in.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker I think notice should be given. In the meantime the report referred to should be printed in order that it may be studied by hon. members before they are asked to concur in it.

Mr. DUNNING: Agreed.

Mr. SPEAKER: Stands as a notice.

[Mr. Woodsworth.]

SOLDIER SETTLEMENT ACT

Hon. ROBERT FORKE (Minister of Immigration and Colonization) moved for leave to introduce Bill No. 288 to amend the Soldier Settlement Act.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, is this bill in accordance with the recommendations of the soldiers' committee?

Mr. MACKENZIE KING: Yes.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—NEWSPAPER ADVERTISING

Mr. CHURCH:

1. What sums were spent on advertising in newspapers by the Canadian National Railways in 1927 and 1928, and to whom paid?

2. What sums were spent on free transportation in exchange for (a) newspaper space, (b) eulogy articles on the system and its officials, and to what papers in each case was transportation issued accordingly, (c) to aid in securing new business for the system?

3 How was an item of $175,162 increase in such advertising in 1927 and 1928 expended, and what papers benefited?

4. What was the number of passes granted each paper, and to whom?

Mr. DUNNING:

This question calls for information of a kind that the management of the Canadian National Railways holds not to be in the public interest to divulge in detail, as publication, while serving no useful purpose, may place the Canadian National Railways in an individious position with respect to competitors whose advertising appropriations are not subject to publication.

Even if it were advisable to bring down the information asked for in detail, it could not be given in the form of an answer to a question as it covers advertising of all kinds —newspapers, magazines, printing of booklets, etc.—and also not only the entire Canadian field, but such portions of the United States as are served by Canadian National lines in that country.

The item under advertising in Canadian National accounts which the hon. gentleman refers to as having increased by $175,162 during 1927, covers advertising of all kinds throughout Canada and the United States. During 1927, the management expended on advertising in newspapers $303,809.25. In

addition thereto there was issued transportation in lieu of cash for advertising space in newspapers in Canada only $197,225.39.

SAINT JOHN VALLEY RAILWAY

Mr. FRASER:

What is being done by the government in the matter of the Saint John Valley railway?

Mr. DUNNING:

The possible acquisition of the Saint John and Quebec railway, and certain other railways throughout Canada, is under consideration by the government and the management of Canadian National Railways.

ASHTON, ONT., POSTMASTERSHIP

Mr. GARLAND (Carleton):

1. Has there been a change in the postmastership at Ashton, Ontario, during the past year?
2. If so, who is the present postmaster and when was he appointed?
3. Who recommended his appointment?

Mr. VENIOT:

1, 2 and 3. Postmaster A. L. Tubman tendered his resignation in February last. The vacancy was advertised in usual way and a certificate has now been received from the Civil Service Commission covering the appointment of Mr. W. H. Bigford. Arrangements are being made for the transfer to the commission's nominee.

SEIZURES OF WINES AND SPIRITS 1923-1927

Mr. CANTLEY:

1. What was the total quantity of wines or/and spirits seized, condemned or confiscated by officers of the Department of Revenue during each of the years 1923-1924-1925-1926-1927, in each of the several provinces of Canada?
2. What was the proportion of (a) wines, (b) spirits, so seized or confiscated?
3. What disposal was made of such wines and/or spirits so seized, condemned or confiscated?
4. What are the quantities of (a) wines, (b) spirits so seized, condemned or confiscated, now stored in (a) Halifax, (b) Pictou, (c) Sydney, (d) North Sydney and (e) other points in Nova Scotia?
5. Have any wines or spirits so seized, condemned or confiscated been sold or transferred to any of the several provincial liquor commissions?
6. If so, to what commissions, what quantities were sold, at what dates and at what prices in each case?

Mr. EULER: Mr. Speaker, there is no disposition on the part of the department to refuse the information asked for by my hon. friend, but to furnish it would necessitate the services of four or five clerks for a period extending over five or six months, the material being so voluminous. Perhaps he will amend his question, or drop it altogether, for I doubt whether it would be worth while to expend so much time on furnishing the desired information.

Mr. CANTLEY: I will consult the minister in regard to it.

Mr. SPEAKER: Stands.

QUESTION PASSED AS ORDER FOR RETURN

INVERNESS COUNTY—POSTMASTERS DISMISSED

Mr. MACDOUGALL:

1. How many postmasters were dismissed in the county of Inverness since the present Postmaster General assumed office?
2. What are their names?
3. On whose recommendation did the department dismiss them?
4. For what reason were dismissals made?

UNOPPOSED MOTIONS FOR PAPERS

GOVERNMENT AID TO RAILWAYS

Mr. CHURCH:

For a return showing: 1. The Federal aid granted to the (a) Toronto and Eastern Railway, (b) the Canadian Northern Railway (on section Toronto to Trenton), and the cost of said systems and the terms on which these two systems became the property of the government, and what has been done with these properties.
2. The number of miles of these systems now torn up and abandoned or unused, and the loss attending.
3. The amounts spent on right of way and what sales have been made of these lands.
4. The amounts received from salvage of the tearing up of these systems. What has been torn up, how was it disposed of, to whom, for what sums, and what tenders were received.
5. The loss to the country on account of (a) capital, (b) maintenance, by such abandonment.
6. For a copy of a contract or agreement to sell the Toronto and Eastern to the Hydro-Electric Power Commission applied for by the late Sir Adam Beck.

YPRES, SASKATCHEWAN, POST OFFICE

Mr. CAMPBELL:

For a copy of all papers, letters, and other correspondence, in connection with an application for the removal of the post office of Ypres, Saskatchewan, from its present location.

DEPARTMENT OF THE INTERIOR, HUDSON BAY AND FLIN FLON MINING COMPANIES

Mr. SENN:

For a copy of all correspondence, telegrams, reports, orders in council, leases, agreements or other documents, relating to the Flin Flon mine, and/or the Hudson Bay Mining Company, between the Department of the Interior and the Hudson Bay Mining Company and the Flin Flon Mining Company and/or their solicitors and agents; and any other department of the government.

VANCOUVER HARBOUR BOARD TERMINAL ELEVATOR NO. 3

Mr. CAMPBELL:

For a copy of all telegrams, letters, and other correspondence between E. A. Buckerfield, W. deB Farris, J. R. Murray, and the Vancouver harbour commissioners, or the government relative to the purchase or lease of the property adjacent to (or joining) No. 3 Vancouver harbour board terminal elevator (now under lease to the United Grain Growers) and upon which there has recently been erected an elevator and feed mill.

PORT HASTINGS-QUEENSVILLE, NOVA SCOTIA, MAIL SERVICE

Mr. MACDOUGALL:

For a copy of all tenders received by the Post Office Department for conveying His Majesty's mails to and from Port Hastings and Queensville, in the county of Inverness, Nova Scotia. Also a return showing the names of all persons who tendered, the amount of each tender, along with a copy of correspondence, if any, from other parties in reference to said tenders.

CANADIAN NATIONAL RAILWAYS—FLIN FLON AND HUDSON BAY MINES

Mr. SENN:

For a copy of all correspondence, telegrams, reports, orders in council, leases, agreements or other documents, relating to the construction of a railway into the Flin Flon mine or the Hudson Bay mine between the Department of Railways and the Flin Flon Mining Company and/or the Hudson Bay Mining Company, and/or their solicitors and agents; and any other department of the government.

Mr. DUNNING: Perhaps my hon. friend will agree to include, along with the Department of Railways, the Canadian National Railways. If that were done all the information respecting the matter would come down at the same time. This would be more convenient for the house and for everyone concerned. If the words "Canadian National Railways" were inserted after the words "Department of Railways," in the fourth line, it would accomplish the object. The government is very anxious to bring down the papers, and this amendment would enable it to submit them all at the same time.

Motion agreed to.

PENSION ACT AMENDMENT

Hon. J. H. KING (Minister of Health) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to amend the Pension Act to provide for the amendments reported to the house by the special committee, and for such other amendments as may be necessary in consequence of the amalgamation of the Department of Soldiers' Civil Re-establishment with the Department of Health.

[Mr. Senn.]

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

Motion agreed to.

RETURNED SOLDIERS INSURANCE ACT AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the Returned Soldiers' Insurance Act be amended in respect to payments in case of disability not due to war, and as to applications where there is no reasonable expectation of life, and to provide that applications for insurance may be received under the act on and after the 1st July, 1928, up to and including the 30th June, 1933.

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

LEVELS OF LAKE NIPISSING

On the orders of the day:

Mr. JAMES ARTHURS (Parry Sound): I wish to direct a question either to the Minister of Marine (Mr. Cardin) or to the Minister of Public Works (Mr. Elliott): I have received several communications from my riding, and I have noticed in the newspapers a great deal of complaint, regarding the levels of lake Nipissing, which are presently controlled by a dam under, I think, the direction of the Minister of Public Works. Great loss will be sustained if the lake continues at its present level. Has either minister received any communication along that line, or will the dam be opened?

Hon. J. C. ELLIOTT (Minister of Public Works): I am not aware of any communications but I shall be glad to inquire and give an answer probably to-morrow.

PRIVILEGES AND ELECTIONS

ATHABASCA ELECTION—QUESTION AS TO MEETING OF COMMITTEE

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): We seem to have a good deal of difficulty in connection with the committee on privileges and elections. In Thursday's votes and proceedings there was notice that there would be a meeting of the committee on Tuesday, and in Friday's votes and pro-

ceedings it appears that the meeting is to be held on Thursday. There should be some explanation as to why this change has taken place. I do not suggest that my hon. friend (Mr. Lapointe) knows, but it does occur to me that this unfortunate committee is experiencing great difficulty in getting together. My understanding was that it was to meet on Tuesday in pursuance of notice, and I made my arrangements accordingly.

Mr LAPOINTE: I do not think my hon. friend is in order in referring to the proceedings of a committee of the house; I think that is distinctly against the rules.

Mr. BENNETT: It is not against the rules to ask a question if there is a misstatement. I hold in my hand a copy of the votes and proceedings of the house, which are part of the public record of the House of Commons, and I am directing the attention of the government, who control the committees—

Mr. LAPOINTE: They do not.

Mr. BENNETT: They have a majority in them all, and that is what I meant by the control of the government. That is the kind of control we know in parliament; if there were any other kind of control the hon. gentleman would not be here. In the votes and proceedings it is stated that the committee on privileges and elections is to meet at 11 a.m. in room 424; it was to have met Tuesday and now it is fixed for Thursday. I suppose the officers of the house would be responsible for the change.

Mr. DENIS (Joliette): No doubt it is my fault, Mr. Speaker, but I did not quite understand the question asked by the leader of the opposition. If I might be permitted to do so, I will read his question and give an answer at five o'clock this afternoon or at eight o'clock to-night.

NATURALIZATION ACT

STATEMENT BY CHIEF JUSTICE MEREDITH

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I direct the attention of the Secretary of State to the fact that Chief Justice Meredith has made a public protest because he cannot get from the minister information which he requires, and I ask if this information will be given in future.

Hon. FERNAND RINFRET (Secretary of State): I have read the report sent out by the Canadian Press having to do with a judgment rendered by Chief Justice Meredith at Osgoode Hall, Toronto. In the first paragraph of the report it is stated that the chief justice intimated that he had applied to the Secretary of State for assistance in arriving at a decision with respect to these aliens who were applying for naturalization, and that the minister had not responded to his request. I believe that is what my hon. friend has in mind.

I can only say that I am afraid the Canadian Press has been misinformed on the matter; I do not believe that Chief Justice Meredith would have taken such a stand, for the simple reason that he did not write to the Secretary of State in connection with this matter, and so could not have received any reply from myself. What happened was this: On April 9 Chief Justice Meredith wrote a letter to the Under-Secretary of State, Mr. Mulvey, which I will now read:

My dear Mr. MULVEY:

The same question in regard to naturalization in Canada of aliens, about which I had some correspondence with you a while ago, has arisen again, in the same place and in regard to the same class of persons.

The still unsatisfactory state of the law and the practice under the act has impelled me to put in writing some thoughts on the subject in the hope that they may lead to something being done to put the matter on a better footing.

Will you be good enough to give to me any assistance you can; and to read that which I have written and let we know your views of all that I have said?

The enclosed paper is merely a draft. I have done nothing yet.

On April 17 of this year the Under-Secretary of State replied as follows:

My dear Judge MEREDITH:

Your letter of the 9th arrived during my absence from Ottawa. I am very glad indeed to have your opinion upon the subjects therein touched upon in respect of the naturalization of aliens. This will be of great assistance to the Secretary of State in promoting a bill which is at present before parliament for the purpose of amending the Naturalization Act, eliminating the clauses which require applicants for naturalization to be heard by a judge. I agree with your view throughout. In fact, I have for years been trying to prevail upon the Secretary of State to put forward the bill which is now under consideration.

Mr. BENNETT: The memorandum attached to the letter has not been read.

Mr. RINFRET: I thank my hon. friend for the interjection, because this is also very helpful. On May 1 Mr. Justice Meredith wrote to Mr. McClenahan, local registrar at Milton, Ontario, in which letter he informed Mr. McClenahan that he was sending papers in reference to cases which were before the court, and in that letter he stated:

You are no doubt aware of the fact that there has been a good deal of discussion over naturalization proceedings ever since the assizes at Milton two or three years ago when several cases had to be dealt with by me.

It has now reached the stage when I think it proper to deal with the cases that came before me at your last Autumn assizes; and I have accordingly filled in my decision in the papers in each case and am now sending to you by Canadian Pacific express all of the papers so that there need be no more delay in sending them to the Secretary of State.

With this letter I am sending to you a copy of my reasons for the decisions; be sure that it accompanies the papers always; unless some one chooses to have copies made and a copy sent with each set of papers. I thought one for the lot should do.

Hoping that all things are going on very well in Milton:

On May 4 Mr. McClenahan wrote to the Secretary of State as follows:

Dear Sir:
Enclosed find all papers re applications for naturalization herein which I received this morning. I am enclosing a letter containing his reasons.

This is not the proper time for any comment, I know, but I do say again that surely this report must be the result of the Canadian Press having been misinformed. Mr. Justice Meredith could not say he had written the Secretary of State without receiving a reply, because in the first place he did not write the Secretary of State; he wrote the Under-Secretary of State from whom he received a prompt reply. The copy of his memorandum which was sent to the Under-Secretary of State previously was forwarded to me by the local registrar at Milton, two or three days after I made my speech in the House of Commons.

Mr. McGIBBON: He did not say he asked for assistance.

Some hon. MEMBERS: Order.

Mr. SPEAKER: No debate can take place now.

Mr. BENNETT: But only a portion of the letter has been read. Surely the minister will realize that the memorandum accompanying the letter is a part of the letter and should be read.

Mr. RINFRET: There is no objection to reading it, but it is the very memorandum which was placed on Hansard when I made my speech.

BRITISH COLUMBIA PENITENTIARY

ESCAPE OF CONVICT

On the orders of the day.

Mr. W. G. McQUARRIE (New Westminster): I would like to ask the Minister of Justice if it is true that on April 30 last a Chinese convict escaped from the British Columbia penitentiary situated at New Westminster while employed in the private residence of the acting warden, Inspector Jackson, and if it is not contrary to the regulations to so employ a convict?

Hon. ERNEST LAPOINTE (Minister of Justice): I will secure the information.

DISPOSAL OF CANTEEN FUNDS

Hon. J. L. RALSTON (Minister of National Defence) moved that the house go into committee on Bill No. 39, respecting the disposal of certain canteen funds.

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

On section 1—Short title.

Mr. RALSTON: The bill has been reprinted and hon. members will find it on their files as reported by the special committee on pensions and soldier problems. That committee made some amendments, all of which have been incorporated in the bill. There are two suggestions in amendment that I have to make to the committee. One amendment is in section 4, and the other in section 7. Hon. members will recall that the purpose of the bill was to provide for the distribution of certain canteen funds accumulated by battalions, and other units, with a constantly changing personnel, and which were in Canada during the war. The bill now before us provides for the distribution on exactly the same basis as that of the fund under the Canteen Funds Act of 1925.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Administration by provincial board of trustees.

Mr. RALSTON: Section 4 is one that I have just been discussing with the chairman of the special committee. Section 4, subsection (b), clause 2 provides:

That any use of the provincial allotment for relief purposes should be limited to the class of case for which no relief is then available from governmental sources, or from the allotment made under the Canteen Funds Act.

As I have pointed out, the effect of that section would be that no one would get the benefit of this Canteen Funds Act who was in a position to take any benefit from the existing Canteen Funds Act. In consultation with the chairman of the committee, I understand from him that that was not the inten-

tion of the committee, and that this was inadvertent. I think he has consulted with some other members, who concur, and in view of that I am moving:

That section 4, subsection (b), clause 2, be amended by striking out the words "or from the allotment made under the Canteen Funds Act" in the forth and fifth lines of such clause.

Mr. BLACK (Yukon): I would like to ask the minister if all of that subsection should not go out.

Mr. RALSTON: That was the principle that was adopted under the other Canteen Funds Act. In other words, this was to be considered a special emergency fund, and if relief was available from governmental sources the Canteen Funds Act should be kept intact. That was the principle that was adopted under the other act, and I presume that is why it was incorporated in this.

Amendment agreed to.

Section as amended agreed to.

Sections 5 and 6 agreed to.

On section 7—Reports to minister.

Mr. RALSTON: I am going to ask the committee to agree to an amendment whereby this fund shall be administered by, and reports made to, my colleague, the Minister of Pensions and National Health, rather than the Minister of National Defence. I am therefore moving:

That the words "National Defence" in line 2 of section 7 be struck out, and that there be substituted therefor the words "Pensions and National Health."

Mr. POULIOT: May I ask the minister what the balance to the credit of that fund amounts to?

Mr. RALSTON: This fund that is being dealt with amounted to $124,000 last September.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

NATURALIZATION ACT AMENDMENT

The house resumed, from May 2, consideration in committee of Bill No. 19, to amend the Naturalization Act.—Mr. Rinfret.—Mr. Johnston in the chair.

Mr. RINFRET: This bill has been before the committee on several occasions and has caused considerable discussion. It has also received the attention of the public and the press. I thought that at this stage I might make another statement, not to place any new matter before the committee, but rather to co-ordinate the information that I have given at different stages during the discussion of the bill. I wish to move further amenments to the bill in order to make statutory some of the provisions that the department had intended to deal with in the shape of regulations. In the first place, I would like the committee not to lose sight of the principle involved in this legislation. During the course of the discussion we have touched so many points, and so many sides of this very involved and intricate question, that I am afraid we may lose sight for the moment of the principle underlying this proposed amendment to the act. The principle of the amendment is to bring our act into conformity with the practice throughout the British Empire and to vest the discretion in the Secretary of State in the matter of granting naturalization certificates.

Mr. BENNETT: That has always been so.

Mr. DUNNING: Not under the present law.

Mr. BENNETT: Yes.

Mr. RINFRET: My hon. friend's interruption shows that I was right in saying that I should again direct the attention of the committee to the main principle of the act, which principle the leader of the opposition has lost sight of. Under the present system the Secretary of State, representing the government of Canada, can pass on naturalization papers only where the judiciary have pronounced favourably on the application, and the purpose of the bill is to bring the applicants directly before the Secretary of State and to vest in him full discretion under certain regulations to grant naturalization certificates.

Mr. BENNETT: I am sure my hon. friend does not desire to make any misstatement of facts.

Mr. RINFRET: No.

Mr. BENNETT: Section 4 of the act, which is the principal section determining the conditions under which naturalization shall be granted, contains subsection 3, which is the present law, but which the Minister of Railways was so persistent a moment ago in saying that it was not so. Subsection 3 reads:

The grant of a certificate of naturalization to any such alien shall be in the absolute discretion of the minister and he may, with or without assigning any reason, give or withhold the certificate as he thinks most conducive to the public good, and no appeal shall lie from his decision.

That section is a standard section throughout the empire. It was drafted by British draftsmen; it is the law of Canada to-day and it will continue to be unless my hon. friend takes it out of the statute. This subsection is not touched by this amendment.

Mr. RINFRET: If my hon. friend will refer to my first statement in the house, he will see that I have been contending right along that this section was the underlying principle of our act.

Mr. BENNETT: Of all acts.

Mr. RINFRET: I was basing my appeal to the house on that subsection. I am glad to see my hon. friend admits at last that the subsection is the underlying principle of our act, because that is what I have been contending all the time. What I have endeavoured to demonstrate to the committee and the country is that the sections that we desire to repeal are inconsistent with that very subsection which I have read and which my hon. friend has just read. If my hon. friend will refer to my speech of last Monday, he will find that my first argument was that the principle of the legislation was included in the subsection which he has just read and that sections 22 to 27 inclusive which we wish to repeal are inconsistent with that subsection. In the other British dominions the Secretary of State has, in conformity with what has just been read, and under certain regulations, absolute discretion in regard to granting certificates. When the applications come to him he has absolute discretion to dispose of them one way or the other, provided that the regulations have been followed.

Mr. BENNETT: So he has in Canada.

Mr. RINFRET: In this country, because of the existence of the sections which we now propose to repeal, the Secretary of State can exercise that discretion only when the courts have reported favourably.

Mr. BENNETT: No. It does not say so. It says the opposite.

Mr. RINFRET: Then there will be no reason for objecting to my bill.

Mr. MANION: The objection to the bill was largely because the minister was taking away the discretion altogether from the courts and vesting it in the Secretary of State.

[Mr. Bennett.]

Mr. RINFRET: The leader of the opposition seems to contend that this is the law now.

Mr. BENNETT: So it is and has been ever since the statute has been on the statute books.

Mr. RINFRET: I would feel like putting a question to my hon. friend now. Does he claim that under the present law the Secretary of State has absolute discretion in the granting of naturalization?

Mr. BENNETT: Absolutely.

Mr. RINFRET: Then why object to this bill?

Mr. BENNETT: Because it abolishes the safeguard of a judicial inquiry.

Mr. RINFRET: Does my hon. friend contend that after a judicial inquiry has taken place the Secretary of State can grant a naturalization certificate even after a judge has pronounced unfavourably?

Mr. BENNETT: It is a political matter. No Secretary of State would dare go in opposition to such a pronouncement.

Mr. RINFRET: I am glad to see I have made some headway with my hon. friend. He says that it is a political matter. According to the statute, no matter what the judge says, the Secretary of State can grant a certificate?

Mr. BENNETT: Absolutely.

Mr. RINFRET: Then why does my hon. friend object to this bill?

Mr. BENNETT: Because the reference to the judiciary is the only check on political action.

Mr. RINFRET: After further study of the question my hon. friend has come to the conclusion somewhat more decidedly than a week ago that throughout the empire the discretion rests with the Secretary of State and he will not now dare stand up in the house and say that in this Dominion only we should not grant the same discretion to the Secretary of State. I see that although we have laboured very hard, we have made some headway even with my hon. friend. If we are agreed on this point that not only should the discretion rest with the Secretary of State, but that it does already rest with him, there should be no more difficulty in putting this bill through, because by doing away with the judicial inquiry, we shall be doing away with something which even in the opinion of

my hon. friend has become rather useless. After gving some study to the problem during the last week my hon. friend has apparently come to that conclusion.

Mr. CLARK: If this bill passes, will my hon. friend have power and discretion to grant naturalization certificates to orientals?

Mr. RINFRET: That is a side issue altogether.

Mr. CLARK: It makes a great difference to the attitude I take in regard to the bill.

Mr. RINFRET: I will come to that, but that is a side issue altogether.

Mr. CLARK: I do not wish to interrupt the minister but I am asking a question that vitally concerns us in British Columbia.

Mr. RINFRET: We are now discussing how certificates can be granted to aliens generally. The point whether we should grant certificates to orientals, is only a side issue.

Mr. STEVENS: It is a very vital side issue.

Mr. RINFRET: If it has any bearing on the subject, it would be better not to leave it to a judge in British Columbia who might decide in one way or a judge in Alberta who might decide in another; it would be much more satisfactory to leave it to the government which is responsible not for local opinion in some small tribunal, but for the general policy of the country on the matter.

Mr. CLARK: We prefer the judiciary of the country to the government in regard to the question.

Mr. RINFRET: My hon. friend has not the right to exercise any such preference. The government of the country is supposed to determine the policy of the country.

Mr. CLARK: I am only stating my preference.

Mr. RINFRET: In line with my proposed amendment I have in my hands the report of the conference of 1911 on the subject of imperial naturalization and I find that Mr. Churchill concluded his remarks in regard to the question as follows:

This conference approves the scheme of imperial citizenship based on the following five propositions:

These are the five propositions that he gave:

1. Imperial nationality should be world-wide and uniform, each dominion being left free to grant local nationality on such terms as its legislature thinks fit.

2. The mother country finds it necessary to maintain five years as a qualifying period. This is a safeguard to the dominions as well as to us, but five years anywhere in the empire should be as good as five years in the United Kingdom.

3. The grant of nationality is in every case discretionary and this discretion should be exercised by those responsible in the area in which the applicant has spent the last twelve months.

4. The imperial act should be so framed as to enable each self-governing dominion to adopt it.

5. Nothing now proposed (this again is not necessary but only to make clear where we stand—it is only an "aide mémoire") would affect the validity and effectiveness of local law regulating immigration and the like or differentiating between the classes of British subjects.

Therefore, Mr. Speaker, though I did not expect the support of the leader of the opposition in making my point, there is not the least doubt that in every dominion of the British Empire, as in Great Britain, the underlying principle of naturalization and the granting of certificates is that responsibility should rest with the government of the country—with the Secretary of State.

Mr. ARTHURS: May I ask the hon. minister a question? Section 27 of the act which he is about to repeal gives the minister absolute discretion as regards the decision of the judges or otherwise. I would like to ask him in how many cases during the time he has been in office he has differed from the opinion of the judges; in other words, how many applications has he refused which the court has decided should be granted; also, in how many cases has he granted naturalization in spite of the opinion of the court to the contrary?

Mr. RINFRET: While I appreciate interruptions, I am afraid that sometimes they have a tendency to spoil the continuity of the argument. When I come to deal with the work of the Secretary of State I shall be able to give my hon. friend a good idea of the condition of affairs in respect to the question he has put to me. But the first point that I wanted to make, and I see that we are agreed on that, is that in the British Empire the principle of naturalization and the granting of certificates rests with the government of the different dominions, and the fullest discretion should be given to every government in the granting of the certificates.

Mr. ARTHURS: The hon. Secretary of State may be absolutely right in his contention, but let me point out that his decision is subject to the legislation of the different dominions; the Secretary of State acts subsequent to the legislation.

Mr. RINFRET: Of course. Otherwise we would not be dealing with this question at all.

Mr. ARTHURS: I am asking regarding the legislation as it now stands, and the minister has not yet answered my question.

Mr. RINFRET: I am just going to answer it, but I would point out that we discussed this legislation for three days last week, and while I desire most earnestly to be frank and courteous in my explanation to show that this is a good bill and should be entertained by the house, I have been subject to questions put in a haphazard way such as the one to which I have just replied. I have tried five or six times to explain the legislation and to cover the points raised by the leader of the opposition, and yet my hon. friend the leader of the opposition would still say that I had not replied to his questions.

I am now making a new statement which I wish to present in an orderly and consecutive way, in order to place before this committee the full views of the government on the matter; and that is the reason why I would ask my hon. friends to bear with me and let me present the whole of the case before introducing questions which, like the questions in regard to the oriental case and the number of refusals, refer only to incidental matters and not to the principle of the bill.

I have shown, and this was my first purpose, what was the underlying principle of the naturalization acts not only in this Dominion, but in every other dominion. Our contention has been that by retaining in our statutes the clauses which we propose to repeal, notably the clause dealing with the reference to the courts, we were acting in contradiction of the principle of the act, and I was glad to hear my hon. friend stand up and admit that that was the case.

My hon. friend has said: We want to know how you are going to proceed if you do away with those clauses. I have tried to explain that before, but I will try to explain it again as fully as I can, and perhaps this will be the proper time to make the explanation.

Mr. MacDONALD (South Cape Breton): May I ask a question? In the constituency which I represent a county court judge deals with these applications. Last year he dealt with seventy applications. We have no mounted police and no homestead inspectors down there to take the place of the judge, and I should like to know just what officials will have charge of that work in place of the judge.

Mr. MACKENZIE KING: I would like to say just a word before the minister proceeds. We on this side of the house have been following the discussion which has taken place on the other side. From the moment the minister sought to explain the principles underlying the legislation which he has brought down, he has been continuously interrupted by hon. gentlemen opposite, interrupted in a manner which has made it perfectly clear that the opposition are unwilling to have him make a clear statement to the country of the position which he is taking on this act.

Mr. BENNETT: That is untrue.

Mr. MACKENZIE KING: The government has done its utmost—

Mr. ARTHURS: I rise to a point of order.

Mr. MACKENZIE KING: I have the floor.

The CHAIRMAN: The hon. gentleman has risen to a point of order.

Mr. ARTHURS: I asked a certain question of the minister and I do not think that I should be characterized as raising objections of no moment, as the Prime Minister stated. My questions were absolutely sincere and were put for the purpose of elucidating the actual meaning of this bill. I do not think, therefore that I should be characterized as one trying to block this legislation.

Mr. MACKENZIE KING: There are times and seasons for all things. The point I am making is that the minister is endeavouring to make not only to the house but to the country a clear statement of what he is seeking to have enacted by this legislation.

Mr. MANION: He has been trying to do it for a week.

Mr. MACKENZIE KING: My hon. friend is quite right, and hon. gentlemen opposite would not permit him. That is the very point I am making.

Mr. MANION: He has been changing his mind every day.

Mr. MACKENZIE KING: What I wish the house to understand, and the country to understand, is that the minister desires to have the privilege of making a clear statement as to this legislation and the reasons for it. When that statement is made, if hon. gentlemen opposite wish to ask questions as to the details, they will have the fullest opportunity to do so, but the minister must be allowed, as every minister of the crown is entitled to be, to make his own statement, in a fair way and without interruptions.

Mr. BENNETT: We resent very greatly the observations made by the right hon. Prime Minister. They are unfounded in fact. That is number one.

This bill was moved for the second reading by the Secretary of State on the 30th day of April last, and he filled one, two, three, four columns of Hansard without a word of interjection. Then Mr. Manion on the fifth column asked:

What was the system in Canada before 1914?

The minister continued. Then Mr. Campbell asked:

Is any time limit prescribed in this measure? I notice that all the provisions are repealed. Is there any provision for posting applications in the office of the clerk of the court or anywhere else?

Was that an interjection to prevent knowledge being given to the house? The minister proceeded to answer it courteously, and without any assistance from the leader of this house. Then Mr. Kaiser asked a question:

In what way would we differ from Australia? I can see the great difference between naturalization in England and in Canada.

The minister answered that. Then Mr. Ladner asked a question with respect to a very important matter:

Is it not true that the authority still remains with the Secretary of State?

The minister answered that. Then Mr. Ladner asked:

Does the hon. member think the Secretary of State, who has not seen nor heard the applicant, should have power to grant the certificate?

The minister answered that, and then spoke for another column and a half without an interjection. Then Mr. Kaiser asked a question as to what steps the Secretary of State would take in order to satisfy himself that the applicant was a fit subject for naturalization. The minister answered that, and then spoke for another column without interjection, another column, another column, another column, another column, and another column, without interjection, until on page 2538 Mr. Manion asked a question of four lines, which the minister answered. Mr. Manion then asked another question in one line, and then the minister replied. Sir George Perley then spoke for one column; then the Secretary of State interrupted him; then he interrupted him again; then he interrupted him again; then the minister interrupted Sir George Perley again; then the Minister of Railways (Mr. Dunning) interrupted Sir George Perley—as usual; then the Prime Minister (Mr. Mackenzie King) interrupted Sir George Perley; then the Minister of Railways interrupted Sir George Perley again; then Sir George Perley proceeded; again the Secretary of State interrupted Sir George Perley; then the Secretary of State interrupted again; then Sir George Perley got a chance to fill a column of Hansard without further interruptions. We were not in committee, we were on the second reading. Then I commenced my observations and progress was reported.

An hon. MEMBER: How many columns?

Mr. BENNETT: One column. Then the matter came before the house and I put on Hansard the state of the law in all of the dominions. To-day the minister brings in an absolutely new bill, and the Prime Minister has the hardihood to tell the house that the opposition was interfering with the presentation of the facts in regard to this measure. There are certain amenities in public life, but when the Prime Minister tells the opposition that it has taken such a course he is saying what is absolutely untrue as shown by the records of the house.

Mr. MACKENZIE KING: I rise to say to my hon. friend that I do not need to take any lessons from him on the amenities of public life.

Mr. BENNETT: After what he said the other evening he needs to learn something in this regard.

Mr. LAPOINTE: Don't get excited.

Mr. BENNETT: I am not going to be charged with a statement like that.

Mr. LAPOINTE: Keep cool.

Mr. BENNETT: You need not worry about that.

Mr. LAPOINTE: It is necessary in a leader.

The CHAIRMAN: There is a well-known rule that might with profit be read at this time. It will be found in paragraph 312 at page 103 of Beauchesne's Parliamentary Rules and Forms:

Whilst a member is addressing the house no one has a right to interrupt him by putting a question to him, or by making or demanding an explanation. A member will at times allow such interruptions through a sense of courtesy to another,—

And so on.

Mr. BENNETT: It does not apply to committee.

Mr. LAPOINTE: It applies all the time, and is worth while discussing. The leader of the opposition says that the rules of the house do not apply to committee. In committee, as well as when the house is in full session, a member cannot be interrupted without his consent.

Mr. BENNETT: Mr. Chairman, the purpose of the house sitting in committee of the whole is to elucidate information.

Mr. LAPOINTE: Certainly.

Mr. BENNETT: For that purpose every member has a right to insist on the minister explaining what he is discussing. That was the purpose of the inquiries we made. To that extent the rules are different in their application from when the house is in session, because then no member may be interrupted without his permission; but during the progress of debate in committee the whole purpose is to secure information.

Mr. LAPOINTE: That is why a member may speak many times in committee, but while he is speaking no one may interrupt him without his consent.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: That is all I was saying.

Mr. BENNETT: We agree as to that.

The CHAIRMAN: Standing order 58, section one, is pertinent in this connection:

(1) The standing orders of the house shall be observed in the committees of the whole house so far as may be applicable, except the standing orders as to the seconding of motions and limiting the number of times of speaking.

I take it that the rules are the same in committee as in the whole house.

Mr. ARTHURS: As one of those who came under the condemnation of the Prime Minister, may I say that I very courteously asked the minister to allow a question, which he did. I think the same applies to my hon. friend from Vancouver-Burrard (Mr. Clark). The minister very freely granted permission, but did not answer our questions.

Mr. RINFRET: I quite agree that it is usual in committee for questions to be interjected, and I may say that any hon. member is quite free to put questions to me. But this is a very special case, and speaking in all sincerity and without the least bitterness, I think the leader of the opposition will agree that his complaint right along has been that the minister has not furnished the committee with certain information. That was the reason why he insisted that the discussion should proceed on Wednesday, saying, "I want a reply to my question." I was endeavouring to reply to his question and although I was not quite sure that I could convince him, I did think I could convince the people outside who are trying to follow this bill. In the first part of my remarks I attempted to explain the principle underlying the bill. During the course of my explanation some hon. members put questions dealing with local incidents, but having nothing whatever to do with that principle. If I may be allowed to proceed with my remarks without interruption, I shall of course be delighted afterwards to put myself at the disposal of any hon. members who have questions to ask.

Some hon. MEMBERS: Go ahead.

Mr. RINFRET: I do not think anything can be fairer than that. I tried to show the principle underlying naturalization in every British dominion.

Mr. BENNETT: Now, Mr. Chairman, since we have been interrupted, I am going to direct attention to the fact that this whole discussion is out of order. If you will look at your memorandum you will see that the bill was marked "carried" as to sections one and two—the whole bill. A new bill is now being introduced, and the proper method of dealing with it is not the method that is now being pursued. You said "carried" the other day, Mr. Chairman, as to clauses one and two.

The CHAIRMAN: No, the amendment. The clause as amended was not carried.

Mr. BENNETT: Two is the new amendment.

Mr. RINFRET: If, as the leader of the opposition says, the bill now before the committee is carried, I have no objection to its being reported for third reading.

Mr. BENNETT: Let us be accurate about this. An amendment was brought in by the minister, which was accepted, but which you have not yet declared as finally carried.

The CHAIRMAN: The amendment was declared carried, but the clause as amended was not.

Mr. BENNETT: That is it.

The CHAIRMAN: The amendment as presented by the minister is to section one.

Mr. BENNETT: Being subsection 2 of the bill.

The CHAIRMAN: There is a subsection in the original copy that was not touched at all.

Mr. BENNETT: What was carried the other day was the amendment proposed by the minister, being the new subsection two of section one. The section as amended was not carried. That is the position at the moment. The minister is now introducing an entirely new bill.

Mr. CANNON: What is the point?

Mr. BENNETT: The bill proposed to the house and given second reading is not the bill now being considered.

Mr. LAPOINTE: It is the same principle.

Mr. BENNETT: No, the principle is entirely different. The Speaker is out of the chair. Discussion on the principle of a bill takes place on the second reading. Amendments are supposed to be dealt with in another manner altogether. We should deal with them substantially as a new measure.

Mr. CANNON: Oh no.

Mr. BENNETT: The rule is reasonably clear as to that. These amendments are not cognate to the bill and the questions put to the minister. This measure having been presented to the house as it was, the minister is now introducing an entirely new measure, which it is not competent for him to deal with in this way at all.

Mr. RINFRET: Mr. Chairman, I submit that this is not a new measure. The bill as originally introduced was to repeal certain sections, and I intimated that the procedure would be replaced by regulations of the department. During the course of the discussion it was pointed out that it would be more in accordance with British practice if those regulations were made statutory, and to this I have no objection. But the principle of the bill remains the same; it does away with application to the courts. That is the bill which is now before the committee. I repeat, Mr. Chairman, that if the bill as formerly presented had been adopted—which I do not believe—I have no objection at all to your reporting it as it stood last Wednesday.

Mr. STEVENS: What is before the committee at the moment?

The CHAIRMAN: Subsection 1, as amended.

Mr. BENNETT: There are no new amendments?

Mr. RINFRET: I have not moved any new amendments yet, but I have sent an advance copy to my hon. friend for his information. I intend to make the motion as soon as we come to it. Let me assure hon. gentlemen that so far as I am concerned this procedure is altogether enjoyable; I do not find fault with it. But we are getting nowhere; we are saying, "I am coming to that, I am coming to that", and reaching no conclusion. We do wish to achieve some result.

Mr. STEVENS: We are waiting patiently.

Mr. RINFRET: Now I wish to say a word regarding a practice followed in the department at the present time; and as a typical case, in order to meet the wishes of my hon. friend (Mr. Boys), I have chosen the county of Simcoe. The hon. member wished me to cite a particular instance to show what has taken place there. I have before me the case of an immigrant who applied for naturalization in April, 1927, a man named James Francis Mould. He signed the application for naturalization in the prescribed form, and the department at once referred the case to the commissioner of the Royal Canadian Mounted Police, just a few days after it had been received. It was also referred to the Department of Immigration. The case was considered by the courts, and while it was being heard there it was investigated by the Department of Immigration as well as by the mounted police. When the report came back from the court we also received reports both from the Department of Immigration, as to the residence of the applicant, and from the mounted police as to his character. The two sets of reports agreeing, that from the court and the reports made after our own inquiry, the Secretary of State was in a position to grant the certificate. But, says my hon. friend, when you discontinue referring these cases to the courts, what is going to take place? How is the Secretary of State to satisfy himself regarding the qualifications of the applicant? In the first place I should like to correct a wrong impression which has been given the house by some hon. members. The statement has been made that in 1927 we had to deal with 16,917 cases of naturalization. If you will consult the report of the naturalization branch of my department, you will find at page 331, in the column next to that indicating the number quoted, that the number of certificates issued was only 9,072, that is to say, about half the number of grants made. I will explain this. In many cases we grant a certificate which includes husband, wife and children; and we also grant a certain number

of certificates—the number for that year being 797—which are merely renewals of certificates that had been granted under the old act previous to 1914. I make this statement in order to correct the misapprehension that in 1927 16,917 certificates were granted. The point may not be very material, but it is worth while emphasizing it just the same, that quite a number of certificates apply to both wife and children. So that the granting of certificates in this country is not so extensive as hon. members opposite have tried to suggest.

But the question is asked, how is the Secretary of State going to deal with such a large number of applications? Is he going to do it himself or have some officer in the department do it for him? Well, I fancy our friends opposite will agree that in this regard the Secretary of State is in the same position as are other ministers of the crown. Do hon. gentlemen suppose that the Minister of Public Works supervises in person every public work in the country, or that the Minister of National Revenue is present at every port of entry to find out personally whether the customs regulations are properly observed, or that the Minister of Immigration interviews every immigrant coming into the country and, in person, makes sure that the regulations are lived up to? Every minister in this government or in any other government that has existed in the country is in the same situation. The minister lays down his policy and is responsible for the administration of the act, but he does not deal personally with every case appertaining to his department. Of course, he has a staff; he has an organized body of officers to do this work. In my opinion, the whole machinery of responsible government rests upon the fact that the government of which the minister is a member defines the policy, he is responsible for the administration of his department, and parliament exercises control over the manner in which any act has been administered as well as over the policy that has been defined by the government. That is the complete machinery which is at the command of every responsible government. I do not see why suddenly these fears should manifest themselves, that in the case of naturalization, unless the Secretary of State deals personally with every case that is brought to his notice, the act cannot be carried out at all. I say, what the Secretary of State is responsible for is the policy of his department and the proper administration of that policy by his officers. There is nothing extraordinary in this; it is the condition that exists in every department of the public service.

[Mr. Rinfret.]

My hon. friends have pointed out that in the other dominions the regulations, such as we enforce in the Department of the Secretary of State, are made statutory. I had indicated when introducing the bill the way in which the department intended to proceed with these cases if we did away with the reference to the courts. I may observe, however, that I am broadminded enough to accept a suggestion when I think it is good, and I admit that there is some force in the argument for making the regulations statutory instead of leaving them to be drawn up by whoever happens to be in charge of the department. There is something in that argument, and I contend that we are giving a proof of our willingness to accept sound suggestions, a proof that we have no improper motive in putting through the bill, when we say that we are perfectly ready to accept the proposal and to make some of the essential regulations statutory. My hon. friend has been good enough—and I want to thank him for it—to point out the statutory regulations in force in the different dominions of the empire. He quoted from the Newfoundland statute, from the New Zealand statute and from the statutes of South Africa and of Australia. If hon. members have read the speech carefully, or if they heard it—and I may say that I paid the greatest attention to it myself—they will find that all these regulations embodied in statutes in the different dominions touch certain points and provide certain safeguards. They have to do with the proper notice of the application which must be given; they deal with the delay which must ensue after the application is filed before the certificate is granted, and they also touch the question of the testimony which may be forwarded with the application in order to make it easier for the department to appreciate the qualifications of the applicant. I have gone through these statutes and have convinced myself that in the different dominions all the regulations which art statutory cover the points which I have just indicated. That is the reason why, in my desire to make our act as strongly British as possible, to follow the practice which exists throughout the British Empire as closely as we can while providing at the same time what we believe should lie within the discretion of the government in a matter of this kind in order to give the country the greatest safeguards possible in the granting of certificates, I have decided to propose further amendments to the com-

mittee which will make statutory those regulations which it had been our intention at first to leave to the department as they are left at present. That is the reason why on Tuesday last I moved the first amendment which is now before the committee having to do with the posting of the application in a post office and requiring a delay of sixty days before a certificate can be granted; that is my reason for moving further amendments to add two sections to the bill, one of which will require a notice to be given by the applicant in a newspaper and the other specifying the certificates which must accompany such an application.

In the first place, an applicant will be required to advertise his intention to seek naturalization, in a newspaper published at or nearest to his place of residence, in either the English or the French language, a copy of which advertisement must be furnished to the minister. In the second place we are asking the applicant to have his petition accompanied by certificates as to his character and his adequate knowledge of French or English from three natural born British subjects, two of whom must be householders and one a justice of the peace. The publication of these applications in newspapers is a provision which obtains in both South Africa and Australia, but in Canada we have the additional safeguard that a notice will be posted in the post office nearest the residence of the applicant. Therefore on this point we have two safeguards or guarantees as against the one which prevails in other portions of the empire. With regard to the certificates which must accompany such applications, we have gone further than the Australian statute, which provides that a certificate shall be produced from three natural born British subjects, two of whom must be householders and one a justice of the peace, a postmaster, a teacher in a state school or an officer of the police. After hearing our friends opposite claim that if a postmaster were a partisan appointed by this government he could not be entrusted even with the important function of posting an applicant in his post office, we decided that we should not include a certificate from a postmaster among those which could be accepted with the application. We desire to make it imperative that whoever applies for naturalization shall send in his application together with certificates from three natural born British subjects, two of whom must be householders and the other a justice of the peace. I trust that after the applicant has filled the form which is provided, in which he is forced to make full declaration as to his identity, the length of his stay in the country, the manner in which he entered the country, his family, his knowledge of one of the two languages, his character and so on, accompanied by the three certificates of which I have spoken, the department will have some reason to believe that the application is made in good faith.

Mr. CLARK: Would the justice of the peace have the right to charge a fee for giving such a certificate?

Mr. RINFRET: I think you will find a justice of the peace always willing to give a certificate in a bona fide case.

Mr. CLARK: Would he have the right to charge a fee? Is there anything to prohibit it?

Mr. RINFRET: Of course it is up to the applicant to secure the certificate, and it is up to the applicant to publish notice of his petition. We will not consider an application for naturalization until the applicant has obtained the necessary certificates and until he has given full publicity to his intention of becoming naturalized. I do not suppose my hon. friend objects to that.

Mr. CLARK: The minister is not answering my question. Has the justice of the peace a legal right to charge a fee for giving such a certificate?

Mr. RINFRET: That is covered by the laws of the different provinces, but in regard to this act we desire to place on the statutes a section which will state that we cannot consider a petition until it is thus presented to us. Just at this point I might say why in the first instance I thought the regulations might be left to the department. There are cases where it will be pretty hard to comply even with these regulations, but I have become convinced that we should not deal with these individual cases where some people may encounter some inconvenience; it is better to put our regulations on the statutes. I am satisfied as to that, although I know there may be minor difficulties; if it is in the statute, however, there will be no way out of it. Sometimes an applicant comes to the department; we may know him very well and he may be in excellent standing. Because of his own negligence he has not become naturalized, but he desires to travel or to do something which requires him to be a British subject. So he asks us to give him a certificate immediately, and it proves very annoying to some of these persons to be unable to obtain a certificate in such a way. Under the old law an applicant had to appear

before a court; there was a minimum delay of three months before the certificate could be issued, and under this proposed amendment he will have to wait at least two months. So I say that in certain cases it would have been better if we had some little discretion in the granting of certificates, and that is the reason why I did not plan at first to include our regulations in the statute. However, I have become convinced that in the majority of cases, for the welfare of the country generally and in order to safeguard the granting of certificates, it might be better to disregard these individual cases and not place a discretion in these matters in the hands of any Secretary of State. This refers to myself as well as to my successors, although I feel quite secure and desire to make no prophecy for the future. However, I do agree with my hon. friend that some little hardships will occasionally occur from the fact that there is no discretion whatever left with the minister as to regulations.

Sir GEORGE PERLEY: I do not wish to interrupt the minister, but I take it that he has practically made his statement now, and before he sits down I would like him to say whether he proposes to have someone in authority personally see each one of these applicants, and if so, what machinery he proposes to use for that purpose.

Mr. RINFRET: That is not proposed; that is the point I was going to take up next. The difference between the system now proposed and the reference to the courts is that the applicant must appear before the court now, while in future he will not be asked to appear before the department. On that point, I desire to say, in the first place, that even in the old bill there was some provision for certain applicants that could not appear before the court. If my hon. friend will refer to section 25 of the act, as it now stands unamended, and which reads as follows:

> The applicant shall produce to the court such evidence, that he is qualified and fit to be naturalized under the provisions of this act, as the court may require and shall also personally appear before the court for examination unless it is established to the satisfaction of the court that he is prevented from so appearing by some good and sufficient cause.

Under the new system, the applicants will not appear before the Department of the Secretary of State, but that department will have the right to call in any of them if they so desire. But it is not contemplated to do so; it is contemplated to follow the British practice to have the application accompanied by a certificate, such as I have described; to give the fullest notice to the application through the newspapers, and by posting, as I have said; and, after that, to have the case investigated by the officers of the mounted police, as regards character and knowledge of language, and by the Immigration department, as regards the five years residence required. I have mentioned the other officers, merely to show that the work of the mounted police could be amplified and completed by other sources. The actual practice of the department is to have every case investigated by the mounted police. At this point, I may say that this is also the practice followed in Great Britain.

Sir GEORGE PERLEY: The minister misunderstood my question. I was not asking whether he proposed to have the applicant come to the department, but I was asking whether he proposed to have the applicant seen personally, in each case, by someone in authority. I understood the minister to say that he would employ the procedure he is using in the Northwest, by which a mounted policeman would see these men, and that then he intended to follow it up. He has stated, as I understand, that he proposes to have someone see the applicants personally. What would he do in his own city of Montreal, for instance, if an application came from there under this new proposed act? Would he have anyone in authority see the person, in order to make sure that it was all bona fide?

Mr. RINFRET: The applicant will have to secure certificates from three natural born British subjects, two of whom are householders and one of whom is a justice of the peace. To a large degree, that certificate will compensate for the present practice of a reference to the courts. But besides that, the department will conduct its inquiry through the police, as it has done in the past.

Sir GEORGE PERLEY: What would you do in your own city of Montreal?

Mr. RINFRET: Do the same thing as in any other city.

Sir GEORGE PERLEY: What machinery would you use in place of the Royal Canadian Mounted Police; whom would you send to see the applicant to make sure that the application was bona fide?

Mr. RINFRET: We will have the same machinery there as anywhere else in the country.

Mr. MACKENZIE KING: The mounted police are there; they are a Dominion force; not a Northwest force only.

Mr. RINFRET: The leader of the opposition, and other hon. members, do not seem to attach much importance to the inquiry made by the police. I would like to point out that that is the practice in England—reading from the report of the imperial conference of 1911 on imperial naturalization, the report of the interdepartmental naturalization committee at page 142 is as follows:

(a) evidence of good character; and
(b) evidence that he has an adequate knowledge of the English language.

As regards (a), it is the practice of the Home Office that in each case there should be a police report on the applicant's character, which further has to be vouched for by four referees.

Mr. BENNETT: By what?

Mr. RINFRET: By four referees. We have made it three, according to the Australian practice, one of whom must be a justice of the peace.

It is not merely the person who has been convicted of serious crimes that has to be guarded against, but the person who would be an undesirable citizen and who would be liable to expulsion under the Aliens Act if convicted of any offence punishable by imprisonment.

My reason in reading this is to show that it is the British practice to have the cases investigated by the police. In the procedure that we are going to follow, we will require that every application shall be advertised in the local newspaper, by the applicant himself, and to be posted, by our own means, in a nearby post office. In the second place, the application will have to be accompanied by certificates signed by three natural born British subjects, one of whom is a justice of the peace. Surely, after all I have said so many times, the leader of the opposition will not rise and say, "The minister has not replied to my question."

Sir GEORGE PERLEY: Mr. Chairman, there are such things as fraudulent certificates. Would this method enable the minister to discover cases of that kind?

Mr. RINFRET: Mr. Chairman, there would have to be fraud, first, from the applicant, and, secondly, from the three persons signing the certificate. Surely, a person committing such a fraud would not dare to defy public opinion by publishing a notice in the paper.

Sir GEORGE PERLEY: They might all be made by the one man, if they were fraudulent.

Mr. RINFRET: That is why we have provided for an investigation by the police. When we get an application of this kind the police will visit the localitiy, see the persons who presumably have signed the certificate, and find out whether they have really signed it or not. It is the easiest thing in the world.

Sir GEORGE PERLEY: Will the minister make that investigation? That is what I am trying to bring out.

Mr. RINFRET: The minister has said many times that he would and the department has done so in the past. I wish to point out that this is not a new bill. The only difference between the bill, as it will appear when I move my amendments, and the bill as presented to this house, is that the regulations that I intended to bring in as departmental regulations will be placed in the statute. Mr. Chairman, I have tried to the best of my ability to explain this bill to the committee, and I hope that I have convinced my hon. friend. I also hope he will give me credit for having done my best to present the case as it is, to explain the policy of the government in this matter and to answer the questions that he has put to me.

I now ask leave to move, as an amendment, the following:

1. That section one of the act to amend the Naturalization Act be amended by striking out the words "section is" in the fifth line thereof and substituting therefor the words "sections are."

2. That the said section be amended by inserting the words "under subsection three of section four" after the word "naturalized" in line seven thereof.

3. That the said sections be amended by adding at the end thereof the following:

"23. An applicant for a certificate of naturalization under subsection three of section four of this act shall advertise in a newspaper published at or nearest to his place of residence in either the French or the English language in the prescribed form his intention to apply and shall produce to the minister a copy of the newspaper containing the said advertisement.

24. An applicant for a certificate of naturalization shall produce to the minister certificates of character and of adequate knowledge of the English or French language from three natural born British subjects, two of whom are householders and one of whom is a justice of the peace."

I may say that I have requested the reprinting of the bill containing these amendments, and I understand that copies are now ready for distribution.

Mr. SMOKE: Does the minister propose to incorporate in the statute the schedule of regulations? If so, we should have them before the committee, and if not, we shall have a statute passed without any regulations.

Mr. RINFRET: I hold in my hand the full schedule of regulations containing these amendments, but the application of the act covers quite a number of sections that are not concerned at all with those amendments, and therefore I do not see any great advantage in reading in full all the regulations and the forms that accompany them. The substance of the regulations, as regards the fullest guarantee to be given to the granting of applications, is now contained in the bill and is made statutory.

Mr. HOCKEN: The minister is not facile in making the best of a bad case. He is altogether too diffuse and redundant to be convincing. He has made a long explanation of the bill amending the act, but I do not think he has convinced any person who is not simply bound by party ties himself, that the proposed change is in the interest of the country or of good government.

The situation at the present is that the minister has absolute discretion in granting naturalization. Everyone will admit that it is impossible for him to investigate and that he must have some person to advise him whether or not the party applying is entitled to naturalization. Under the present act we have the most reputable and dependable people in the Dominion of Canada appointed to advise the minister. The gravamen of my complaint is that he substitutes for those dependable and reputable men all three partisans who can make a report such as they think will be in the interest of the party which is in power. If the government changes, this party will probably benefit, but until it does, that party benefits. A man who is applying for naturalization will have, so long as party politics are what they are in this country, no trouble in getting three native-born Canadians to vouch for him. In the western provinces there has not been a Conservative government since 1905, so that every justice of the peace in Alberta and Saskatchewan and many in Manitoba are appointees of the Liberal party and whatever justice of the peace we have to sign these papers in those provinces will be a partisan, a man who has been given that dignity because of his services to the party.

Mr. ADSHEAD: Does the same thing not apply to judges?

Mr. HOCKEN: I do not think so. I know judges are appointed partly for political considerations, but the responsibility imposed upon them leads them to act more carefully and judicially after they have been appointed than they would do before. The traditions of the bench are such as to have great influence on a man after he is appointed, no matter by what party. The judiciary of Canada maintains a high standard and every member of it, whether he is a county or high court judge, is keen to maintain the best traditions of the position. A justice of the peace, who is a partisan appointee, could easily dig up others of the same stripe, and whether the man was qualified or not, whether he could speak English or French, whether he had been five years in the country or whether he had the other qualifications or not, if the justice of peace lacked that sense of responsibility which is inherent in the judges he would send on that man's application. I am surprised that any body of responsible public men, having due regard for their reputations in the public service, would introduce a bill of this character into the House of Commons. They lie open before the country to the charge of making it easy, in order to perpetuate the party in power, to naturalize men who are not qualified for naturalization. I do not suppose many hon. gentlemen opposite would resort to any practices of that kind, but at election time there are men who are not altogether of the type of the men who sit on the other side. We have the Baldy Robb case. We have not forgotten the "thin red line" in Manitoba during the Sifton regime, when thousands if not tens of thousands of men who had been in that province for many years were struck off the list simply by having a thin red line run through their names. We have not forgotten Mr. Leach.

Mr. McINTOSH: Why cannot you complete the picture while you are at it?

Mr. HOCKEN: I will complete the picture for my hon. friend. There was the burning of the ballots in the West Elgin election. There was the instruction by the chief organizer of the party to deputy returning officers how they could spoil ballots. There was a Sunday afternoon spent in the Grand Central hotel where they were instructed to put a piece of lead pencil under their thumb nail so that they could spoil a ballot if they wished to do so.

Mr. ROSS (Moose Jaw): Those were not British-born who did that.

Mr. HOCKEN: This particular thumb nail artist was Canadian born and he has been very prominent recently.

Mr. McINTOSH: And the part of the picture the hon. member is now dealing with is apparently Ontario.

Mr. HOCKEN: Let me direct my hon. friend's attention to the cruise of the Minnie M. from Sault Ste. Marie where men voted who had no more right to vote in that constituency than my hon. friend has. All this kind of thing has gone on. I am not claiming perfection for this party; I do not want this party to be in a position where it could do such things as that. Men who have a regard for their reputation as public men should hesitate before they open the door to charges of abuses of that kind.

Mr. MACKENZIE KING: Does my hon. friend wish to have it inferred that those in all the other British dominions and in Great Britain itself, who have passed similar enactments, have such ulterior motives as he is describing?

Mr. HOCKEN: I do not know that all the acts are the same. In Great Britain the geographical position is entirely different; they cannot send a deputy returning officer into the bush with his poll as happened in 1925.

Mr. McLEAN (Melfort): And in 1926 also.

Mr. HOCKEN: The point I am making—and I think the whole thing rests upon this; it does so far as I am concerned—is that we have now the most reputable and dependable men in Canada to advise the Secretary of State who has absolute discretion. Why change that? Surely if some little extra trouble is imposed upon the man applying for naturalization, he should be willing to put up with it, because he is being granted by this country the greatest privilege the country has to give to anybody. It is no hardship upon him to have to take measures that are reasonable to satisfy the Secretary of State that the recommendation that is coming from him can be depended upon. I venture to predict that if this legislation goes through, the party on the other side of the house will regret it. The people of this country are extremely sensitive to electoral corruption and they have had reason to be suspicious of it, and that party which opens the door to the possibility of all this will be judged by the people when the time comes.

Mr. NEILL: With the amendments now in the bill, I think there is no objection to its passage so far at least as British Columbia is concerned.

An hon. MEMBER: Oh.

Mr. NEILL: Does my hon. friend wish to say anything?

Mr. CLARK: Is the hon. member speaking to me?

Mr. NEILL: Does anybody want to say anything?

Mr. CLARK: I thought you were looking at me. I do not want to speak to you.

Mr. NEILL: The hon. member for Vancouver-Burrard flatters himself. He is not the only man on the opposite side.

Mr. CLARK: But you were looking at me.

Mr. NEILL: I would have been against this bill as originally introduced on account of some of the objections that have been raised, but with the amendments I think it meets all the objections that are reasonable. It has been stated again and again that even if it costs a little more, it would be worth while for the privilege of becoming a British subject. But it costs, not a little more, but a great deal more. I can see the point of view of hon. members who represent cities, because there is no necessity for this act in the city. It is in the country districts that it is needed, and there is a good deal of country in Canada which deserves consideration in connection with this matter. It is very expensive and in many cases the expense is prohibitive, for an alien to get naturalized. It is all very well to say that a judge goes around. The judge goes around one or two centres, and you cannot get him to go anywhere else. Let me quote one particular case. The county court judge who is going to sit at a particular place notifies the registrar perhaps ten days before he is coming, or perhaps, two weeks. There are people in that district who want to go to that court to be naturalized, but they receive their mail only once a month, or perhaps twice, and by the time they receive the notification from the registrar it is too late to get to the court. Or the steamer may take a little longer than was expected and the applicant may not reach the court in time, and he has to come back again in three months. The cost of all that to an alien, to poor people living in out-of-the way places, is enormous. It has cost a man $200 to get naturalized. The average alien is not too ready to get naturalized, and he should be encouraged, rather than discouraged, in a reasonable way, at any rate, and it is for that reason that I am supporting this bill.

A great deal has been made by hon. gentlemen opposite of the better ability which the judiciary have for sizing up a man's qualifications for citizenship. They say that a judge is trained to weigh evidence, and so on. Perhaps he is better trained to do that

than men working in very different positions, but what opportunity does the judge have to judge this man? The man comes into court. He is clean, sober, properly dressed, and carefully posted by the lawyer or agent who represents him just what to say in answer to the judge's remarks. I have done it myself. I know the sort of questions the judge is going to ask, and I tell the applicant the answers he should give, and of course they are nice and proper, and he gets by with them. The ten minutes that he is before the judge is the only opportunity the judge has of finding out whether that man will make a good citizen. The man stammers out a few words of broken English, and thinks that conditions in Russia are going a bit too far, or something of that kind, and he gets his certificate.

But under the proposed system to be carried out by the Secretary of State, the Secretary of State makes his own investigation —and after all he does it now—not personally, of course, as has been so often suggested, but generally by means of the police. Do you think, Mr. Chairman, that a policeman who goes into a little country place containing fifty people is not in a position to get the real dope, as we say, on that man's pedigree? Do you not think that a man's neighbours among whom he has lived for at least five years would be in a better position to size him up and gauge his qualifications for citizenship than the judge who sees him only for ten minutes? They know whether he beats his wife, gets drunk, and does not pay his bills, or whatever it is that characterizes an undesirable citizen. If there is anything against a man, you can surely rely upon somebody in these small places bringing it up, because there is always somebody who has more or less of a grudge against a particular man. The most cursory investigation on the ground is much better than half a dozen investigations by a judge who only sees a man for a few minutes in court.

I suppose we are discussing the whole of these amendments, Mr. Chairman. I think it would be better to take them up separately, but they are all part of section 1, and therefore I presume it is in order for me to move the following amendment which I propose to subsection 24, which now reads:

An applicant for a certificate of naturalization shall produce to the minister certificates of character and of adequate knowledge of the English or French language from three natural born British subjects, two of whom are householders and one of whom is a justice of the peace.

[Mr. Neill.]

I propose that it read as follows:

An applicant for a certificate of naturalization shall produce to the minister certificates of character and of adequate knowledge of the English or French language from two natural born British subjects who are householders and from a justice of the peace.

The idea being that we should not require the justice of the peace to be a natural born British subject. Otherwise the clause is practically the same. I propose that amendment for two reasons. In the first place, it is very difficult and very inconvenient in some districts to get hold of a justice of the peace who is a natural born British subject. On the Pacific coast and on the prairie there are considerable settlements of foreigners, Scandinavians, and so on, scattered up and down the coast or over the prairie. They have come in there in a block, and after a number of years residence, not less than five, they have become naturalized. It becomes necessary to have a justice of the peace in that district, and it is most suitable and convenient and proper to pick out from among these men one whose qualifications in education and character fit him for the position, rather than picking out a British born one, who perhaps may not live within fifty miles. Therefore, the custom is to appoint the best one of these men, and I would resent the suggestion that he should be placed in a different category from the British born justice of the peace. Some hon. member opposite drew a very distinct line between the judiciary and justices of the peace. The justice of the peace is just as reputable in many cases in his own sphere as the judge, and just as free from political bias. I do not want to attack the judiciary, but I have seen a commission presided over by a judge which was a disgrace to the judiciary because of the partisan attitude taken by the judge. It is an insult to a justice of the peace who has been forty years resident in this country and twenty years a justice of the peace—I am speaking of a case within my own knowledge —without ever a shadow of reproach, to tell him now that he is not fit to certify whether or not a man is likely to become a good citizen. It is uncalled for, and it would make the law very difficult to enforce because in these small places there is only one justice of the peace, and the applicant if he could not find him there could not go to another settlement, cut off by water or mountain, and where perhaps he would not be known. It would really nullify practically all the benefits of this act if you insisted upon the jus-

tice of the peace being a natural born British subject. Therefore, my suggestion is that certificates should be granted by two natural born British subjects and a justice of the peace.

Mr. MANION: Mr. Chairman, as one of those whose constituency contains a large number of people who at one time or another apply for naturalization, and having discussed the bill briefly the first time it was before us, I wish to supplement my former remarks. I submit this case amply proves the necessity of every bill being subjected to a thorough discussion. As introduced, the bill contained two very short clauses of eleven lines, counting the introductory clause; whereas to-day the Secretary of State has brought down a fairly lengthy bill of something over thirty lines, and containing two or three important departures from his first measure. In fact this does not resemble the original bill at all. The original bill conferred full powers on the Secretary of State; to him the application for naturalization had to be made, and if he chose he could immediately grant the application, as he said in reply to a question I put to him. Last week the Secretary of State amended his bill to make the period sixty days instead of forthwith. That was an improvement, although not quite satisfactory. Now he comes forward with two amendments, covering three other points: one, the applicant must advertise in the press that he has applied for naturalization; two, the applicant must get three certificates; three, the judiciary are in a sense reinstated in the form of justices of the peace. In a word, the Secretary of State has absolutely turned his original bill upside down and converted it into a new bill. I think in its new form it is considerably improved, and presumably if we continue discussing the measure for another two or three days the Secretary of State may be able to draft a bill that will be satisfactory to the people of this country.

Let me deal briefly with some of these points. In the first place, the minister objects to the measure by which in the past the judiciary dealt with the examination of applicant for naturalization. As I have said, he has to a certain extent gone back to the old conditions by availing himself of the services of justices of the peace. This being so, why not leave the judiciary to function as in the past? The outstanding objection to the bill as originally introduced was the lack of notice. Because of the frailty of all ministers, of whatever government, there is danger in the absence of sufficient notice of large numbers of people being naturalized, by the hundred or the thousand, in certain constituencies in order to turn elections. In its original form the bill made it possible for applications to be sent in to the Secretary of State, and if he were unscrupulous enough he could accept the application immediately and allow the newly naturalized citizens to vote. Undoubtedly that could have been done. In fact, as was pointed out in the previous discussion, that has been done in the past. Twenty years ago or more I saw a member of this house get together hundreds of applicants and secure their naturalization hurriedly in time to vote, and so turn an election. In many cases those naturalized had not fulfilled the legal requirements. The change to sixty days is an improvement, but I think the period is too short. If this bill becomes law a candidate a few months before an election could get hundreds of people naturalized and secure their support, and in a tight constituency this would be sufficient to turn the election in his favour. He would simply have to get three householders, friends of his, to hand out certificates. The justice of the peace, I admit, might be a little more difficult to persuade, but every candidate, of either party, has plenty of friends, and they would say: "After all we want these people to become Canadians." That is why I submit that sixty days is too short a period. It should be lengthened. In the United States an applicant for naturalization has to give two years' notice. We are in much the same position as the United States; in that country are many immigrants who do not speak English, and we have many who do not speak English or French. Therefore it is of the utmost importance that we copy the system of a country whose conditions are similar to our own, rather than the system of a dominion whose conditions are altogether unlike ours. For instance, in Australia 99 per cent of the people are British. I think practically the same condition obtains in all the British dominions except Canada. Therefore I submit that sixty days is too short in Canada, and if the government is going to insist on the passage of this bill the period should be made at least twice as long. In fact it would be preferable to make it six months. It makes very little difference to the man who wishes to become naturalized if his application is held up for six months. This would to a large extent remove the possibility of the abuses to which I have referred.

I think those are the two big questions for us to decide, Mr. Chairman, and in deciding them we must be governed by what will benefit the country as a whole. I think the best minds in both parties wish to promote de-

cency and purity in our political life. Then let us co-operate to that end. Let us do away with this sixty-day clause, which may lead to that crookedness in elections of which we have already had far too much. I am not claiming absolute purity for the party on this side, nor do I impute every political evil to the party on the other side; but I do claim that we shall have failed in our duty if we do not so amend this bill as to lead not only to the betterment of our citizenship but of our public life. Before he proceeds further the Secretary of State should give serious consideration to the sixty-day clause with a view to extending it very substantially.

Mr. GLEN: I think everyone will agree with the leader of the opposition, Mr. Chairman, when he says in respect to this bill that no more important measure has been brought before the house this session. I am certain that the Secretary of State can have no quarrel with the discussion. It is altogether fit and proper that this measure should be discussed, not in a spirit of acrimony, but judicially with a view to ensure that nothing shall detract in the slightest degree from the certificate of naturalization as at present granted. The duties and obligations which are implied in a certificate of naturalization should not be diminished in the slightest degree by the bill, and for that reason I propose to deal with the bill as seriously as I can and without any casual references. I am not here for the purpose of making debating capital, as seems to be the habit of some speakers; the subject is too important. When the bill was first introduced by the minister, I, like many others, viewed it with a good deal of disfavour. Had the bill in its original form come before the house for a vote I should have been compelled to vote against it, because I realized then, as I am glad the minister realizes, that some safeguards had to be inserted in it in order to make it something worth while. In its original form, as the Secretary of State introduced it, and with no amendments such as he proposes, it would have made the Secretary of State the absolute and uncontrolled judge as to whether a certificate of naturalization should be granted.

The leader of the opposition pointed out strongly and clearly the practices of the past —practices with which most members in this house are familiar, and practices which I think every member is determined shall not occur again so far as he can prevent them. We all agree, I think, that it is impossible to change human nature by act of parliament. It is possible, of course, and comparatively easy to change an act of parliament. But one can imagine, if the bill had been left in its original form, what might have happened in the time of an election when the Secretary of State would have been inundated, from every political friend of his, with applications for certificates of naturalization. He would be more than human if he could refuse the solicitations of his friends. If he did refuse them his political life would not be worth a groat, and he would very soon realize, whatever his wishes might be, that political exigencies would make it so that he could not refuse applications coming to him. For that reason therefore I was glad indeed to find the Secretary of State had introduced the amendment of sixty days.

The last speaker, referring to the sixty days, complains that it is not sufficient. Perhaps it is not sufficient. I have no fixed opinion with regard to the number of days, only I would say this: I have had considerable experience with regard to naturalization throughout the west and I realize that sixty days is surely in all conscience long enough after a period of five years' probation during which the applicant has been qualifying. I make no strong point regarding the number of days, because I cannot see any danger that is likely to occur where you have other safeguards in the bill with regard to the posting of the notice, and also in connection with the inquiries that have to be made.

Mr. MANION: I would point out to my hon. friend, as a matter of information, that in the United States the two years is not in addition to the five years; it is part of the five years as notice of intention. If we made it six months here, or a year, that time could be included in the five years.

Mr. GLEN: The applicant must have resided within the country for a period of five years. He then makes his application; but he can be granted naturalization only after the five-year period. It is not at all likely that he will make his application before the end of that period, and the two months will be reckoned in addition to the five years.

The leader of the opposition clearly and correctly stated the provisions of the different acts in the different dominions—Australia, South Africa, New Zealand and Newfoundland. He then stated the conditions under which the act was framed. In the first instance, as to the principle of these various acts, he pointed out that the law was framed by British draughtsmen and the principle has been incorporated in all the bills. But there is one fundamental difference which he now

admits—and which, to be fair, I do not think he specifically denied in his original remarks—namely, that the principle enunciated and set forth in the statutes of these different countries is also the principle that obtains in the Dominion of Canada. That principle is this, that a certificate of naturalization must be secured under section 4, which I do not wish to read. He then dealt with the question of procedure. On that question the leader of the opposition took a stand and made his strongest objection to the bill. There came to my mind several questions that might arise in relation to the matter of procedure. In the first place, will the application to the Secretary of State direct, instead of through the agency of the courts, be a retrograde step? And, particularly, will it tend to destroy the sense of value of the privilege which a certificate of naturalization is intended to convey? Can a certificate be granted more easily, with the present amendments, and with less expense to the applicant? And, if so, is it desirable that such certificate should be granted in that way and that we should expedite procedure and minimize expense? And will the certificate be granted only after the fullest inquiry is made, as at present obtains?

Now, the leader of the opposition bases his objection, first, on the effect of the principle embodied in the statute and its relation to the regulations governing procedure. I am afraid the hon. gentleman may consider me guilty of heresy when I say that I am by no means enamoured of legislation which need not necessarily go before the courts. During all my practice I have always endeavoured to keep my clients out of court. I find that 99 per cent of the people with whom I deal have a horror of the courts, and it may be that the one per cent who do like litigation are abnormal people. I have had considerable experience in obtaining certificates of naturalization, and I am bound to say that I see no particular reason why the appearance before a court adds to the value of a certificate. Most people will agree that courts of law are at best drab affairs; the atmosphere of a court is certainly not conducive to happiness, contentment or camaraderie. The hail fellow spirit is conspicuous by its absence, and my experience has been that instead of creating a feeling of citizenship and fellowship, in the granting of a certificate of naturalization, such as it might warrant, appearance in court has had indeed the very opposite effect. I have never known of any man making an application to a court who viewed with anticipatory glee his appearance there. As a matter of fact I have always found people very much averse to appearing in court.

I was interested in hearing what the hon. member for Winnipeg South Centre said with regard to the granting of certificates of naturalization. He made a suggestion, which I myself have already made, on other occasions in other places, that if it were possible to have the certificate of naturalization made the subject of some ceremonial in the country it would add greatly to the value of the certificate. The hon. member suggested citizens' day, the first of July, when it might be possible to grant certificates to all those who were entitled to naturalization. They could appear before some public forum and be granted the certificates with all the ceremonial necessary to bring home to the applicants the fact that they were obtaining something really worth while.

It seems to me that the granting of an application by the Secretary of State direct rather than through the agency of the courts is no retrograde step. It is something which each of us can support. The question that next arises in my mind is this: Can a certificate be granted more easily, under the present bill, and with less expense to the applicant; and, if so, is it desirable to expedite procedure and minimize expense? I think everyone who has any knowledge of the subject will agree that especially in the prairie provinces the expense is almost prohibitive to a great many of the applicants. I know of men right in my own riding who are not able to become naturalized because they have not the money to spend; these men have come into the country in the regular way and have taken up land; they have been here five or ten years and now wish to become citizens of Canada. I know they would make good citizens, but because they have not the money they are unable to get their certificates. If this bill will reduce their expenses I think we should support it as strongly as possible, and if it will expedite the procedure I think that is another reason why we should support it. My hon. friend from Comox-Alberni has proposed an amendment, and I think his suggestion should be adopted. I know several justices of the peace in different parts of the country who are not natural born British subjects, and some of them are located in districts where they would be requested to give certificates to hundreds of foreigners. It would be a tremendous hardship to these people if they had to go to another district in order to obtain that certificate, and this is one reason why I think the amendment suggested by my hon. friend should be supported.

Some hon. members have spoken with regard to the naturalization of people residing in cities, but I say with all respect and deference that any member who knows only the conditions which exist in cities cannot speak authoritatively upon this subject as it affects the country. The ease with which certificates may be secured in a city certainly does not obtain in the country. It has been said that the delay which takes place is not so great, but sometimes it is very long. Occasionally you will find that a judge sits only three times a year; if the applicant is unable to attend that court his application may not be heard for six or nine months. Certainly that is a hardship to him, especially if he has to drive twenty-five or thirty miles when the thermometer is forty degrees below zero. Those who have had experience in driving a similar distance under those conditions know that it is a considerable hardship, especially when they are looking forward to something which does not give them very much pleasure.

I was anxious to know what inquiries would be made in connection with these certificates. The leader of the opposition made that a very strong point in his case, and I do not disagree with him at all; I think the inquiries should be as complete as possible. From what I could hear of the statement made to-day by the Secretary of State I understand he proposes to utilize the existing machinery in making these inquiries; that is, it will be done by the mounted police or in some cases by homestead inspectors. From my experience I would say that no better plan can be evolved in the Dominion of Canada. The members of the mounted police are imbued with the esprit de corps and the traditions of their famous force; they make personal calls upon each of the applicants, find out all the circumstances, inquire of the neighbours and make reports which I am sure can be accepted by the Secretary of State as being absolutely correct in almost every particular. Of course you will find the occasional exception, but there is no body in the Dominion of Canada which can so meet the requirements of this act as the mounted police. I know the inquiries they make; they go round the district and ascertain whether or not an applicant is suitable, and I submit that their reports can be relied upon.

The question of language was one of the strongest points in the argument of the leader of the opposition, who said that no application for naturalization should be granted unless the applicant possessed an adequate knowledge of either English or French. I would point out to the leader of the opposition that I have seen men in court who could not stand a cross-examination in English, but who would make good citizens. The leader of the opposition directed his question to me personally, and asked if I had never seen in a court of law witnesses who had naturalization papers but who were unable to give their evidence except through an interpreter. Of course I have seen that many times, but I will go further and say that I have seen men in a court obtain their certificates who spoke very halting English. Certainly if these men were to undergo a cross-examination they could not give their evidence without the aid of an interpreter. But I have known of men of this kind who were of excellent character; I know the work they have been doing, the families they have been raising and sending to school, and I know they would make very good citizens of this country. Therefore I would not make that question of language so important that the ability to withstand a cross-examination in court should be the basis upon which a certificate should be granted. The mounted police, in reporting on the language qualification, would exercise a good deal of discretion, and I think they may be relied upon. After all, it is not the men coming to this country in the later years of their life who are likely to acquire a fluent knowledge of English; the real reason for naturalization is to assimilate the children into our national life. I think that is the strongest point against the argument of the leader of the opposition, who suggested that a fluent or an adequate knowledge of English must be possessed by an applicant before a certificate can be granted.

I should like to make a suggestion to the Secretary of State just at this point. In his amendments he is proposing that an applicant for naturalization must advertise his intention in a newspaper published at or nearest to his place of residence. I suggest that in a great many cases the nearest newspaper is published some distance away, and if the amendment could be changed to provide that the advertisement shall be inserted in a newspaper published or circulated at or nearest to his place of residence, I think it would meet the situation better. You would then overcome a difficulty which will be experienced by many applicants. I have already pointed out that if two natural born British subjects certify to the character of the applicant, together with a justice of the peace, who may be natural born or naturalized, that should be sufficient to justify the Secretary of State in granting a certificate of naturalization. If this were granted I should have

no hesitation in supporting this bill in its entirety, satisfied that nothing has been taken away from the act and that a certificate of naturalization will have the same value after these proposed changes as it now has under the present act.

Mr. PETTIT: I wish to make a few remarks along a particular line with respect to this bill, but before doing so I want to express my great regret, to put it mildly, at the contemplated change in the act. I think the procedure under the present act is much better, and I regard it as very inadvisable indeed to depart from it, for reasons which have been fully covered by hon. gentlemen on this side of the house. My regret is based on my personal experience in my own constituency, from my observation of the adjoining constituency, and from my judgment generally in the matter.

As to the difficulties that might be encountered in the carrying out of the present act in remote parts of the country, I think they would be amply met by amendment to the present act to provide that judges or other judicial officers, or reputable men selected by the judges, shall visit well recognized centres within striking distance of the settlers generally.

The remarks I wish to make along the particular line relate to the length of residence in Canada in connection with repatriation of British born subjects. By section 4, subsection 5 of the present act of 1927, which is the same as section 5, subsection 2 of the former Naturalization Acts of 1914 and 1920, it was provided that the Secretary of State, "in any other special case", might, if he thought fit, grant a certificate of naturalization, although the four years' residence or five years' service had not been within the last eight years before the application. By order in council passed on the 4th day of May, 1927, the Secretary of State was empowered to issue special certificates of naturalization to natural born Canadians who, having taken out naturalization papers in the United States of America, had returned to Canada to reside, and that such certificates might be granted after a residence in Canada of one year, the application being made direct to the Secretary of State. I submit, Mr. Chairman, that the length of residence should be much less than one year—it should be not more than three months—and that the length of residence should apply not only to natural born Canadians but to British born subjects, who of course in law include natural born Canadians. I submit it would be well if the minister would provide, by a further addition to his amendment, that the application of natural born British subjects who have been naturalized in the United States should be considered special cases, and that, upon a residence of three months in Canada, such British born subjects could be repatriated.

I quite appreciate Canadian citizenship, with allegiance to the British crown, ought not to be lightly thrown off and lightly assumed again, but we well know that there are hundreds of thousands of Canadian citizens and British subjects living in the United States through unavoidable circumstances, and who long for the day, and are ready at the very earliest opportunity to take advantage of it, to return to this country again. The love of their native Canada and their love of the empire still burns brightly and fervently in their hearts. We should be ready, therefore, to receive them with open arms, and one way of doing that is to provide in the act that when they do come back they may assume their Canadian citizenship and their British allegiance upon a residence of not longer than three months. I would respectfully suggest to the minister that he take that into consideration and add it as an addition to the amendment that he is now bringing in, or as a further amendment to the act.

Mr. ROSS (Moose Jaw): Several hon. members on the opposite side of the house have stressed the danger of giving these people naturalization under this newly amended act. One of the supposed dangers is the sixty day clause that is proposed to be put into the act. At present, under the old act, there is stipulated only three months, and the notice of application is posted only in the court house. Under this new act the notice will be advertised in the press, and will be posted in the post office nearest to the applicant's place of residence. Surely, that is far better than placing the notice in the court house, where one is filed on top of the other and in many cases they are seen by only a few people.

I do not want to go into the technical or legal side of this question, but in our part of the country it is a matter of great importance. There are thousands of people in that country who would make good citizens and who would like to be naturalized; but it is so difficult for them to become naturalized that they are not becoming Canadian citizens. In the first place they have to go to a court centre and make application

before the clerk of the court; that is one trip. Then an investigation has to be made, and they have to come before the judge again; that is another trip. If the judge happens to have adjourned the court for a certain time, they may have to stay a day or two or they may have to go back. There is so much red tape about becoming naturalized in Canada that thousands of people who should be naturalized, and who would make good Canadian citizens, are not becoming naturalized.

The impression has been put abroad from this house and from other parts of the country that western Canada is filled with foreigners and undesirable citizens. That is not the case. In the province from which I come, Saskatchewan, we have something over 800,000 people, of whom over 600,000 are British born.

Mr. BENNETT: No.

Mr. ROSS (Moose Jaw): And of the 195,000 who are not British born, 75,000 were born in the United States. Our people are a very progressive people and, as a whole, compare favourably with those in any other part of Canada. After all we are endeavouring to build a nation, and I think we have lost sight of the fact that you cannot build a nation in twenty-five or fifty years; it takes much longer than that, as the experience of other nations has shown. These people who are coming to our country are the same people that built the British nation—Norwegians, Swedes, Danes, French, Jutes, Anglos and Saxons. They are the people who are the basic stock of the British. In coming to Great Britain, becoming naturalized and growing up and building the nation they did not make such a bad job of it. After all, the Englishman is a pretty good kind of citizen. I do not see why we should not be ready, under proper safeguards, to naturalize these people and take them into our families. The leader of the opposition in his speech the other day pointed out one or two isolated cases of people in western Canada who had become naturalized and who had not played the game with us during the great war. As reported on page 2551 of Hansard, he said that in one case a man who had been a German barber in the city of Calgary and who had become a naturalized Canadian citizen had been seen as a prisoner of war. Then he said:

> What did we witness during the war? I wonder if hon. gentlemen recall in their own communities what I have seen in mine.

That may have happened in the case of some of our naturalized citizens, but it would be much better for the leader of the opposition and everyone else in the house to stress the point that not only hundreds but thousands of these people who were naturalized Canadian citizens or even who were not naturalized, went to France to fight for Canada and many of them laid down their lives for us there. They were good enough then, but under our Naturalization Act some of them who have come back cannot be naturalized.

The language qualification is another feature. They must have an adequate knowledge of either English or French. It is right and proper that they should have at least a limited knowledge of either English or French, especially English in the western part of Canada, because in many portions of the west French would not be of much use to them.

Mr. ADSHEAD: How would my hon. friend define the word "adequate"?

Mr. ROSS (Moose Jaw): Everybody who can live in this country for five, ten or fifteen years at peace and do business with his neighbour has possibly an adequate knowledge of the English language.

Mr. SPENCER: There are many people who have been in this country for five or six years who can hardly speak a word of English.

Mr. ROSS (Moose Jaw): That may be. In the country from which the hon. member for Rosetown (Mr. Evans) comes, there are probably half a million people who cannot speak English. There are many people in the north of Scotland who cannot speak English. They speak Gaelic. These aliens are invited to Canada; we give them land; we tell them we will treat them as equals, and yet we put obstacles in their way preventing them from becoming native citizens. They want to become Canadian citizens and when they do so they are proud of the fact that they are Canadian citizens.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ROSS (Moose Jaw): At six o'clock, Mr. Chairman, I was referring to a remark of the hon. leader of the opposition, that some years ago thousands of people were naturalized in Canada just prior to an election. The fact that those thousands of people were naturalized just prior to an election is perhaps not exactly right, but only because an election was coming on at that time. I do not think there have been any ill effects from having so many of these people naturalized at that time. They

have been good citizens of this country, and I have not yet heard any arguments from the opposite side of the house as to why they should not have been naturalized. There should, of course, be certain safeguards, and we should not have an act whereby people could be naturalized just a few days prior to an election.

There is another point. I do not see why we should put obstacles in the way of people becoming naturalized in this country. If we invite these people into this country; if we bring them here and have them live amongst us for five years or more, mingling with us and their children mingling with our children in the schools, paying taxes, buying made-in-Canada goods, improving and building up our country, I do not see why we should not naturalize them. If they are good enough to live alongside people of this Dominion for five, ten or fifteen years, I think they are good enough to live alongside the people of any place in the British Empire, and I do not see why we should not give them British citizenship.

In the present act surely there are enough safeguards. In the first place, the applicant has to be sponsored by two natural born British citizens and by a justice of the peace. Their record is checked up by the immigration authorities; it is also checked up by the mounted police, and in my opinion that can be done more thoroughly by the police going into the district in which a man has lived for five years than it can be done by any court, because in a great many cases these people are from fifty to one hundred miles away from home when they appear in court, and the court can know very little about them, but on the other hand, the mounted police, going into the district where these people live, can find out all about them in a very short time. I do not see any danger in naturalizing these people. We have found, especially in western Canada, when we take these people into our citizenship, give them responsibility, and let them help us in our community and political life, that they make better citizens; they feel as if they were a part of the country, and they endeavour to do the best they can for the country and for their children who will come after them in this country.

There is one other point, which was touched on by the hon. member for Marquette, and that is that in a great many parts of western Canada it costs far too much to-day to become naturalized. A great many of these people do not know what the regulations are, and they go to a lawyer and they pay from ten, fifteen to twenty, and sometimes fifty dollars to get naturalization. I think we should make the expense of getting a certificate of naturalization as reasonable as possible, so that we can take more of these people into our citizenship, because they will make good citizens. As I said before, in Saskatchewan we have 195,000 foreign born people, and we find that the children of these people speak and read and write English. Less than 4 per cent of the children in Saskatchewan between ten and twenty years of age, do not read, write and speak the English language. Some of the older people may not be fluent in the English or the French language, but their children learn the language, and so they can really carry on well in the country without a good knowledge of English or French.

I think the government is well advised to put this legislation through. There are thousands of people who will become naturalized very shortly if this legislation goes through. I do not think that my hon. friends opposite need fear at all that the act will be used to naturalize any considerable number of people for the sole purpose of voting in the next election.

Mr. MILLAR: I have listened to the discussion in connection with this bill, and while the bill did not suit me very well at first, it is in such a form now as I think will give good satisfaction, and I can support it. Coming from a district where I have an opportunity of judging those who would become naturalized, I think it well to make a few remarks before this bill is voted on.

There seems to be a fear that we may have too large a percentage of our immigration come from the continent. While I am glad to see as many English, Irish and Scotch as we can possibly get, so long as they are physically, mentally and morally suitable, nevertheless, those who come from the continent can make a good contribution. They come from conditions that are a little more difficult even than those encountered in our pioneer life. That tells us one thing: It is quite natural to expect, and we are not surprised when we find, that they can make their way better under those difficult conditions than those of Canadian birth, or those of English, Scotch or Irish birth, who have been raised under a standard of living that is higher and under conditions that are easier.

We have in western Canada considerable land that is second class, and some that we might call third class. Those people who come to us from the continent of Europe, used to a low standard of living, accustomed to work long hours for little pay, by their industry and frugality transform such districts

into gardens. I have in mind a settlement where there are 170 families. The land is full of bluffs and sloughs and the percentage of good, arable soil is small. I think it is no reflection on our British immigrants or our Canadian sons to say that very few of them could make both ends meet on that land under the conditions that have obtained during the last ten years. Yet those immigrants from continental Europe have, as I say, turned that district into a garden and constructed good, comfortable houses. They are growing grain and other crops, thus providing freight for the railways and business for the stores. In short, they are valuable assets to this country. It is a mistake to suppose that these people are going to undercut wages. Last spring I saw three fine strapping young fellows. They could not speak a word of English. They had just refused an offer to work at $20 a month, and were standing out for higher wages, even though they required assistance to pay for breakfast. They were advised to accept $20 a month until they had learned the English language. Others have expressed fears that the low standard of living of these people will have a tendency to depress our living standard; but they do not interfere with the farmers around them, they do not tend to lower the standard of living. They are an asset to the community, and I am sure the business men would be very sorry indeed if they left the district. The member for Moose Jaw has well pointed out that in Saskatchewan—where there seems to be the greatest fear that there is too large a proportion of immigration from the continent of Europe—in a population of eight hundred thousand, six hundred thousand are of British birth; that is, many of them may be of foreign parentage, but they were born in Canada or some other British dominion I have seen no sign of real danger that Canadians of British stock are likely to be outnumbered by immigrants of alien birth.

I need not cover the ground already so well covered by the member for Marquette and the member for Moose Jaw and other hon. gentlemen with regard to naturalization. I simply wish to add to what they have said as to the difficulties encountered by the applicant for citizenship. Many of our immigrants would be glad to become naturalized, for they take a pride in British citizenship, and it would be well for Canada to have them naturalized. But when after driving ten, twenty, thirty or forty miles they find the judge is too busy to deal with their applications and they must return a second time, many of these people become discouraged, especially under the conditions that have prevailed during the last few years due to scarcity of money. I think this bill provides all the necessary safeguards. No body of men enjoy to a greater degree the confidence of the people of western Canada than do the Royal Canadian Mounted Police. They deserve that confidence, and I think they can be trusted to make inquiries of those wishing to become naturalized.

Mr. ARTHURS: What about homestead inspectors?

Mr. MILLAR: I think my hon. friend ought to have confidence in them because a goodly number were appointed by this party.

Mr. ARTHURS: I asked for the hon. gentleman's opinion; I was not expressing my own.

Mr. MILLAR: Well, I have considerable confidence in a goodly number of them. I suppose possibly a percentage should be watched, but I believe the great majority of them can be trusted to do the work well. I remember during the war some complaint was made because certain of our immigrants from continental countries with which we were at war did not feel very ready to take up arms in defence of Canada. I admit there is a difficulty in that respect. If I were to go to the United States or any other country, I know I could not throw off my love of Canada in five or even ten years. That is only natural. I would not hold it against an applicant for naturalization if he could not suppress his love for his mother country, and felt uneasy at the prospect that as a Canadian citizen he would have to fight against his native country in the event of war between that country and Canada. If he were not capable of fidelity to the country of his birth he would be a somewhat doubtful citizen of Canada. I think every hon. member would find himself in the same predicament if he became a citizen of another country and that country declared war against his native Canada. It is a difficult situation, but for my part I do not worry very much about it. I am glad the bill has been amended, and I hope it will become law, for under it I am sure we will have many thousands of Canadian citizens applying for naturalization who otherwise would delay for years in some cases. It will be an advantage to Canada to have them naturalized.

Mr. BALDWIN: Mr. Chairman, when I used to speak more frequently in this house I put myself on record as favouring the admission of thrifty, hard-working people.

Some have asked, what about the colour line? Well, I am not so much scared about that as perhaps are some others, because I think our climate will discourage that class from coming here. I am not in favour of investing so much money to attract immigrants. If I were at the head of the Immigration department I would expatiate on the wonderful possibilities of this vast country for those who are willing to work hard. I am strong for hard work in every department of life. I would say to them: You have the markets of the world for your products. I believe that those who have the energy to come to this country, be their resources little or big, will make good because of their initiative and industry. I am not in favour of inviting sissified, spineless people, people who are living on alms in England, and simlar types. We are spending a vast amount of money in order to promote immigration and to get hand-picked people, so to speak, to come to this country, and it is our bounden duty when they come here to facilitate their becoming naturalized with the least possible delay and with the minimum of cost to themselves. The present bill, in my opinion; alleviates the situation. I am not going to criticize the old law, but I must say that to me it savours somewhat of war time measures. I am not making any accusations against anyone in this regard. I do think however that we should make it easier for people to become naturalized when they are entitled to the privilege. Take the great republic to the south of us. Could that country have been built up to its present proportions if it had enforced a law entailing a good deal of delay and worry and expense to those seeking naturalization? Certainly not. People entered the country without any means at all and they were able to build up wonderful businesses. Some of the greatest men in that country came over carrying all their belongings in a little handkerchief or in a small tin box. There are multitudes of people in the United States, now good American citizens, who are unable to trace their ancestry to blue blood. The majority of us in Canada can trace our ancestry back to poor people who came to this country in the hope of being able to take advantage of its resources, trusting in those resources and in the laws of the land. Why cannot we enable others now to come and make good?

I submit that we should not withhold the right of the franchise from desirable people. We are now making trade pacts throughout the world, and if we pass this law it will be one of the best advertisements to the nations of Canada's greatness. It will be an assurance to people in all quarters of the globe that, so long as they are fit to come to this country and settle, they will be able to become Canadian citizens without a great deal of delay and expense.

Those who have spoken against this legislation seem to me to have forgotten the brotherhood of man and the fatherhood of God. Do they realize that race hatred and national hatred lead to war? Why should there be any obstacle in the matter of language? People coming from Scotland speak Gaelic and people from Holland speak Dutch; there are a multitude of languages. But why should that debar people from coming to the country? Many people in the middle western states of the American union—fathers and mothers of the present generation—came over with large families, knowing nothing of the language of the country; nor could they learn that language at their age. But their children learned the language and many of them are to-day renowned throughout the United States. I suggest that it would be a good thing for us to trace ourselves back; if we did we should find that we have not sprung from royalty, nor from people born with silver spoons in their mouths.

I submit that this bill should receive the unanimous support of the house if we are interested in building up this country. Let us have it known throughout the world that Canada is not a country of autocrats, that she is not a country with people who have ideas of race predominance, but that she is ready to welcome all those of good character, those who are willing to work hard and help to build up the country.

It seems to me that it is time to change the present law. The cost of bringing applicants before judges is too great, and the distances they have to travel make it almost impossible for people to become naturalized. Personally I am heartily in favour of the legislation now proposed and I can see no reason whatever for any opposition to it. We need not have any fear of our institutions not being respected if this legislation passes. Let us make it thoroughly understood that this is a country where people must conform to the laws and regulations laid down; let it be known that if a riot should start at any time cold steel will be used if those laws are not obeyed. Let us see to it that the laws are respected. But I would not withhold the franchise from those worthy of it. There are people who have lived in Canada for years without the franchise although they are fully entitled to it. Why should we put

any obstacle in their way in regard to expense and needless delay?

I cannot see much reason in any lengthy debate on this question. People outside are looking to see what we are going to do with this legislation which is now before the committee. Immigration and naturalization are linked together so closely that if we refuse to pass this measure it will be heralded abroad, "You may go to Canada if you like, but you will never become naturalized." The Americans have never kept people out of the United States in that way. Canadians go there and find no difficulty in becoming naturalized if they wish to become citizens of the United States. Let us also make it easier for desirable people to become naturalized in Canada. Let us do everything in conformity with the forward step which we are taking in Canada in other directions. It does not seem to me that this measure calls for any lengthy debate and I shall therefore not weary the committee longer.

Mr. GARDINER: I have listened with a good deal of interest to the discussion of the proposed amendments, a discussion which has been very instructive. I appreciate very much indeed the effort the Secretary of State made to enlighten the house on the whole question of naturalization. The leader of the opposition also gave the house much valuable information, which no doubt many of us lacked before we had the privilege of hearing him. My first word is this: If these amendments are likely to bring back the conditions that existed in this country prior to the passing of the act in 1914 I am absolutely opposed to them. I remember the conditions that prevailed in Saskatchewan in my early homesteading experience. In my judgment nothing would deter people coming to this country from thinking well of the country so much as the manner in which certificates were issued for naturalization, particularly around election time. I have known government officials to have their pockets full of these certificates all ready to hand out to those who were willing to promise their support to the particular candidate of those officials. If these amendments are going to bring back, even in part, such a condition as that then I think this house should be very careful before going further with them.

The Secretary of State in stating his case was asked the question how evidence would be secured as to whether an alien should be granted a certificate. He said that the mounted police, the homestead inspectors and other persons would be in a position to secure that evidence. So far as the mounted police are concerned, I would not object to them, but when we come down to the homestead inspectors and other persons I say we should draw the line right there. We are not told who the other persons are to be, but in my judgment the homestead inspectors have been responsible in the past for many hardships which were suffered by aliens coming to this country. In my judgment there are only two reasons which might be advanced for changing the present act, and the first of these is that the present act must be unworkable. I have not heard as yet any good argument advanced to show that the act is unworkable; certainly it is not so in the cities, where it is quite easy for any person to go before a judge and make application for a naturalization certificate. When we come to the outlying portions of the country there is a possibility that there may be some hardship in a few cases, but amendments might be made to provide for such cases. Since I have been a member of this house I have represented two large but very thinly populated constituencies, in which many people live forty or fifty miles from a railway centre, and I have never heard one complaint of inability to secure naturalization certificates. As I have already said, in some sections of the country with which I am not familiar there may be the possibility of hardship, but without tearing the act to pieces it should be possible to provide for such cases.

The only other reason which could be put forward for these amendments is that politicians desire to secure the naturalization of large numbers of aliens for the purpose of securing their votes. I would suggest to the house that it is not advisable even for political purposes to place ourselves in the position of allowing an alien to look lightly upon naturalization in this country. We hold Canadian citizenship in high regard because of the fact that we not only make a man a Canadian citizen; he also becomes a citizen of the British Empire, and to that extent we have a responsibility to other parts of the empire.

The Secretary of State has also made the excuse that some of the judges claim to be incapable of interpreting the Naturalization Act. If the judges are not capable of interpreting that act and of forming an opinion as to whether a person is fit to become a Canadian citizen and a British subject, how would the minister expect a mounted policeman, a homestead inspector or any other person to be able to interpret the act? I think that argument is very faulty, and it defeats the very object the Secretary of State has in view. I would also remind the committee that we have a special committee of

this house sitting to go into the question of whether the salaries of our judges should be increased, and I think probably the government are behind this proposal. This statement by the Secretary of State does not appeal to me as a very strong argument for increasing the salaries of our judges.

I am not going to take up the time of the committee further except to say a few words with regard to the amendments, the first of which improved the original amendment to a great extent; I refer to the provision for posting notices for sixty days. That removes some objections to the proposed amendments, but I should be much more satisfied if the Secretary of State would agree to an extension of that time to four or six months. Let us make this provision such that we can say in good faith that because of the time required for the posting of notices no political party can benefit by this act at election time. If we put it on that basis I think probably the house and the country will be more satisfied with the proposal than is the case at the present. Provision is also made for objections to such applications, but in this amendment the Secretary of State has not said where these objections are to be lodged. In my judgment that is a grave omission. Under the present act a person who objects to an application for naturalization can appear in court and present his objection before the judge and the person concerned. Therefore I think some provision should be made whereby persons objecting to a naturalization application should send their protests to the Secretary of State, where they will be given proper consideration.

The only other reference I wish to make is with regard to the three natural born British subjects who are to give a certificate of character. I do not look upon that part of the section as being very strong; in fact it has an inherent weakness. If it is possible when these amendments are passed—if they are passed—for a political party to take advantage of the situation during election time, it is possible for a party to get as many British born subjects as may be required to give certificates of character. Consequently that is not a very strong safeguard. I think the greatest safeguard we can have either now or in the future is to see that sufficient time elapses between the filing of the application and the final granting of the certificate so that no political party can take advantage of this act.

Mr. BEAUBIEN: Before this bill passes I should like to make a few observations, although I do not intend to delay the committee very long. I think the government and the Secretary of State are to be congratulated for bringing this bill before the house. I have lived in western Canada most of my life and have come in contact with a good many men from European countries. I have found that many of them have had difficulty in becoming British subjects, and to my mind this difficulty should be removed. If we are going to make it as hard as possible for a man to become a citizen of Canada I think our whole immigration policy will fall to pieces. In my opinion a man should be granted naturalization in Canada if he is physically and mentally fit, if he has passed the inspection of the Department of Immigration and if his character is good. I know of many cases in my own riding of men who have gone to a good deal of expense to appear before a county court judge in order to become naturalized, and in many instances where the report of the mounted police was good and where there was nothing in the world to prevent the applicant from becoming a Canadian citizen, naturalization was refused.

Mr. ARTHURS: By whom?

Mr. BEAUBIEN: By the county court judge.

Some hon. MEMBERS: No.

Mr. BEAUBIEN: I know it; I have seen the files myself, and they contained nothing which should prevent those men from becoming Canadian citizens. At the same time a county court judge, through his interpretation of the act perhaps, refused to recommend naturalization. Our friends on the opposite side seem to be in favour of trying to give the impression that a man from a foreign country is inferior to a man that is British born, with the object of trying to prevent him from becoming a Canadian citizen with the least difficulty.

Mr. MANION: My hon. friend gave an instance just now of a judge refusing Canadian citizenship to some man. Probably the judge refused him because he could not speak either of the two languages. My hon. friend said that if a man is physically fit and passes the immigration authorities he should be permitted to receive Canadian citizenship. Should not a man have a knowledge of the languages of our country to know something about the problems of our country?

Mr. BEAUBIEN: I am glad my hon. friend brought that up, because, in many of these cases, these men can speak just as good Eng-

lish as my friends over there. It probably just happened that the judge felt that way; that he had got out of the wrong side of the bed.

Mr. MACDONALD (Richmond): Well, which side did you get out of?

Mr. BEAUBIEN: I always get out of the right side, and get in the right side.

Some hon. MEMBERS: Order.

Mr. BEAUBIEN: My hon. friend the member for Acadia (Mr. Gardiner) just a few minutes ago said that he would not like to go back to the olden days when men were naturalized wholesale before an election. I do not want to go back to that state of things, but we have men in charge of the affairs of the country to-day who would not allow a thing of that kind.

Mr. RINFRET: If my hon. friend will permit me for just one minute, I should like to remind the member for Acadia that the days he spoke of were those—

Mr. MACDONALD (Richmond): You are too late; the gentleman from Acadia is not speaking.

Some hon. MEMBERS: Order.

Mr. RINFRET: We are in committee, Mr. Chairman. Those were the days when applications were heard only before the court; the government had nothing to do with them at all.

Mr. GARDINER: On the occasion of which I spoke, the applications were never heard before a judge.

Mr. RINFRET: But the judges granted the certificate. The government had nothing to do with it before 1914.

Mr. GARDINER: They were never heard before a judge, that is all I can say.

Mr. BEAUBIEN: After these gentlemen have made three of four speeches, may I be allowed to continue with mine? The hon. member for Acadia mentioned a little while ago that he would not like to go back to the state of things that existed during certain elections. I would not want to go back to that.

An hon. MEMBER: The 1925 election?

Mr. BEAUBIEN: I am glad my hon. friend mentioned that. I will just give you an instance of a man who had been naturalized for thirty odd years; in 1917 he walked seven miles to cast his vote, and he could not vote. That is the state of things that I do not want to go back to. The hon. member for Acadia mentioned, I say, that he would not like to go back to the old state of things, and I will put the mind of my hon. friend at peace by telling him just to look at the hon. Secretary of State, and examine him closely; I am sure that as long as he is at the helm there is no danger of things of that sort occurring, as they did in the olden days.

Now, Mr. Chairman, I have practically finished what I wanted to say. We allow these people to come into this country; we spend money to bring them here, and as soon as possible, provided that they are physically and morally fit and have a knowledge of one or other of the languages, we should allow them to become Canadian citizens and assume the full responsibility attaching thereto. I will say this to my hon. friends if they will allow me—if they will only keep quiet for a few minutes; I did not interrupt them—what would we do during the harvest season, or during the whole season, if we did not have these men who came from the European countries? I am speaking from a practical knowledge of conditions in western Canada. How could we move our crops? How could we go on and build our public works and develop the whole country? How could we get our British citizens or our Canadian citizens to go on inferior lands and develop them to the extent that these men that came from these European countries develop them? It would be almost impossible. These men have been settled on inferior lands, as my friend from Qu'Appelle (Mr. Millar) has mentioned, and have developed and improved and created beautiful farms for themselves, and they are a credit to this country. The government deserves all the credit for trying to make it as easy as possible for these men to become Canadian citizens, provided that they can comply with the language question, and are physically and morally fit.

Mr. MACDONALD (Richmond): And the political.

Mr. BENNETT: Mr. Chairman, I only desire to make a few observations in answer to my friend the Secretary of State. I think he is entirely wrong in one conclusion that he draws, and the language employed by Chief Justice Meredith, to which he referred the other day, abundantly supports the position that I wish to direct his attention to. The Naturalization Act, which was one of the statutes of this country prior to 1914, only conferred Canadian citizenship upon the applicant. My friend from Moose Jaw (Mr. Ross) in dealing with those who left this

country, dealing with the class of persons to whom I referred in my address the other day, overlooked the fact that we did not confer British citizenship, but only Canadian citizenship. When they got beyond the three mile limit they were Germans again, as they had originally been, because of the provision in the constitution of their own country. May I direct the attention of the Secretary of State to a matter which I think is of some considerable importance? As the law now stands, there are certain countries in Europe that provide for military service by their subjects, and they will not relinquish their hold over them, even though they come to this country and obtain British citizenship. This thing was considered as being quite serious, and it was deemed to be worthy of consideration on the part of the government, as to whether or not they would grant a naturalization certificate to an alien from any country that claimed the right to call its citizens up for military service, regardless of where they might reside. I remember that the French republic called up one of its citizens under very distressing circumstances. The German Empire did, and certainly the Japanese Empire at one time claimed the right to do so. Whether or not they are now doing so, I cannot state with authority.

After the imperial conference of 1911, the hon. gentleman who has just spoken must realize that we have a law throughout the empire, which was arrived at by agreement. One of the representatives at the empire conference in 1911 was the late Right Hon. Sir Wilfrid Laurier, who represented the Dominion of Canada. It is true that the statute that embodied the conclusion, to which my friend the Secretary of State referred this afternoon, was not enacted in this parliament until 1914, but the law was agreed to by the Liberal government of that day, by Sir Wilfrid Laurier and his colleagues at the imperial conference of 1911. My friend the Secretary of State read the report of the committee on imperial naturalization. I think the chairman of that committee was Mr. Churchill, then the Home Secretary. I may be wrong as to that, but certainly Sir John Simon was one of the members of the committee, he then being, if my memory serves me, either the Solicitor General or the Attorney General. That was the basis of our present law. It was agreed to by the Dominion of Canada, represented by Sir Wilfrid Laurier, and one or two other Canadian statesmen. It was agreed to by Australia, New Zealand, South Africa and Great Britain. We, therefore, have a common standard of citizenship. Any alien who desires to become a citizen of the British Empire, whether at the Home Office in London, or in South Africa, Australia or Canada, has to comply with the following four requirements: (a) residence; (b) character; (c) language, and (d) the intention to remain in the British dominions or in the service of the crown. Those were the four requirements, and those requirements you will find in the statutes of the dominions, and in the statutes of Great Britain. That being so, we enacted them in 1914 as a part of our law with respect to naturalization and we repealed the old act. The only question that remained was the determination by the Secretary of State how he would satisfy himself that these requirements had been met. My hon. friend the Secretary of State, this afternoon—and perhaps he was speaking hurriedly—left the impression that as the law now stands, a judge may in some sense control the action of the Secretary of State. That is not so. I ventured to correct him and I now desire to point to the judgement of Mr. Justice Meredith lest, peradventure, the minister would not regard my statement as being at all important. These are the words of Mr. Justice Meredith:

> The judges, courts and authorities, or persons mentioned in section 22 have now no power to grant naturalization. They have the power and duty to hear and adjudicate upon applications for naturalization conferred on them; but their decision in favour of applicants may in the "absolute discretion" of the Secretary of State be in effect overruled in a refusal to issue a certificate of naturalization.
>
> Whilst, on the other hand there does not appear to be anything in the way of an overruling in effect by him of a judge's or court's decision against an applicant by the simple process of granting another application to him directly under section 4. Nor does there seem to be anything to prevent an applicant, whose application has failed when made to a judge or court or authority or person, applying again and again to other judges, courts, authorities or persons; subsection 2 of section 2 of the act does not seem, directly or indirectly, to create a local jurisdiction.

That was the point I was endeavouring to make to the Secretary of State in the afternoon. Further down in the judgment these words will be found:

> It is not a question of law, nor one of mere commonsense; it is really a question of policy of the country in which naturalization is sought: and as this Dominion has put the matter so completely in the discretion of its Secretary of State; sections 4 and 27 of the act, it seemed to me both natural and proper to look to him for knowledge; but so far that looking by me has been in vain.

That was the reference to which I was directing the attention of the Secretary of State this afternoon. The judge continues:

> Nor can I find anything that has been said or done by any other judge or any court, authority or person throwing light on the subject, helpful to me.

Therefore Chief Justice Meredith was of opinion that the duties cast upon the judge were merely those of inquiry and not judicial in any respect. What he did was to report his findings, such as they might be, as to whether or not the individual who came before him was a fit and proper person to have citizenship conferred upon him. Chief Justice Meredith made it perfectly clear that the absolute discretion in subsection 3 of section 4, together with the absolute discretion mentioned in the other section, was the discretion that touched the question of high state policy: Shall a man become a British subject? The Minister of External Affairs might, for instance, conclude that there were circumstances which the report of the judge did not disclose and which had not been ascertained by him, constituting high reasons of state why the Secretary of State should not grant citizenship Mr. Churchill made that perfectly clear as did Sir John Simon and I read their statements in the first observations I made to the house with respect to the matter.

It must be conceded that the question of the grant of citizenship is not the light matter that the hon. member for Provencher (Mr. Beaubien) has mentioned. It is a matter of high government policy in some instances and all governments have claimed the right to determine what person shall and under what conditions he shall become their subject. The law being as I said of universal application, all self-governing communities in the empire have placed upon their secretaries of state that absolute discretion with respect to citizenship that is the attribute perhaps not of nationhood but at least of the right to determine who shall become citizens, in this instance, of the empire.

The measure as brought in by the Secretary of State repealed all the sections dealing with judicial inquiry, notices and matters of that kind. We submitted to him, I think, courteously, that as he had repealed those sections we had a right to ask what inquiry he proposed to substitute in their stead. We asked that time and again. He said: a mounted policeman, a homestead inspector. We asked him for others in order that we might know who were to make these inquiries. Then we went a step further. We also dealt with the question of notice, and the Secretary of State brought in an amendment to his bill providing that notice should be given through posting the applications in the post offices. We then ventured to point out that that conceded our claim that the regulations should be statutory and not the mere whim or caprice of the minister. Since he conceded that we were sound in that respect I suggested, and in fact all the speakers on this side of the house suggested to him that we should follow that up by determining by whom and where the inquiry was to be made whether or not the applicant for citizenship had complied with the requirements I mentioned, namely, residence, character, language and intention. He did not give us a satisfactory answer—I say that with all respect—and I think the hon. member for Marquette and the hon. member for Qu'Appelle, who have intimated that the bill in its first form was not acceptable to them, perhaps had quite as much to do with the ultimate result as had those on this side who protested against the measure. At any rate we have some satisfaction in knowing our previous remarks in that regard have commended themselves to his serious consideration. What happened? The committee will recall that the other day the minister dwelt strongly upon the necessity of having uniformity in the administration of the law. Does he realize that the judgment of Chief Justice Meredith to which he referred contains these words:

> And it is of the utmost importance that the law should be administered evenly: that the country should not be open to the reproach: Your laws are uneven.

That is the point made by my friend the Secretary of State. He spoke of uniformity, and although judicial discretion may not be uniformly exercised, as we all know, a judicial discretion is so hemmed about by, so surrounded with safeguards, that in the main it may be said to be reasonably uniform in every part of the country. What have we now? The amendment submitted to the committee this afternoon provides what? That an applicant for a certificate of naturalization shall produce to the minister certificates of character and of adequate knowledge of the English or the French language from three natural born British subjects, two of whom are householders and one of whom is a justice of the peace. I ask this committee: What sort of uniformity will that ensure? Two householders and a justice of the peace in Alberta, two householders and a justice of the peace in Cape Breton determine two questions, namely, character and adequate knowledge of English or French—do you think their judgment will be uniform? Do you think their discretion will be uniform? Do you think it will be, as Chief Justice Meredith said, an even administration of the law? It seems to me it is somewhat

ridiculous that for a judicial discretion surrounded by the safeguards that surround all judges with the great traditions behind them, you are going to substitute in every part of the country a different discretion. In one little community of a hundred people you will find a discretion exercised by three people saying that a man's knowledge of language is adequate. In another community they may be more exacting and find that the man's knowledge is inadequate, and in another they may not be able to decide on the question. Thus within a radius of fifty miles you may have three distinct views with respect to character and adequate knowledge of English or French. Is that the sort of thing we want? Chief Justice Meredith says no, and the minister brought his measure into the house demanding uniformity. This is how we are going to secure it and surely that cannot be sound. That is our position with respect to the matter.

Let me go a step further. The first amendment dealt with the notice and it says: The notice must be posted in the post office nearest to where the man is. Who is going to determine that and how is it to be determined? Supposing, as a matter of fact, a mistake is made and the notice is sent to a post office which is not the nearest to the applicant. The words are: "the post office nearest to the residence of the applicant." In some of the small communities there will be a difficulty with respect to whether he resides within eight miles of this office or within ten miles of that.

Then there is rural mail delivery. How about that? All these are questions that must be answered because they are practical questions. They are not manufactured for the occasion; they are not difficulties that we are making. I assure the committee, although I judge from the observations made to-day that the attitude I am taking is one that is severely censured by hon. gentlemen opposite, that I have no interest in the matter other than to see put upon the statute books a law that is workable and one that will reflect the genius of the Canadian people with respect to one of the most serious matters with which we can deal. I have no personal interest in the matter beyond the reasons I have suggested. I can stand it if the committee can, but I have given a great deal of attention to the matter during the thirty years I have been in western Canada, and the reasons given by the hon. member for Acadia were responsible for bringing my attention to it in the first place.

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It is provided that the notice must be put up in the nearest post office. The minister must send the notice of the application to the postmaster at the nearest post office, and let me say that there is a provision about posting notices in the Postal Act which I think will require to be dealt with, and then:

> Such postmaster shall thereupon post such notice in a prominent place in the said post office and advise the minister thereof. Such posting shall be made at least sixty days before the issue of certificate of naturalization.

Then look at the next section: It provides:

> An applicant for a certificate of naturalization under subsection three of section four of this act shall advertise in a newspaper published at or nearest to his place of residence, in either the English or French language, in the prescribed form, his intention to apply, and shall produce to the minister a copy of the newspaper containing the said advertisement.

How many times is that advertisement to appear? The South African statute provides that it shall be published in the Gazette. How many times does it appear? That is the first question I ask. The next question is this: How long before the application is heard is the advertisement to appear? It may be the day before, and it would be complying with the section if it was published in the English language in Gaspe. It might not be understood by anybody in the community.

Mr. LAPOINTE: My hon. friend is wrong. In Gaspe everybody understands English.

Mr. BENNETT: I will take another part of Canada. I selected Gaspe just because the name happened to occur to me. There must be communities in this country where the knowledge of English is very limited; we will put it that way.

Mr. CASGRAIN: No.

Mr. BENNETT: I congratulate my hon. friend because—

Mr. CANNON: It is legal to publish this notice in either language in our province.

Mr. BENNETT: I know that, and the point I am making is this: there is nothing to say that the publication of the notice shall not be in English in a French community or in French in an English community. What is more, if it is published in the foreign language papers in either English or French it would be complying with the section. But the next practical difficulty to which I was drawing attention was this: How long is the advertisement to be published before a certificate is granted? The day before? The week before? How many days before?

Mr. CANNON: Before what?

Mr. BENNETT: Before the certificate is granted.

Mr. CANNON: Notice of his intention to apply.

Mr. BENNETT: Exactly. To-day is the seventh. He may put the advertisement in the newspaper to-day, and in the meantime notice of his intention to apply has been running, and his application is considered.

Mr. CANNON: He has to send a copy of the paper with his application.

Mr. BENNETT: Not with his application.

Mr. CANNON: Certainly.

Mr. BENNETT: This is what it says:

—shall advertise in a newspaper. . . his intention to apply, and shall produce to the minister a copy of the newspaper containing the said advertisement.

But not with the application. It does not say so.

Mr. CANNON: Yes.

Mr. BENNETT: That is not what the section says, and no court would so interpret it.

It goes a step further. You have an advertisement to be published in a newspaper and inserted a number of times that is not indicated, but it must be at least once. It contains the statement of the applicant's intention to apply on a date not mentioned. Then follows the inquiry, and for the judges of this country who have, as Sir Wilfrid Laurier said, ever since we have had a naturalization law, made this inquiry, you are substituting an inquiry that will be as different as the applications themselves. Those who are conducting the inquiry must satisfy themselves as to the character of the applicant and if he has an adequate knowledge of English or French, and then the justice of the peace comes in. In South Africa they have a provision with respect to that in practically the same terms as here, but for the reasons mentioned by the hon. member for Vancouver Centre and the hon. member for Fort William the other day, conditions in that country are so vastly different from what they are here because the immigrants that go to that country are not from every other part of the world, as is the condition here. That is the situation we have to deal with.

I might make this further observation, which is quite within the mark. It is not the intention on the part of anybody connected with this committee on either side of the house, dealing with a first rate problem of domestic affairs, to say that we are going to make naturalization easy or difficult. The hon. member for Provencher, who has just taken his seat, must realize that this parliament is not making naturalization easy or difficult. He talks about making it easy. This is a standard citizenship we are dealing with which the hon. gentleman's great leader, Sir Wilfrid Laurier, assisted in fixing at the imperial conference of 1911, and it is not competent for us to change it unless we change the whole bargain under which British citizenship is granted.

Mr. BEAUBIEN: My idea was simply this, to make it as easy as possible, and to avoid the financial difficulties of a lot of these men. That is the principle I am talking about.

Mr. BENNETT: That is a fair statement. If the hon. gentleman says he is only dealing with the question of procedure, we accept the principle; and let me point out, which I neglected to do the other day, that a provision now exists in the act whereby in exceptional cases the applicant need not go to the court at all.

Mr. BEAUBIEN: Then why not take it all out of the act?

Mr. BENNETT: For the reason that the exception proves the necessity for the rule. Here is the exception. Section 25 says:

The applicant shall produce to the court such evidence that he is qualified and fit to be naturalized under the provisions of this act, as the court may require, and shall also personally appear before the court for examination unless it is established to the satisfaction of the court that he is prevented from so appearing by some good and sufficient cause.

In other words, if the distance is so great and the conditions, financial and otherwise, so difficult that the applicant cannot overcome them, here is the exception that meets that difficult case. Where such conditions prevail, where hardship would be involved, this section could be availed of, if the evidence is ample, and very often the evidence of the policeman who is making the patrol, and usually comes into the court, would satisfy the judge that the man could not be there himself. He could satisfy the court as to identity, character and knowledge of language, and the case would be disposed of. But these are the exceptional cases. These are the cases in which the operation of the law in all its stringency has been suspended in order to meet the difficulties of the case mentioned.

Under these circumstances, I can only unite my voice with that of the hon. member for

Acadia and say that a case has not been made out for changing this law. If you feel that that is not sufficiently strong, there is no reason why this parliament should not provide for a case of that character, a case of hardship, by dealing with it directly.

Mr. BEAUBIEN: Who is to establish hardship?

Mr. BENNETT: I have never seen judges unwilling to admit hardship if it is placed before them by anybody. Usually the policeman himself would be willing to do it, or the applicant could send a letter to the judge. I must say that I was greatly amazed when the hon. member for Comox-Alberni referred to an expense of $200 as being necessary to get naturalization papers. It is the most astounding information I have ever heard, because, so far as I have been able to ascertain, there is no formality in my part of the country. The clerk's offices are usually well known in western Canada. The applicants for naturalization write to the clerk of the court at Calgary or Edmonton for application forms. They are sent out by the next mail. The applicants fill out the forms, or are assisted to do so, return them to the court house, and the statutory notices are posted. I think some of my friends must have seen this method of dealing with applications for naturalization. Then in Alberta the courts are held more frequently throughout the country than they are in the other provinces judging from what has been said in the course of this discussion. As I have pointed out, if the applicant's financial resources or his condition of health do not permit his attendance at the court, the provincial police go out on patrol, visit the man and report on his qualifications. In our country a judge usually examines an applicant under oath if he is able to attend court. But in this instance we will assume the applicant could not attend but wrote a letter to the judge. In England a person would be admonished for doing this, but under our democratic system it is not unusual in most of the western provinces for men to write direct to the judges. I have seen many such communications. The matter is dealt with in that way. My friend from Provencher (Mr. Beaubien) has proved the very case that we have been endeavouring to make out. The judge may recommend that the man be not granted a naturalization certificate; the Secretary of State has power to grant such certificate.

Mr. BEAUBIEN: You admit that the Secretary of State has the right to grant a certificate of naturalization?

Mr. BENNETT: Surely.

Mr. BEAUBIEN: Then why go to the court at all?

Mr. BENNETT: That is the question I did endeavour to answer. The statute says that the Minister of State must be satisfied, and he grants the certificate in his unfettered discretion. But the Secretary of State cannot personally go out north of Calgary to examine the applicant, so he has to get the information some other way, that is, by referring the matter to the judge, and the judge makes his report. But the Secretary of State is not bound to follow that report, for he himself may be satisfied that for other reasons, for instance, as a high act of state, it is advisable to grant naturalization, and he does so.

Mr. BEAUBIEN: Suppose the judge did not recommend naturalization, and the Secretary of State issued a certificate, as you say he has the power to do, what is the good of the judge's inquiry?

Mr. BENNETT: My point is this, Mr. Chairman, that while the language of the statute is, as Chief Justice Meredith says, to vest complete discretion in the minister, there is no rule stated by which to determine just what the character and measure of the judge's inquiry should be. Chief Justice Meredith said that he looked to the Secretary of State for guidance and did not receive it. My hon. friend's question is: Why have an inquiry by the judge if the Secretary of State can grant naturalization against the judge's adverse report? But the reason for the inquiry is to be found in the exercise by the Secretary of State of what we say is a sound discretion based on a knowledge of the facts.

Mr. BEAUBIEN: But he can ignore the judge's finding.

Mr. BENNETT: I am not going to waste time in legal argument. The Secretary of State read from the report of the 1911 conference on naturalization. The whole point is that the granting of letters of naturalization is in a large sense a political act, and is done by the government as such, and the Secretary of State exercises that power. If the government sees fit to naturalize a person within the statute, that is, a person having good character and an adequate knowledge of English or French, the Secretary of State himself must be satisfied on these points. That is the position, as pointed out by Mr. Churchill and Sir John Simon at the naturalization conference.

Now that the government has made these amendments, I find there is something further that I intended to state the other day. I think those aliens who are under obligation to return to their native country for military service can never be taken to be persons who should come within the provisions of the section, because they cannot be said to be persons intending to reside in the British dominions. Leaving that out, the details I have mentioned—the difficulties with respect to the time in which the advertisement is to appear, the number of occasions—all those matters but indicate how desirable it is that these amendments should be studied from every standpoint. I submit that these amendments have been hurriedly prepared and give statutory form to conditions which might merely have been regulations of the governor in council. Since we are now going to impose them by statute, as we suggested the other day, I cannot but think their purposes would be best served by the government giving this matter that attention to detail which is so essential to clearly establish the position. In other words, the government should let this matter stand until another session in order that it may receive the attention which presumably the government desires to give to it. But if the government has made up its mind to press the bill through, I can only say once again that we protest against the inadequacy of these sections for the reasons mentioned by Chief Justice Meredith and for the reasons given by the Secretary of State himself. These sections establish absolute confusion and not uniformity; they establish a different form or condition from one end of Canada to the other, and place in the hands of three citizens—one is now to be a justice of the peace, but not a natural-born British subject, and the other two may be illiterate persons without any knowledge of English or French, and possibly, though not necessarily, bitter partisans at elections—the power to say whether or not the applicant has satisfied them on these points. The time specified is wholly inadequate to enable proper inquiries to be made, and there is no provision to permit any check in the event of the application being protested.

From what has been said in this house it is clear that it would have been better for us in days gone by—leaving out political considerations entirely—to have exercised a greater measure of attention and care than we did in the long years that I hope are not entirely forgotten. There has been imposed upon this country in the conduct of all its business an intolerable burden of expense by reason of there having been noncompliance with conditions which have since been made the basis of our Naturalization Act. Those conditions, so far as Canada is concerned, are attributable to the efforts of Sir Wilfrid Laurier who, when the bill was brought down by Mr. Doherty, congratulated him and, as I read the other day, intimated that it was something for which he had striven over a long period of years. For these reasons we protest against this measure being rushed into law under the circumstances I have indicated. That is all I can usefully add to this discussion and to the points that were made by the Secretary of State this afternoon.

Mr. ADSHEAD: The section provides for at least sixty days. Would this prevent the Secretary of State making it ninety days?

Mr. BENNETT: No; he might in his discretion, but it must be at least sixty days. That is the construction to be placed upon the language.

Mr. MACKENZIE KING: Mr. Chairman, my purpose in rising is not to draw attention to any points of difference between my hon. friend and myself, so much as to stress the similarity, if not the identity, of view which we entertain on some of the essential features of this measure. In the first place, I agree entirely with the leader of the opposition that we cannot view with too much regard for its importance the question of citizenship within our own country and that larger citizenship which we enjoy within the British Empire. As my hon. friend has said, prior to 1914 the citizenship that was conferred through naturalization was Dominion citizenship; it is now a citizenship which applies to the whole of the British Empire. That being the case, the question that naturally suggests itself to one's mind is, what are the requirements respecting naturalization in other parts of the British Empire? Were the government seeking to bring in a measure which would make it easier for a man to become a naturalized British subject in Canada than, for example, he can become in one of the other dominions or in the British isles, I think we might be open to the criticism that in the circumstances we are making naturalization too easy. But if, on the other hand, the requirements of our act with respect to citizenship are in all particulars the equivalent of the requirements in other parts of the British Empire, including the mother country, then I submit we have advanced a very strong reason why this bill should pass this parlia-

ment; otherwise we declare to the rest of the world that while a man can receive naturalization as a British subject in Australia, New Zealand, South Africa, Newfoundland and the British isles, he cannot receive naturalization in Canada on like terms and conditions. That, I say, would be a great misfortune; and it is to avoid discrimination against our own Dominion in that particular that the government in this measure has sought to lay down, as requirements for naturalization in Canada, the same or more rigid requirements than those of the other dominions or of Great Britain itself. If the committee appreciates that fact, which is fundamental and all-important, it will see a strong reason why further exception should not be taken to the bill.

My hon. friend (Mr. Bennett) declares that the legislation has been hastily conceived in the form in which it is being introduced. The Secretary of State made it quite clear, in his rmarks on the first day on which the measure was introduced, that citizenship would be granted in accordance not only with the expressed terms of the statute, but in accordance with regulations fixed by the Department of the Secretary of State, and which were, as he then indicated, precisely those which, in addition to others, are the ones we are to-day making a part of the statute. In the course of the discussion in the committee it became apparent that there was force in the argument that essential requirements ought to be made a part of the statute; and the Secretary of State, recognizing that contention, comes frankly before the committee and says, "I now propose to make, as part of the statute, requirements which otherwise, though quite as important and effective in the long run as regulations, would have appeared only in that form." We are therefore now making a part of the statute what originally were intended to be among the regulations. So that there has been no haste in the conception of what is now brought forward; the difference between the government and the opposition is wholly one of procedure.

This brings me to the other point of agreement between the leader of the opposition and the government. The leader of the opposition has pointed out that the question of naturalization is necessarily a matter of high government policy, and that in the last analysis the Secretary of State in his discretion must grant the naturalization certificate. The responsibility being on the government, it seems to me only right that the government should adopt its own method of securing such information as it needs to protect it in the exercise of that responsibility. If we are going to adhere to the doctrine of ministerial responsibility then, I submit, it is much more logical to place upon the minister the whole responsibility, allowing him the means which he believes to be most effective in order to ensure the results he desires to bring about, than to part with that responsibility to an individual or body not answerable to parliament, and to leave the discretion to someone altogether beyond the control of this house. The minister must meet parliament each session; he is responsible for all cases of naturalization where certificates have been granted by him. As was pointed out the other day, any hon. member can call at any moment for the file relating to any single citizen naturalized, and the minister must bear the responsibility for what the file discloses. I contend therefore, the responsibility being on the minister, that he should have an opportunity of devising the machinery which he believes would be most effective in enabling him to discharge his duty to parliament and to the country.

May I say further, after listening to the discussion and drawing from it the conclusions that are obvious with respect to the difficulties in regard to naturalization, that it would appear that members on one side of the house have been thinking largely of naturalization in the cities and in the larger towns, while members on the other side, to a greater extent perhaps, have been concerned with the difficulties in respect of naturalization in the rural and in the less thickly settled parts of the country. When reference is made to members of the judiciary as individuals before whom applicants shall appear, it must be apparent at once that the person about to be naturalized, if he resides in a city or in a town, is in a much more fortunate position than the man who has gone to some part of the Dominion as yet not thickly populated, or not settled at all, and has there hewn out a home for himself, and become a citizen of the country by virtue of years of labour upon the soil. I submit that, as between the two, if we were to choose which type in the long run was likely to make the better citizen, all of us, regardless of whether we live in the city or in the country, would say that the man who had made his home on the land was much more likely to be the type of citizen possessing the merits and the qualifications which we wish to see in one enjoying the privileges of citizenship than the foreign-born resident of a large city who possesses no property. I do not think there would be any doubt that we should choose him rather than the man in the city or the town. And yet, by the law as it stands

to-day, those men who have made their homes in the unsettled parts of Canada and who have contributed towards the settlement of those sparsely settled areas, find it infinitely more difficult after five years of effort to become citizens of the Dominion, than do the men who happen to be in a large city like Montreal or Toronto. When that fact is taken into consideration members of the committee will, I think, see the wisdom of a measure which seeks to make it possible for the man who has settled in the rural parts of the country and possesses the necessary qualifications to obtain his naturalization with as little additional cost and as little additional effort as may be necessary.

There is no difference between the opposition and the government as to the requirements of naturalization; residence, character, language and intention: these, we are all agreed, are the essential requirements. But one point of difference that seems to arise between us is as to whether it shall be made easy or difficult for the applicant possessing these qualifications, to become naturalized. The contention of the government is that if the qualifications are there it ought not to be made as difficult as possible for the applicant to become naturalized; it ought to be made comparatively easy. If the qualifications are not there then certainly naturalization should be made not only difficult but impossible. But, I ask hon. members, bearing in mind what I have said in regard to the classes to whom naturalization is granted: Who are in a better position to know whether those persons settled in rural parts are likely to be worthy of citizenship than their neighbours who are householders, who have lived beside them, who know them, who have watched them year in, year out over a period of five years? It is not to be forgotten that those who are entitled to apply for naturalization are only individuals who have been five years in the country, and men who are householders and natural born British subsubjects are going to put their names to certificates of such importance unless they are pretty sure of the statements they are making.

Just here I should like to refer to the words of the hon. member for Acadia. As he was speaking it seemed to me that he had a fear that this right of naturalization would be exercised by one political party to the disadvantage of the other. I would point out to him that under the measure as it stands, the opportunities are the same for both or rather for all political parties; there is no advantage given to one side or to one political party more than to another in requiring that whoever vouches for the character and qualifications of the individual applicant shall be a person such as is defined in the statute. It is only conveying a false impression to seek to have it appear, whether intentionally or otherwise, that in this matter the administration is in some particular interested in gaining an advantage to itself. The government are seeking to establish qualifications which will apply to everyone in this country regardless of his political leanings, and to give every class an equal chance under the law.

Those I think are the points which I wish to stress at this moment. The whole matter comes down to a question of trying to find, as nearly as a government can find it, the happy mean between two extremes; the one extreme which will make it difficult for the man who possesses the necessary qualifications to become naturalized, and the other extreme which would make it easy for a man who does not possess in full measure the qualifications to become a Canadian citizen. In taking the qualifications which are required in other parts of the Brtish Empire, adding those obligations which are imposed by statute in other parts of the empire and making these a part of the statute of our own land we have gone in this matter as far as it is possible for an administration to go which wishes to be perfectly impartial and to lean in favour neither to the one side nor to the other.

Mr. KELLNER: Representing a rural constituency which is possibly one of the largest in Canada, I wish to state definitely that I have never heard a single complaint against the present Naturalization Act, and I cannot see why anyone should have to go to an expense of $25 or more to become naturalized. The only sum mentioned in the act is the payment of $5 for the application. I do not see that this scheme is going to be any more workable; it seems to me that you are only substituting the mounted police or the homestead inspectors for the judge. In the province of Alberta mounted police are practically things of the past; we have a few of them but they are not on active duty and do not travel around the country to any great extent. There are some districts where homestead inspectors may be found, but there are other districts where they are few and far between. If a man went out to-day to look for a mounted policeman or a homestead inspector in order to make his application for naturalization, it would probably take him quite a long time to find one. I believe you would have to include some of the other

inspectors who have been mentioned, and I suppose it would be quite appropriate to include an egg inspector.

I do not think there can be any question but that this act has political possibilities, and everyone who has lived in the west for any length of time knows that the old act was used in that way. I know, and I am satisfied that my colleagues also know, of people who were naturalized and who did not know they were naturalized until they received their papers. In one election I recall a man telling me that one of the election workers asked him to vote. He said, "I cannot vote; I have not been naturalized yet", but the election worker said, "Yes, you have; I have your certificate right in my pocket."

I would like to refer for a moment to this provision under which three natural born British citizens must certify to the character of the applicant, and I just want to say a word on the way the words "natural born British citizens" are used. Surely it would be better to say, "native born"; I think nearly all of them are natural born, so it seems to me that the minister is using a term which does not cover what he means. The main point which strikes me, however, is this: Supposing these natural born or native born Britishers come to this country this week; is there anything in the act to preclude them from giving certificates to one making application for naturalization next week? We know that we get at least an occasional immigrant from England whom we have to send back, and I do not see why such a man could not come out to Canada this week, establish a home, sign his certificate next week for some one making a naturalization application, and still remain within the act. If you are going to have that section in the act it seems to me that the British citizen should be compelled to establish a residence in Canada of at least one or two years; certainly he could not form any very definite conclusion as to the character of the individual to whom he gave a certificate otherwise. In my humble opinion I think the government are spoiling a reasonably good act and giving us what is likely to be an exceedingly poor one.

Mr. EDWARDS (Frontenac): I should like to add a word or two to this discussion, and I wish to refer first to the reference made by the Prime Minister to Australia and New Zealand. I submit that the situation existing in those countries, where over 90 per cent of the population is of one race and one language, is vastly different from the situation which exists in Canada. We are bringing to this country people from all parts of the world, people of different nationalities, speaking different languages, and I submit that we should have the most systematic and rigorous control by the native born citizens of the two principal races in Canada if we are ever to have a semblance of national unity in this country. In my judgment we should not make the mistake of relaxing or loosening our restrictions with regard to the granting of naturalization certificates; on the contrary, in my humble judgment we should tighten up the regulations.

I should like to submit this point, which seems to me worthy of consideration: We have an example just across the line, in the United States of America. That country was referred to by the hon. member for Stanstead, who stated that they had opened their doors to countless millions of immigrants. That is very true. In the last century some 36,000,000 foreigners immigrated into the United States. In the twenty years subsequent to 1882 there was a flood-tide of immigration into that country; they were receiving from three-quarters of a million to a million per year. In 1914, immigration into that country totalled 1,258,000; in 1921, it was as high as 805,000. Now, what was the course taken by our neighbours to the south? I venture to state that in the past they have been stricter and more rigorous in regard to granting naturalization certificates than we have in Canada. Yet, notwithstanding all that, we find the United States passing perhaps the most drastic immigration law that ever was passed by any country on the face of the earth.

I should like to submit to you a sentence from the message of President Coolidge to congress in December, 1923, when he advocated a stricter numerical restriction, based on the census previous to 1910. The first quota system adopted by the United States was based on the census of 1910, the 3 per cent quota. President Coolidge advocated going farther than that, and in his message he used these words:

> America should be kept for Americans. To obtain this we can admit only those whom we can assimilate, viz., those whose background, traditions, etc., are similar to ours, and those who come for the purpose of making America their home and who will be partakers of the American spirit.

Now, Mr. Chairman, under the quota system of the United States, based on the census of 1910, they permitted about 360,000 to come in from foreign countries. I do not include in that number those from Canada or Mexico. Under the quota system later adopted, on the basis of the census of 1890, the 2 per cent

quota, they cut that almost exactly in half. Again I am excluding immigrants coming from Mexico and from Canada. What was the object of the United States in making that change? After a very careful study of the whole situation they did that for the express purpose of eliminating as far as possible immigrants from continental Europe, or, at least, from southern and southeastern Europe. Under the new plan, the quota from England, Germany, and most of the northern European countries was practically not affected by the change from the 3 per cent to the 2 per cent quota on the basis of the two different years.

Let us see how it affected the others. I refer to this because I think it has a very direct application to this proposed law, which, I submit, will affect more particularly those from the southern and southeastern part of Europe than those from the northern part of Europe, the Scandinavian countries and Germany. Let us see how that change affected the situation in the United States. It reduced Austrian immigration from 7,451 down to 1,090—7,451 under the quota system of 3 per cent, based on the census of 1910, and 1,090 on the quota system of 2 per cent, based on the census of 1890.

Mr. DUNNING: The change in boundary would have something to do with that.

Mr. EDWARDS (Frontenac): Possibly it had. As I will give you other nations, I think it will include them all, even under the changed boundaries. For Czechoslovakia the number was reduced from 14,557 to 1,973; Greece, from 3,294 to 135; Hungary, from 5,638 to 588; Italy, from 42,057 to 4,689; Poland, from 21,076 to 8,972; Roumania, from 7,419 to 731; Russia, from 21,613 to 1,892; Turkey, from 2,388 to 123; and Jugoslavia, 6,426 to 835.

The experience of the United States, our next door neighbour, was that at one time they threw their doors absolutely wide open to the world, inviting people to come in from all parts of the world. That great country looked over the past legislation which it had on its books in regard to immigration and considered what was necessary as to naturalization, and after that they adopted the most drastic and stringent laws in order to protect their country from the influence of those whom it would be somewhat difficult to Americanize. They adopted the most drastic law that was ever adopted in any country in the world. And now, in their experience, surely we have a lesson from which we can learn something. I submit, having regard to the attitude of our great neighbour, that this is not the time in the history of Canada to relax our vigilance, to loosen up on our restriction, and make it a mere matter of form for the strangers within our gates to become Canadian citizens.

We have the proof of it right on the floor of this house, in that hon. gentlemen in this chamber who have come from different countries of the world have made good in Canada and are a credit to the house and to the Dominion. There are thousands and tens of thousands of such citizens in the west, and I firmly believe that any man who has lived in Canada for five years, no matter from what country he has come, and more especially the man who has lived in the country and acquired some land which he can call his own, if he is worth his salt and is worth naturalizing, will not raise any quibble in regard to a little trouble in going to get his naturalization papers. I submit, with all confidence, that the man who will quibble about a little inconvenience to himself, even to a little outlay of money, in rounding out his citizenship, is not the man we want. If he is a settler desiring to become a citizen of Canada, and if he is the right kind of man, he will approach these difficulties, such as they are, with pleasure. If a man will harp and quibble about a little inconvenience to himself and a little outlay of money in order to become a citzen of Canada, it is better for Canada if he never takes out his citizenship papers at all. I submit that those people from foreign countries who do not know a word of English or French, who find great difficulty in acquiring either of these languages; those citizens who have settled in the back parts of the country and who will be put to great inconvenience in getting their papers—those citizens will, I believe, look back on their experiences and will compare their pioneering years in Canada with the best years which they have had in the country of their birth, and they will feel they are so much better off in the land of their adoption than in the land of their birth that they will be glad to crown their ownership of property in this country with the dignity of being Canadian citizens.

Some say that in some cases people living in outside districts are put to considerable inconvenience in travelling long distances and are also put to some expense in order to acquire citizenship. Does that not apply to everything else? Men who live in outlying districts and who have to attend court on some matter or another are put to greater inconvenience than are men who live next

door to the court house. The man who lives in an outlying district must in everything be put to a certain inconvenience and trouble in travelling long distances and he cannot do that without incurring some expense. In all other matters that pertain to life and his activities as a citizen, he will be told at once: Well, you live some distance away from the local seat of government in your community; that happens to be your position and you are subject to inconvenience because of that fact; you must submit to that. We cannot all live in the same place. But in regard to the acquisition of the right of citizenship in Canada, the matter of inconvenience has to be raised. Hon. gentlemen have cited cases of men who live fifty miles, a hundred miles or more away from a court and who have to travel those distances in order to secure their papers. These are isolated cases. Should the whole law of the country be governed by the experience of two or three or half a dozen men who happen to live in isolated communities? Surely the law can be framed in such a way that if you have ten, twelve or fifteen people who want to take out naturalization papers and who live fifty or seventy-five miles away from the court, the court will travel those fifty or seventy-five miles in order to meet those people. The only reason that occurs to me why the government should substitute for the judges of the land, whose very position lends a dignity to the acquisition of naturalization papers, homestead inspectors or mounted policemen or some other agents of the Secretary of State is that the government may make political capital out of that change.

The CHAIRMAN: The question is on the amendment moved by the hon. member for Comox-Alberni.

Mr. RINFRET: I desire to say that the government is quite willing to approve the amendment. The desire of the government is to see that the certificates accompanying an application are made by persons who may be relied upon. I am quite satisfied, if the committee is, that a justice of the peace would in all cases be a desirable person to submit a certificate.

Mr. MANION: There was another suggestion which I made this afternoon. I was supported in it by the leader of the Progressive party, the hon. member for Acadia (Mr. Gardiner), the leader of the opposition and various other speakers, and with the attitude taken by the minister and that taken by the Prime Minister it seems a most reasonable suggestion, namely, the four-month instead of the two-month period.

Mr. RINFRET: The subamendment is now before the committee. The question of delay comes in another part of the amendment.

Mr. MANION: I think the amendment of the hon. member for Comox-Alberni comes in at the tail end of the bill. This is in the fifteenth line, I notice.

Mr. RINFRET: But the chairman has just called the amendment and perhaps it might be pronounced upon first.

Mr. CLARK: Has it been suggested to the minister that there are in this country justices of the peace who cannot speak either English or French?

Mr. RINFRET: I am not aware of the fact. I desire to add this, that these are the minimum statutory safeguards. The Secretary of State will in all cases be at liberty by inquiry or otherwise to add to the statutory safeguards.

Mr. CLARK: If the amendment carries, the justice of the peace passing upon the qualifications of an applicant may be an immigrant, foreign-born, and he may not himself have an adequate knowledge of the French or the English language.

Mr. RINFRET: I do not believe so. If he has been properly naturalized and passed upon by the court when he was naturalized, he would have the knowledge.

Mr. CLARK: Surely by now the minister knows that thousands of men were improperly naturalized in this country before the safeguards were imposed under the present act of having applicants come before a judge. Instances have been given in the house of literally hundreds being naturalized for election purposes. Many of those never could speak English or French.

Some hon. MEMBERS: Where are they?

Mr. CLARK: My hon. friends know perfectly well where they are.

Mr. McPHEE: In what part of Canada?

Mr. CLARK: They are all over Canada. I do not know of one province where this has not happened. I suggest very seriously that this is not limited to applicants for naturali-

zation or to those who have been naturalized, but we have actually in this country justices of the peace who have not an adequate knowledge of either the English of the French language.

Mr. McINTOSH: Name the province.

Mr. McPHEE: Name one man in Canada.

Mr. CLARK: My hon. friends need not be ridiculous in this. I am making a statement and I need not name any one individual. I know justices of the peace who are not educated men, who are not fit and competent to judge whether a man has an adequate knowledge of the English or the French language and whether or not he is a fit and proper person to be naturalized.

Mr. BANCROFT: Does the hon. member know one man who is a justice of the peace who cannot speak English or French?

Mr. CLARK: I know justices of the peace who have not an adequate knowledge of the English or the French language.

Mr. BANCROFT: The hon. member said that they could not speak English or French.

Mr. CLARK: I did not. I said that it has been seriously suggested to me—and I believe it is true—that there are in this country justices of the peace who are not native-born Canadians—

Mr. BANCROFT: Yes.

Mr. CLARK: —who are immigrants, and I firmly believe there are many of them who have not an adequate knowledge of the English or the French language. Those are the men that the minister now suggests he is willing should pass upon applications for naturalization. I was opposed to the bill as introduced, but I am more than ever opposed to it as the minister now proposes it should pass. It seems to me a preposterous thing that the minister should suggest taking any two native born Canadians that you may find willing to certify, and then take a justice of the peace not born in this country who will in all probability charge a fee for his certificate. My hon. friend shakes his head. I feel certain that he will. You will find all over Canada that a fee will be charged by a justice of the peace who puts his name to the certificate, and that will be another scandal. If the minister is serious when he intimates that he does not believe that this will be done, he should make it an offence in the act itself if a fee is charged by a justice of the peace. It is all nonsense to suggest that a justice of the peace is a fit and competent person to pass on these applications. The judiciary of this country has proven itself to be above suspicion in these things, and if there is any difficulty in the administration of the law as it now stands, the Secretary of State can amend the present act so that the judges may travel about the country, making it more convenient, if convenience is desired, for the applicants to be heard. Particularly in our country, I submit that this question is a matter of vital importance because of the tremendous percentage of foreign immigration that we have in this country. The percentage of foreign immigration in Canada to-day largely exceeds the British and therefore we should be taking additional precautions, instead of opening the door wide, as is suggested.

Mr. ARTHURS: Confirming what my hon. friend from Vancouver-Burrard has said, in the part of Ontario from which I come, for many years—for political reasons or otherwise, which I am not going into now—foreigners were brought before a magistrate and sworn on the ordinary oath of allegiance to His or Her Majesty, as the case might be, although usually it was Her Majesty Queen Victoria, and then many of them, before they were naturalized were appointed justices of the peace, and some of them occupy that position to-day. They have no adequate knowledge perhaps of English, and no knowledge whatever of French. I support very strongly the suggestion made by the hon. member for Vancouver-Burrard that in all these cases we should take the opinion of the judges of the court. There is no complaint regarding the working of the present act from anybody in the large cities. The city of Montreal is satisfied. The city of Toronto, where we have a large foreign population, is satisfied, and so on throughout the country.

The complaint is made that some of the applicants for naturalization are located a long way from the court, and have to travel many miles to reach a judge, but surely some slight amendment could be made to the act for the purpose of covering such a case. I maintain that in the main the present law is quite satisfactory, and certainly the present method is more advisable than placing the matter in the hands of a justice of the peace and two other men, who may be his sons or any other two people so long as they are born in Canada.

Mr. CHURCH: Apparently the government has decided that this naturalization question is going to stay in politics as long as they are in office. We have an amendment

before the chair, and in regard to that let me say that in the province of Ontario the office of the justice of the peace has practically been abolished. Every city and town, under the Attorney General's department, today has a police magistrate who is paid a salary. The justices of the peace now have no duties to perform. The cost of administering this act will run into hundreds of thousands of dollars. As I said the other night, this is just a political bill, and it was never intended to be anything else but a political bill to make votes for the government when polling day comes round. Especially in the larger city ridings, like Toronto West Centre or Toronto East Centre, where there is a large fluctuating foreign population, the present law has worked admirably. In the city from which I come, we have six county court judges, and every time the court meets there is a procession of these men appearing to secure naturalization. We must remember that under this law we are not merely granting Canadian citizenship when we issue a certificate of naturalization, but that since 1914 and the agreement that was entered into at the imperial conference of that time, followed by legislation throughout the different dominions, we have been really granting British citizenship throughout the whole empire, and once a British subject always a British subject. You can become a British subject in one of two ways, either by birth or by naturalization.

Coming from a city where we have a large foreign population who on the whole are law-abiding, where the present law has worked very well, I protest against the amendment which the Secretary of State proposes, and so far as the latest amendment is concerned, handing over the inquiry to two native born citizens and a justice of the peace who need not be born in the country at all, that just makes the bill just so much worse than it was before—a political farce. Wherever this committee of three is working, you would find a political machine trying to coin out certificates of naturalization for people who are expected to vote for the government.

I wish to protest against the principle of this bill. The other night the government brought down a bill to repeal a provision in the criminal code regarding sedition. The Naturalization Act is now being attacked, and dear knows what the next attack of the government will be for the benefit of foreigners. This is just a nice gesture to the prairie foreign voters in the next election; that is all it is. Whatever you may say about this bill, the fact remains that it is looked upon by the people of this country as a political bill. Chief Justice Meredith, one of the greatest judges the country produced, has written to the Secretary of State of this country wanting information and a ruling or advice of what citizenship is under the present law. If there was more co-operation between the government and the judges the act would be all right.

Mr. BALDWIN: The hon. gentleman has mentioned politics. Does he believe that to the victors belong the spoils?

Mr. McGIBBON: That is the practice over there.

Mr. CHURCH: Chief Justice Meredith has very properly written to the government in the interests of a proper naturalization act, asking if they will define the division of the present law between the judges and the government. We had county court judges before the committee on judges' salaries the other day, and they say that the most important part of their judicial duties is looking after this question of citizenship. Are we to wait until Canada becomes like the United States? When President Harding found, by the last census in the United States, that only 54 per cent of the population were American citizens, his administration brought down a bill closing the door to continental Europe and establishing the quota system, in the interest of the best United States citizenship. That question was taken up by both the parties, Republican and Democratic, both of which strongly opposed the European invasion of that country.

I may say to my hon. friends opposite that if this amendment is passed they will have the spoil system and might just as well abolish the Civil Service Commission. This is simply a political bill. Let us take naturalization out of politics. Our Naturalization Act has worked admirably, and the only trouble has been a lack of co-operation between the Secretary of State and the country court judges. I am opposed to the amendment. Who is asking for it? Have any municipalities asked for it? The Naturalization Act is working efficiently in the county of York. The Naturalization Act is one of the most important statutes, and the government had no mandate to amend it. If at the last election the government had told the people of Ontario that it proposed to pass an amendment along these lines, it would

not have secured a single seat throughout the province. Ontario will have to pay the costs of administration under this amendment. A return I secured the other day showed that Ontario was paying 42 per cent of all the cash taxes in the Dominion. It is Ontario that will pay the bulk of the huge cost of such an act as this.

We shall soon have to pass a quota law similar to that in operation across the line. The British born now are getting down to 55 or 50 per cent of the population. In Australia Premier Bruce has tightened up the immigration regulations. He has decided that Australia must be a white man's country. They are getting a majority of the British immigrants. They are doing all the window-dressing in London in immigration. What they have done should be an example to Canada. I submit that this amendment is against the best interests of the British Empire, and it is pretty near time that members from Ontario rose up and protested against this measure. Once more I raise my voice in protest against this bill because it means there will be more politics than ever in the naturalization of immigrants. It is time the British born made a stand against all these acts to benefit the foreign element very largely. The United States have adopted a quota law. The United States was fast approaching the condition of London, England, in 1666, the time of the great fire, which was described, I believe, by the author and poet, Ben Jonson, as follows:

> The common sewer of Paris and of Rome
> Sucks in the dregs of all corrupted states.

And the American people checked a foreign invasion. We should do likewise and adopt a quota law before it is too late.

Mr. STEWART (Leeds): Mr. Chairman, I think it must be admitted on all hands that we are dealing with something very vital to the life of Canada when we seek to amend the law relating to citizenship, particularly when we remember that admission to Canadian citizenship also carries with it British citizenship under the law that has been referred to during the course of this debate.

I am sure the Secretary of State, who is responsible for the administration of the Naturalization Act, desires to have accurate and reliable information regarding every applicant for a certificate of naturalization. This being so, I wish to ask him how he can get such information better than through the judges of this country—men who are accustomed to weigh the value of testimony, men who know local conditions, men who have the applicant before them and thus have the benefit of a personal interview. Surely these judges can be relied upon to obtain that accurate and dependable information without which the Secretary of State should not act. I have not heard it alleged that in the past they have failed in the discharge of their duty, or that they have in any way neglected to report this information in proper form to the Secretary of State.

Our citizenship is of great importance to this country. In the old days a Roman used to boast of his citizenship. I feel that we may as proudly boast of our citizenship. It is, I submit, worth while to impress upon the applicant for the rights and privileges of Canadian citizenship his duties and his responsibilities to Canada and to the empire. Surely those duties and those responsibilities will not be impressed upon him by the methods proposed by this bill.

There can be no doubt that at certain times and in certain places there will be those who will endeavour to use this legislation for political purposes, and it will require very strong resistance on the part of any secretary of state to prevent this. Then why does he place himself in a position where he will have to resist the pressure of friends, where he will have to resist applications made, perhaps on the eve of an election, in a wholesale way for the naturalization of persons by those who desire their votes. Scandals have occured in the past and very likely will occur in the future under legislation of this kind; but under the present statute I submit there is no possibility of anything of the kind happening, and we should use every endeavour to avoid the possibility of its recurring. In the past we have heard a great deal, and perhaps properly so, about irregularities in connection with the issue of immigration permits. Surely this amendment affords an opportunity for a greater abuse of the law on the eve of an election. The title of a bill should, I submit, bear some reference to its purposes and to its meaning, and it seems to me this bill might very properly be entitled an act to permit the peddling of naturalization certificates for political purposes. I notice that the press of the country is very strong indeed in its expressions of opinion against the bill. Coming in on the train this evening I cut out an extract from a local paper reporting the views of the Brantford Expositor, a paper not unfriendly to this administration. This is what the Brantford Expositor says:

> Parliament will do well to scrutinize the proposed measure in the most painstaking manner, having regard only for the welfare of Canadian citizenship. Unless it can be proved

beyond a doubt that there are injustices which ought to be remedied, the proposed amendment ought to be rejected. Canadian citizenship carries with it a priceless heritage, and it ought not to be granted without full judicial inquiry having been made in regard to the merits of the applicants.

If I took much time I could not more effectively express my opinion and, I venture to say, the opinion of the majority of the people in this country on this question than it has been expressed in this very short article.

I have some knowledge of how this act has worked. I have seen applicants for citizenship appear before the county judge; they have been treated kindly, courteously and with every consideration, and advantage has been taken of the opportunity to inform them of their rights, their privileges and also of their duties. That, I think we must agree, is very important and useful if we are to have that appreciation on the part of our newly naturalized citizens of their rights and of their obligations to Canada. It does not appear that there has been any great measure of inconvenience under the act as it has operated. I can well understand that in some outlying, sparsely settled districts some people possibly have been put to inconvenience. But I would point out that if an applicant is unable to attend court all he has to do is to make a statutory declaration. Under the franchise law, where personal attendance is required, there are provisions that make it possible, in case the applicant for franchise is unable to attend, either through sickness or from any other good cause, for proof to be given on his behalf. It may be furnished by affidavit. But in this case, as far as I understand the legislation, no person is required to swear anything; no evidence is taken on oath. We have one or two certificates given by some interested friends, perhaps some political partisan, and these are sent to the Secretary of State.

The Secretary of State admits that there should be some investigation, but what opportunity will he have of exercising supervision over those affidavits and of making a proper investigation? Surely we can safely trust our judges to make the investigation. I believe it was the Prime Minister who said that ministerial responsibility would involve ministerial control. Well, it is not at all unusual to find this government asking judges, and appointing commissions, to make investigations and to tell them what they ought to do. And when we have this machinery set up and working so well, we should stop and ask ourselves just why we are making this change, why it is necessary, and who is asking for it and pressing for it. Is there any injustice? Is there any real inconvenience? Is there any danger to the citizenship of Canada? Shall we not be keeping matters on a higher level if we follow the course pursued in the past, asking the applicants to appear before our courts to vindicate their application and to furnish that measure of proof which is only reasonable and proper, having in view the safeguards essential to the welfare of this country?

Mr. McGIBBON: This is one bill that parliament should certainly refuse to let go by. It is nothing more than another attempt by this government to put through legislation for the purpose of keeping itself in office. It is nothing more and nothing less. It has not been asked for by the country; it is not wanted by the country; it is not wanted by this parliament. In fact, it is wanted by no one but the government and members on the other side of the house. If any proof were needed in this regard it was furnished the other night by a minister of the crown, the Minister of Agriculture, who rose in this house and, in that jocular manner which he so often assumes, said, "There are thousands and tens of thousands of foreigners in the west and we want to get them naturalized." I looked at the government at the time and I saw, representing the province of Saskatchewan, the Prime Minister (Mr. Mackenzie King), the Minister of Railways (Mr. Dunning) and the Minister of Agriculture (Mr. Motherwell). Immediately there came to my mind a map presented the other day to a committee of this house—a map of the province of Saskatchewan. That map I have here in my hand, showing the foreign element marked in black. I suppose other hon. members have received it.

Mr. McPHEE: Did my hon. friend read the list of foreign settlements given in the map?

Mr. McGIBBON: The hon. member read them himself the other day in the committee room and he, like many others in this house who are also on that committee, prevented or tried to prevent this information from getting out.

An hon. MEMBER: What information?

Mr. McGIBBON: The information I am giving to the house.

Mr. DUNNING: Will the hon. member let me see the map? I have not had the privilege of looking at one.

Mr. McGIBBON: Certainly; have a look at it. You will see your own constituency.

Mr. DUNNING: Will my hon. friend describe my constituency as being entirely of foreign birth?

Mr. McGIBBON: I think the minister has a few of them out there.

Mr. DUNNING: And they are good Canadian citizens too.

Mr. McGIBBON: They may be good Canadian citizens, but their judgment is bad when they vote for the Minister of Railways.

Mr. DUNNING: That is a matter of opinion. You tried hard enough to get them and failed.

Mr. McGIBBON: I got mine in my constituency. Now, Mr. Chairman, looking over that map we can readily see why this government wants this bill to go through. The Minister of Agriculture is quite frank about it. He says, "We have thousands and tens of thousands out there and we want to naturalize them." The Prime Minister this evening made the statement that they were all being made equal under the law. That, I submit, is not at all what we are doing. The fact is, they are not under the law; they are under the government. The Secretary of State will have the final say in all these applications.

Mr. DUNNING: Is my hon. friend relying on this map?

Mr. McGIBBON: For what?

Mr. DUNNING: I should like to draw his attention to the fact that all the French-Canadian settlements in northern Saskatchewan are described here as foreign. If my hon. friend likes to take evidence of that kind that is his privilege.

Mr. McGIBBON: I see the minister is very sensitive about many things, but he will find that members on this side are a great deal more loyal to this country than members on his side of the house.

Mr. DUNNING: I am talking about foreigners just now.

Mr. McGIBBON: There are foreigners and foreigners, and I am pointing out that if the government get this bill through all immigrants coming to this country will have to depend upon the government for their naturalization papers, which they cannot secure without going to the Secretary of State. This whole machinery created under this bill will be nothing but political machinery. That is quite evident, and if this parliament does nothing else for the next month we should oppose the passage of this bill. The present act is working well; these applications come before the highest and most respected tribunals in the country, and what excuse have the government given for changing the procedure? What does the Secretary of State hope to do? For the action which is taken before the judge, before whom the applicant appears to answer questions which test his fitness for becoming a Canadian citizen, the minister is going to substitute nothing but a form of correspondence school, which he himself cannot even supervise. He tells us that a man must be vouched for by three people, but I wonder if there is anyone in this house to-night who thinks there is one man in Canada who could not get all these certificates if he wanted to become naturalized. Do we have to recall what took place in Peace River and in Athabasca to suggest what might take place under this act? The safeguards which the minister claims to have placed in this bill do not amount to anything. For example, he says the notice must be posted in a post office, but I pointed out to the Postmaster General the other evening that in many post offices throughout Canada there is not a place where these notices can be posted. The mail is kept in a room of the house and handed out through the door, and there is absolutely no place where a notice could be posted. If a notice were posted the applicant would last perhaps twenty-four minutes in some cases or twenty-four hours in others.

Then, as I pointed out this afternoon, no provision is made for the filing of objections to these applications for naturalization. I wonder what the minister is going to do in that case. If anyone wishes to object to any person becoming naturalized under this bill, what procedure must he follow? I will pause for a reply.

Some hon. MEMBERS: Carried.

Mr. McGIBBON: My hon friends are not going to make a bit of progress by calling "carried". We on this side have our rights in this house just as hon. members opposite have theirs, and I intend to exercise my privileges. I can stay here and talk until eleven o'clock if it is necessary in order to keep this bill from being carried; I do not want to do so and that is not my intention, but if we cannot be treated with a certain amount of respect when we rise to speak on any question we will have to secure our rights in some other way, and we will see that we do obtain them.

I am not one of those who think it should be made easy for people to become naturalized in this country; I think naturalization is one

of the most priceless gifts we can bestow upon anyone. Before we say an applicant will be a good citizen or that he has the making of a good Canadian citizen we must consider the aspirations of the country from which he comes, the attitude of his people towards law and order and towards governments, because all these things will be reflected in the future Canadian nation. Consequently I say that when we are dealing with this matter we should consider it very carefully, and we should proceed with a good deal of caution. Restrictions are necessary to a certain degree; if we do not maintain them we will find a condition existing in this country similar to that prevaling in the United States. We are laying a foundation to-day for the future generations, and nothing is going to contribute more to the soundness of our people in the future than this proposed measure now under consideration.

I say, Mr. Chairman, that in the interests of the government this bill should not pass. We know that when election time comes the Secretary of State will be flooded with applications for naturalization. I am not speaking particularly of the present occupant of that office; no matter who is occupying it at that time pressure will be brought to bear upon him, and being human he will give way under it. This thing eventually will be nothing more or less than a political machine, which will not work to the benefit of the country as a whole. The principle is wrong; the application is wrong, and the results will be disastrous to this country. Speaking for myself, I object to this proposed new act and to the way it is intended to be applied.

Mr. MacDONALD (Cape Breton South): During the debate this afternoon I put a question to the Secretary of State to which I did not receive an answer. I suppose almost everyone looks at this question more or less from a personal point of view; I have had considerable experience in connection with the naturalization of aliens in my county, and so far have had no difficulty at all. It seems to me that the discussion we have had has contained a good deal of matter quite apart from the real issue but the Prime Minister and the leader of the opposition have cleared the atmosphere by their addresses. I think on both sides of the house we agree on the principles underlying this bill; it seems to be the unanimous opinion of members of the house that a person who is entitled to naturalization should receive it, and the only point on which we differ is the question of procedure. We have been told from this side of the house that the present procedure works very well, and that is is simple and economical. Under the present system the applicant in the province of Nova Scotia goes to the clerk of the county court. The clerk gives him a form, fills it out for him if he wants to, and charges him five dollars, and that is all that applicant needs to pay to get his certificate of naturalization. The clerk takes that application and files it in his office, and puts a notice on it of the date when the county court judge will hear that man's application. On that date the applicant appears before the county court judge and is put through an examination. As the result of that examination the county court judge reports to the Secretary of State, who gives or withholds the certificate.

It has been urged in favour of the change that it is going to be easier under this new law, and that it is going to be less costly and less cumbersome. With regard to the first, I want to say now that it is going to cost very much more for any applicant to get a certificate of naturalization under this new law than it did under the old. In the first place it is necessary for him to get a form from the Secretary of State. How is he going to do that? Great pleasare made on behalf of those people who live in the far distant parts of this country, and for them I think we must all feel a certain amount of sympathy. We want to assist each one of those men who is looking for naturalization. We want him to get it as easily and as cheaply as possible. Is it going to be easier for a man to get a certificate of naturalization? Is it going to be easier, in the first place, for him to get his application form? To whom is he going to apply? You must remember that those people who live in the far distant parts of the country do not know exactly whom to go to. Down in our country they know exactly where the court house is. They know that they can go there and they can get a form and get it filled in, and all they have to do is to pay five dollars. That is every cent it will ever cost a man to get his certificate of naturalization. He does not have to employ a lawyer, or if he does it will cost perhaps $25, which I think is the legal fee down there. Is it possible to conceive that any man in the west is going to know enough about the procedure to do this without employing a lawyer? It is not. The very first thing that man must do is to employ counsel to secure the form for him, and put him through the various steps that enable him to receive his certificate of naturalization.

There is one point on which I think we are all agreed, and that is citizenship in the

British Empire. We are all agreed as to the importance of that, and the value that should be attached to it by every person. Is there any danger, is there any menace to be feared from either the procedure under the present law, or under the proposed change? Under the present law, which has now been in force for fourteen years, we have had no charge of any scandal. There is no possibility of any person securing a certificate of naturalization in this country who is not entitled to it. Under the proposed change, will such a possibility arise? I think we should discuss this matter honestly, and with the knowledge that the political history of this country is not without incidents of various kinds where people have been naturalized who were not entitled to naturalization. Until human nature changes, or until such incidents as were brought to our attention the other day in the Athabaska election are eliminated, I think we can prophesy with considerable confidence that politicians will be found in the future who will not hesitate to take advantage of the opportunity at election time to naturalize those who are not qualified for naturalization, if it is going to swell their election vote.

It is said that the amendments submitted by the Secretary of State go far to preclude any possibility of fraudulent devices on the part of people applying for naturalization. I want to say that everyone of those amendments is prefectly innocuous, as far as any prevention of fraudulent practice is concerned. In the first place, it is said that you must advertise it in the newspaper, and post it in the post office. The difficulties in the way of that have already been pointed out. If, for instance, we are going to visualize a scene where there is a concerted attempt, as there was in the Athabaska election, a procedure to steal an election, it will begin three months before the taking of the poll. There will then be a gathering in some political hall—I am not saying that it will be a Liberal hall any more than a Tory hall, but it will be a corrupt hall, whatever hall it is—and the leaders will be there, and the chances are very much that the gathering will be pretty sure of having a sympathetic hearing from the Secretary of State, Whoever he may be. Supposing there is a corrupt Secretary of State, which I am glad to say is not the case in the present instance—we all have the highest regard for the present holder of that office—you can see the possibilities. In my county I am fortunate enough to have opponents who are far above doing anything of that sort, but there are counties in this Dominion where such practices have prevailed in the past, and it is possible that they may prevail in the future.

Mr. ROBB: Is my hon. friend referring to Colchester?

Mr. MacDONALD (Cape Breton South): No, I am not referring to Colchester. There was some reference a long time ago to Colchester, but I have not heard the name of my friend the member for Colchester (Mr. MacNutt) in connection with it. He is a man of exceptional integrity. I am glad to assure the Minister of Finance that if there has been anything wrong in politics, as far as Colchester or any other county in the province of Nova Scotia, is concerned the old province of Nova Scotia stands pretty well as to honesty in conducting elections. It is rarely indeed that we have any scandals of that sort down there. It is rarely indeed that we hear of the operations of any Baldy Robb or any other gentleman of that description down in Nova Scotia. He would be too near the waters of the Atlantic to try anything like that.

Let us visualize a little further the procedure under the proposed legislation. The first procedure will be to post notices in the post office and to satisfy the Secretary of State that that has been done. It is not necessary to keep the notices posted up very long; perhaps fifteen minutes will be sufficient to justify an affidavit on the part of any person that a notice has been duly posted in the post office and that the requirements of the act have been fulfilled.

The next thing is the advertisement in some newspaper, and I believe the advertisement will cost the man in the west a greater amount than at present he will have to pay in order to get his naturalization papers. That difficulty however can be overcome. The next thing is to get two homesteaders, two people who own their own land and a magistrate. There is not in the Dominion a county where three corrupt men cannot be found who will sign any papers necessary to carry their party through an election. In this way we have the stage all set for the perpetration of that very thing that we all fear.

In regard to my own constituency I asked a very simple question and I have yet to receive an answer. Under the present circumstances the county court judge of my county passes upon the qualifications of the applicants who come before him. Surely the Secretary of State, no matter who he may be, must depend upon the report that comes to him. As the act now stands he receives the report of the county court judge. He must get a report from somebody and he says that

he is going to get a report from, it may be, a member of the mounted police. Unfortunately, or fortunately, because we are a law-abiding people in our part of the country, we have no mounted police. If we do not get a mounted policeman, the minister says: We will get a homestead inspector. We have no homestead inspectors; we have no hay and straw inspectors; we have no egg inspectors, and I do not know just what official the minister is going to employ. If I had an assurance from him that he was going to appoint some reputable person as an inspector I would feel easier about the matter, but the only information he gives us is that it will be either a mounted police officer, a homestead inspector or others. It is that word "others" that I am afraid of. It is a very comprehensive word and under it he can employ any person under heaven he wants to and send him down to my constituency. That is the man on whose report the minister is going to pass upon the qualifications of the applicant for naturalization.

In view of the importance of the subject, in view of the safeguards that past parliaments have thrown around this great privilege, and in view of the imperial conference which agreed upon these qualifications, are we at this late date to nullify the work of all those people? Are we to cheapen citizenship in the British Empire? Or are we to open the door to a possibility of that being done? I hesitate to charge the government with any intent to do anything of the kind. Possibly I may be a bit heretical in saying this, but I regard them individually as very high class gentlemen. As regards the government collectively, I am sorry to say my opinion is not so high. If I could feel assured that the present Secretary of State would hold that office for a long term of years I would feel easier, but I am satisfied that his tenure is not going to be very long and it is within the bounds of possibility that a Tory government may come in. We all know what the record of the Tories was in the past and I am scared at the scandals that may arise in the future if we have a Tory government in power and a corrupt Secretary of State! That is the reason why I for one am going to oppose this bill with all the amendments, because the amendments, so far as I can see, have not tended in the slightest degree to improve the original idea.

There is another point that is urged by some members and that is that this measure will tend towards uniformity. I do not understand how there is going to be any greater uniformity under this legislation than there was in the past.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, May 8, 1928

The house met at three o'clock.

REPORTS AND PAPERS

Nineteenth annual report of the Civil Service Commission of Canada for 1927—Mr. Rinfret.

Report of royal commission on fisheries—Mr. Cardin.

OUTBREAK OF RABIES IN ONTARIO

On the orders of the day:

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, I desire to put a question which, in the absence of the Minister of Agriculture (Mr. Motherwell), may be answered by the Minister of Health (Mr. King) or some other member of the government. There has been a very serious outbreak of rabies in the county of Frontenac, and a number of infected cattle and sheep have had to be destroyed. My question is: Under such circumstances will the government recompense to some extent the farmers for the loss that they have sustained?

Hon. J. H. KING (Minister of Health): I shall be pleased to bring the question to the attention of the Minister of Agriculture so he may reply to it to-morrow.

BRITISH EMPIRE STEEL CORPORATION

PROPOSED AGREEMENT WITH MINERS

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, on April 20 I asked the Minister of Labour (Mr. Heenan) with respect to an agreement which, according to the newspapers, had been entered into between the Nova Scotia miners and the British Empire Steel Corporation. At the time he promised to furnish some further information. May I ask when the agreement will be tabled, and what action the Labour department has taken in the matter? I am quite willing to let this stand as a notice of motion for production of papers.

Hon. PETER HEENAN (Minister of Labour): I expect to have the agreement to-morrow or next day. If my hon. friend desires, I shall be glad to lay it on the table.

Mr. ADSHEAD: What action did the department take in that connection?

Mr. HEENAN: As this would require a long time to explain, suppose I lay all the papers on the table.

Mr. ADSHEAD: Thank you.

CIVIL SERVICE

RECLASSIFICATION OF OFFICIALS IN POSTAL SERVICE

On the orders of the day:

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, I desire to ask the Postmaster General (Mr. Veniot) if any steps have been taken to implement his promise of last session to recommend a higher classification for letter carriers and mail clerks; and, if that recommendation was made to the Civil Service Commission, has it been acted upon?

Hon. P. J. VENIOT (Postmaster General): Such recommendations were made to the Civil Service Commission as promised. So far as mail carriers, letter sorters and train clerks are concerned, on May 2 last the Civil Service Commission informed the Post Office Department that they could not see their way clear to accept our recommendation or to make any classification which would entail an increased salary for those three classes. I announced this in the house on May 3. In the same letter, referring to the railway mail clerks, they state that they have also made a recommendation. They point out that the railway mail clerks are not exactly in the same category as the others with regard to the grounds upon which the refusal of the application is based and they asked the department to suggest to them in what way it would be best to meet the wishes of the railway mail clerks in respect of reclassification. Yesterday an order was issued by myself, directing the deputy minister and the superintendent of railway mail clerks to have a conference with the Civil Service Commission in order to see what arrangements could be made to bring about the reclassification. To-day the executive of the railway mail clerks are meeting in executive session in Ottawa, and they are in conference with officials of the Post Office Department to try to formulate a scheme which may be acceptable to the commission.

[Mr. Adshead.]

Mr. LADNER: In view of the importance of the matter may I ask the Postmaster General to table the recommendation and the correspondence?

Mr. VENIOT: Yes; I will try and have it to-morrow.

PRIVILEGES AND ELECTIONS

ATHABASKA ELECTION—QUESTION AS TO MEETING OF COMMITTEE

On the orders of the day:

Mr. J. J. DENIS (Joliette): On the orders of the day yesterday the leader of the opposition (Mr. Bennett) requested an explanation regarding the sittings of the committee on privileges and elections. I did not at the time gather the full purport of the question and I asked to be allowed to give the hon. gentleman an answer last night at eight o'clock. Inasmuch as the house was in committee of the whole on resumption at eight o'clock I had no opportunity of making a statement on the matter, and I should like to do so now. I have read Hansard carefully and I find that the leader of the opposition stated that according to the votes and proceedings on May 3 the committee on privileges and elections had been called for Tuesday, May 8—that is, to-day—while, according to the votes and proceedings of the next day, May 4, the committee is now scheduled to meet on May 10 instead. The hon. member asks for an explanation, and he follows this up with the statement that he had already made arrangements to be present on May 8, this change in dates being of course inconvenient to him. I may offer this explanation. The last day on which the committee met was Thursday, May 3, and when the committee rose, to resume at the call of the chair, I immediately went to the clerk and asked him to reserve, as the date of the next meeting, May 8. This was suggested tentatively because I was not sure at the time whether certain documents which are expected from the Attorney General of the province of Alberta would be available on that date. Nevertheless, seeing that we have experienced considerable difficulty and a good deal of trouble in getting together not only this but other committees, and as there are not sufficient rooms available for the committees, I deemed it wise to retain May 8 as the next date of meeting. I thought it best to reserve that date at once and I asked the clerk to arrange accordingly. I was not then aware that the mere fact of my asking the clerk to reserve May 8 would mean the printing of that date in the votes and proceedings as

the next date of meeting. Unfortunately this was done, and the following day, May 4, being afraid that the documents for which we were waiting would not be available on May 8, and not wishing to have the committee meet unnecessarily, I went back to the clerk and requested him to make it May 10 instead of May 8. There might be a further explanation regarding the necessity for the documents to which I have referred, but I do not think that my hon. friend's question bears any relation to that. As regards the inconvenience caused the hon. gentleman, I express my regret. It is my mistake and I am sorry.

THE McCONACHIE CASE

On the orders of the day:

Mr. F. P. QUINN (Halifax): May I ask the Minister of Immigration (Mr. Forke) whether his attention has been called to the press reports concerning the McConachie family?

Some hon. MEMBERS: Oh, oh!

Mr. QUINN: What are hon. gentlemen laughing at?

An hon. MEMBER: I didn't.

Mr. QUINN: Why laugh, then? I am asking the minister a question. Has his attention been called to the press reports regarding the McConachie family? These reports state that Mrs. McConachie is sailing for Canada, leaving the infant in charge of an aunt. The reports also state that the child has considerably improved in health, which bears out the statement by medical men, when representations were made to the minister, that they could not with any degree of certainty certify as to the mental condition of the child. In view of these reports, will the Minister of Immigration make an effort now to rehabilitate this family and restore the mother and child to the father and the other children?

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I have noticed the report of which my hon. friend speaks. I am not in a position to make any statement at the present time as to what the department might do under certain circumstances.

Mr. ROSS (Kingston): I would ask a further question. In case the report is true, will the minister accept a bond from certain reputable Scottish people—

Some hon. MEMBERS: Order.

Mr. ROSS (Kingston): I have a right to ask the question. I want to know whether the minister will accept a bond so that the child may come over without being a burden to the people of this country.

Mr. FORKE: The hon. member introduces his question with an "if". I am not prepared to give any answer regarding problematical cases.

LEVELS OF LAKE NIPISSING

On the orders of the day:

Hon. J. C. ELLIOTT (Minister of Public Works): In answer to a question asked by my hon. friend from Parry Sound (Mr. Arthurs) yesterday regarding the levels of lake Nipissing, I desire to say that a communication has been received on the subject and that the present levels, according to our information, are due entirely to natural causes, the dams having been wide open ever since last November.

INTERNATIONAL PEACE TREATY

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I wish to ask the Prime Minister (Mr. Mackenzie King) whether the government proposes to take action or to make any announcement regarding the Kellogg peace proposals?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might be in a position to answer specific questions my hon. friend might care to ask when the matter is under discussion. I should think the best time to discuss it would be on the estimates of the Department of External Affairs. I hope that will be very soon.

INQUIRY FOR RETURN

On the orders of the day:

Mr. R. K. ANDERSON (Halton): I would like to ask the Minister of National Defence when I may expect an answer to an order for return in connection with the Halton Rifles, which was passed on April 11?

Hon. J. L. RALSTON (Minister of National Defence): I will inquire immediately, and I have no doubt the return will be ready soon.

PENSION ACT AMENDMENT

Hon. J. H. KING (Minister of Health) moved that the house go into committee to consider the following proposed resolution:

Resolved, that it is expedient to amend the Pension Act to provide for the amendments reported to the house by the special committee, and for such other amendments as may be necessary in consequence of the amalgamation of the Department of Soldiers' Civil Re-establishment with the Department of Health.

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

Mr. CLARK: I would ask the minister if the bill has been printed and distributed?

Mr. KING (Kootenay): The bill has been printed, and as soon as the resolution is adopted the bill will be introduced and distributed.

Mr. GARDINER: I would suggest that the minister explain the nature of the proposed legislation.

Mr. KING (Kootenay): As the house knows, when pension matters were under discussion last session it was understood that during this session a special committee would be appointed to include members of all groups in this house, which would make an inquiry into certain matters which had been brought to the attention of the Department of Soldiers' Civil Re-establishment by various soldier and other organizations throughout the country dealing with pension legislation. That committee was appointed at the earliest possible moment this session, and they have been meeting practically day by day, taking evidence and hearing the representations of those interested in pension matters. After hearing that evidence and those representations they have brought forward certain amendments to the Pension Act which are embodied in a bill to be presented to the house after this resolution is accepted. I believe the committee have given very careful consideration to these questions, and I have been advised that the amendments proposed have been unanimously agreed upon by the committee. Therefore I hope the house may find it possible to accept these amendments.

Resolution reported, read the second time and concurred in. Mr. King (Kootenay) thereupon moved for leave to introduce Bill No. 289, to amend the Pension Act.

Motion agreed to and bill read the first time.

RETURNED SOLDIERS' INSURANCE ACT AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

[Mr. J. H. King.]

Resolved, that the Returned Soldiers' Insurance Act be amended in respect to payments in case of disability not due to war, and as to applications where there is no reasonable expectation of life, and to provide that applications for insurance may be received under the act on and after the 1st July, 1928, up to and including the 30th June, 1933.

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

Mr. GARDINER: Explain.

Mr. ROBB: The bill to be introduced based upon this resolution is the result of the unanimous report of the committee inquiring into soldiers' pensions and soldiers' insurance. Broadly speaking, it reopens the insurance for five years from July 1, 1928; it provides for certain changes with respect to those whose expectation of life is doubtful, and places Canadians on the same basis as Imperial pensioners.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 290, to amend the Returned Soldiers' Insurance Act.

Motion agreed to and bill read the first time.

GOLD AND SILVER MARKING ACT

CONCURRENCE IN SENATE AMENDMENTS

Hon. JAMES MALCOLM (Minister of Trade and Commerce) moved the second reading of and concurrence in amendments made by the senate to Bill No. 21, to amend the Gold and Silver Marking Act.

Mr. GARDINER: Will the minister explain the nature of this amendment?

Mr. MALCOLM: I might explain to the house that the senate has changed the title of the bill from the Precious Metals Act to the Precious Metals Marking Act. When the bill was introduced in the house, for the purpose of covering platinum articles, the word "platinum" was accidentally omitted from various parts of the bill. Section 4 has been changed for the purpose of clarifying it, and provision has been made in the senate by which the act shall not come into force until proclamation by the governor in council. This will permit certain stocks of merchandise on hand to be disposed of before the new act becomes effective. I might say to the house that I think all the amendments by the senate are really improvements to the legislation as offered.

Motion agreed to; amendments read the second time and concurred in.

DEPARTMENT OF NATIONAL REVENUE ACT AMENDMENT

APPOINTMENT AND SALARIES OF OFFICERS

Hon. W. D. EULER (Minister of National Revenue) moved that the house go into committee to consider the following proposed resolution:

That the Department of National Revenue Act be amended to provide that the minister be empowered to appoint certain classes of officers with such salaries or remuneration as may be determined by the governor in council, and that a gratuity may be paid any officer on retirement in lieu of a period of leave of absence with pay, with further provisions as to filling vacancies by transfers and promotions for the betterment of the service.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, before this resolution goes to the committee stage, I desire to say that we who sit on your left are strongly and unrelentingly opposed to the principle of the resolution in its present form. It means the recurrence of the patronage system, which should not be tolerated in this country. It is not conducive to good service, or to the public weal. While there have been many defects in connection with the administration of the civil service, the fact is that it is a great advance over anything we have heretofore had in this country. We protest against any effort being made to return to the old condition of patronage.

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

Mr. EULER: Perhaps I might make a statement with regard to the resolution as it stands. The resolution, as well as the bill, which is based upon the resolution, is in accord with certain recommendations made by the royal commission investigating the Customs department. Perhaps I should offer an apology for the resolution being in the form in which it is at present, and I would like to remove some misconceptions that apparently have arisen from the text of the resolution itself.

The bill, which is founded upon the resolution, does not go nearly as far as the resolution does. The resolution itself calls for power to be given to the minister to make certain appointments. As a matter of fact, the bill does not give to the minister power to make any appointments whatsoever, although the commission recommended that such power be given to the minister. I may say, for the information of the committee, that whereas it was intended that such power should be given to the minister, I do not care myself to go that distance, because I do not feel inclined to interfere any further than seems to me to be necessary with the work of the Civil Service Commission.

I would state what actually appears in the bill. The bill is printed; I am not sure whether it is on the file, but it is ready for consideration. Briefly, it does this: It asks that appraisers, who are technical officers in the Department of Excise, preventive officers, and special investigating officers be nominated by the minister. That is, the selection to be made by the minister, or by officers under his control, or by a committee, or, in the case of the appraisers, by the Dominion board of appraisers. The minister will make the nominations to the Civil Service Commission and the Civil Service Commission will make the appointments within a specified time.

Mr. EDWARDS (Frontenac): How many officers would that affect?

Mr. EULER: I should think about 125 out of a list of, say, 5,500 in the department. Only a small section of the employees are affected by the bill.

The minister makes the nomination, as stated, to the Civil Service Commission and the commission will make the appointment within fifteen days. That time may not be considered long enough, or possibly a shorter period may be sufficient. On the failure of the commission to make the appointment, it may then be made, on the recommendation of the minister, by governor in council. I draw the attention of the committee to this fact, that the minister himself has not the power to make the appointment. More than that, he has removed from his jurisdiction, to some extent at least, appointments in the preventive service which he now has power to make. He makes the recommendation to the commission, and if the commission does not make the appointment, as recommended, it may then be made by governor in council.

The bill further provides, and this is also in accord with the recommendation of the royal commission, that transfers of collectors and surveyors may be made from one port to another. Instances occur in which a collector may not be well fitted for the particular position he holds, and there may be a collector in a smaller port who has proven his special fitness for the higher position. In this way, it will be possible for the department to place men in the positions for which they are best qualified.

There is one other provision, which I do not think will cause any opposition, at least

I hope it will not. It applies to cases where a vacancy occurs by reason of the retirement of an official. Instead of the position remaining vacant for six months, as is now the case, the position may be declared vacant at once, and be immediately filled. As we have it now, when an official retires he is given six months' retiring allowance; six months' leave of absence, as it were. The position is not actually vacant, although the man has left his post and receives his pay for six months. We would still give him his retiring allowance of six months, but the position becomes vacant immediately, and the new appointment could be made at once. In that way, there would be no interference with the work of the department.

Mr. Chairman, that is practically all that is in the bill. I would like to point out that there is, to my mind, practically no interference whatever with the principle of the Civil Service Act. I personally desire to avoid that as much as possible and I am quite sincere in that, although I see my hon. friend opposite is giving himself over to merriment. I do not like the practice which would no doubt grow up of the minister being importuned from all sides to make appointments, and I desire to avoid that. The proposal is made with the intention of promoting the efficiency of the Department of National Revenue.

Mr. EDWARDS (Frontenac): What is the object of going through the pretence or farce of saying that the Civil Service Commission makes appointments, when the minister very distinctly says, I make the recommendation and if you do not appoint the man I recommend, I will appoint him myself?

Mr. EULER: In the first place I agree with the royal commission which felt that in the case of officers such as apraisers where special skill and qualifications are required, the department is in a better position than the Civil Service Commission to make the selection of those skilled officers.

Mr. EDWARDS (Frontenac): What then is the use of bringing in the Civil Service Commission unless it be as a sort of camouflage?

Mr. EULER: In the first instance I was disposed to accept the recommendation of the committee just as it stood, but certain representations were made to me—and I saw the force of them—that it might be possible and perhaps would be the case that under such conditions the minister might not make such appointments as he ought to make; in other words, to be perfectly frank, that political pressure might be brought to bear upon him and he might appoint men to positions as appraisers on the score more of politics than of efficiency. It was felt—and I think there is something in the contention—that if in every instance the minister were obliged to make those recommendations to the Civil Service Commission, he would not be nearly so prone to go to the commission with improper recommendations, have his recommendations turned down again and again as they might be, and have the people learn the reason why they were so turned down. This is intended only to operate as a brake upon the minister exercising the power in an improper manner. There is the further brake upon the minister that if the commission fails to make the appointment, he does not then himself make it, but his recommendations and nominations must pass the scrutiny of the governor in council.

Mr. GEARY: Under this legislation what becomes of the preference now provided for the returned men?

Mr. EULER: I would think that the same consideration would be exercised in all cases although perhaps I should qualify that in this way. There will be one primary purpose in the mind of the department in making appointments of appraisers or special investigating officers. While every consideration should be given to the returned men and to the appraisers already in the service, other things being equal, in the cause of efficiency in the department, because the appraisers are perhaps the most important officers you can have in the Customs department, I would not hesitate, if it were necessary, to go outside in order to get the best man for the job.

Mr. GEARY: That is all very well. The Civil Service Commission is to make the appointment and I take it that the commission will be compelled to act within a prescribed jurisdiction in that it must give the preference to the returned man. Does the minister propose that where such a preference has been given, it may be over-ridden by the minister himself or by the governor in council.

Mr. EULER: I am not sure that I can say anything more than I have already said. The department will select the man best fitted in their opinion for the position. If the commission for any reason—and it might be for the reason suggested by my hon. friend—declines to make the appointment, then it will be within the purview of the governor in council to make it. The criticism may be raised that in some instances the returned

soldier might not receive the position, but I believe it would surely be, as I think it ought to be, the will of the house that the very first purpose to be served, especially in connection with a department which has been so much criticized, is to obtain the most efficient men to carry on the work. That is the one thought that has been in my mind in the preparation of the bill.

Mr. EDWARDS (Frontenac): Will the minister or the Civil Service Commission determine whether or not the returned soldier or any other person has the necessary qualifications?

Mr. EULER: In the case of appraisers the recommendation coming from the department, from the minister, although the minister will personally not make the selection, will be made through the board of appraisers. They will make the selection in the first instance, as I have stated, on the primary factor of efficiency. That will stand; I can see no recession from that. Other things being equal, the returned man and also the men who are already in the service of the department should receive the preference. I should like to disabuse the mind of any civil servants, appraisers and others, who feel that they may be sidetracked. There is no such intention. I propose to promote the men in my department if they are efficient, but as I said before—and I hope the committee will bear me out in this—I would not hesitate to make a recommendation and to ask for the appointment of a man even though he came from outside the service, even though he might conceivably not be a returned man, if he were specially and peculiarly fitted for the work which he has to do.

The work which the appraisers have to do is extremely important. The whole efficiency and almost the proper conduct of the Department of Customs depends upon the efficiency of the appraisers. If your appraisal system is wrong, you will certainly not obtain the revenue you ought to obtain. The appraisal system has been criticized very severely by all those bodies that have been investigating the Customs department. Those things which they criticze we want to correct and this is the way in which we desire to correct them. There are those who will say that the Civil Service Commission can make the selections just as well as we can. My opinion is that the Dominion appraisers whom we have selected—the board is not complete, but we have made a beginning—are best qualified to make the selections. Without casting any reflection upon the Civil Service Commission I think we know the men in our department better than the commision can. Therefore I think that is a fair way to make the appointments and it does not place in the hands of the minister the absolute power to make them. I do not know whether this is the time to read from the report of the royal commission, or from the report of the Commercial Protective Association, but if I did they would bear us out in that they recommend our going further than I propose to go under the bill. I have been as moderate as possible, because I do not desire to interfere with the principle of appointments by the Civil Service Commission.

Mr. LADNER: In the case of a man being wanted for a given position, is there in the proposed legislation anything that will oblige the minister to submit more than one name?

Mr. EULER: No.

Mr. CLARK: What sort of an examination would the Civil Service Commission give to the man recommended to the commission?

Mr. EULER: The Civil Service Commission could make any investigation they desired. That would be entirely within their own province.

Mr. CLARK: Will the Civil Service Commission prescribe an examination or will they not?

Mr. EULER: The examination to decide what recommendation ought to be made will be made by our own officials, by the board. If the Civil Service Commission wishes to submit the applicant to an examination, that will be absolutely within their power. Following that they can then either make the appointment or reject the nomination.

Mr. CLARK: After the minister and his department had recommended a man for a particular position and had given him any examination they might prescribe, the minister would not expect the Civil Service Commission to refuse to make the appointment.

Mr. EULER: I hope not, because I rather expect the commission would be willing to co-operate with the Department of National Revenue.

Mr. CLARK: Then why bring the Civil Service Commission in at all? Does it not seem a perfect blind to mention the Civil Service Commission?

Mr. EULER: For the very reason I gave before. It should not, I would say personally, be necessary, but the intention is to put a brake, if you like, on any minister who might abuse the power that would otherwise be given to him. If the Civil Service Commission thinks it is not sufficient, I would be willing to cut that out.

Mr. BENNETT: There are two matters to be dealt with. The minister has dealt with the one, but not with the other. The first relates to the selection of the individual; the second relates to the salary or compensation he is to be paid. With respect to the first, the minister should not endeavour to throw this smoke screen before the public. The civil servants of this country are very greatly concerned about this matter, and merely because, I suppose, I am in the position I am, I receive telegrams and letters from civil servants from Vancouver to Nova Scotia.

Mr. EULER: So do I.

Mr. BENNETT: Doubtless the minister has received them. The press of the country has referred to the matter in terms, we will say, of delicate criticism, most of them not believing that it would be possible for the minister to revert to the old system of things.

Mr. EULER: It is not possible.

Mr. BENNETT: Let us see what it means in essence. We must not deal with the present incumbent of the office, but we must deal with the office. It is a mistake to assume that because the Hon. William Euler is Minister of National Revenue, there will always be a William Euler in that office, or that he is a particular person that must be selected for some peculiar kind of treatment from this house. An efficient and effective minister we will say he is, for the sake of argument—

Some hon. MEMBERS: Oh!

Mr. BENNETT: We will assume that for the sake of the argument, although I think before this house rises we will perhaps have to revise our assumption. Let us go a step further. We are now dealing with the office, not the individual, and the office proposes to make a recommendation to the Civil Service Commission for the appointment of given individuals to given posts. That is what is proposed. In other words, whatever pressure may be brought to bear upon the Minister of National Revenue, whoever he may be, that pressure, political, friendly, family, and every other kind in the world, may succeed in inducing the minister, not this minister peradventure, but a minister, to recommend to the commission the appointment of a particular person. You cannot get away from that. Then why ask the Civil Service Commission to be thus dragged in the mire by making it appear that they are going to appoint somebody that they have no power to appoint? They have to appoint the man the minister recommends or nobody at all. Then why drag the Civil Service Commission in? It is nothing but a smoke screen to make the people of this country believe that you are still retaining the Civil Service Commission in all its integrity, while as a matter of fact you are flaunting it and holding it up to scorn before the public. You simply write to the Civil Service Commission. "Dear Sirs: Enclosed please find the name of the gentleman we desire to have appointed as appraiser." The days go by and the Civil Service Commission find that he is not the man for the job, and they do not make the appointment. Then the minister goes to the governor in council and makes the appointment.

I come to the next point, the question of salary. As the matter now stands, the civil servants have graded salaries, and there is nothing they are more jealous about than their rights with respect to their salaries. This resolution proposes to appoint persons who will be appraisers not appointed by the Civil Service Commission, and receiving salaries in the discretion of the governor in council.

Mr. EULER: May I correct my hon. friend?

Mr. BENNETT: The resolution says "such salaries or remuneration as may be determined by the governor in council."

Mr. EULER: Exactly, that is what the resolution says, but I have apologised already for the resolution. The bill does not carry out that idea. It reads:

> The officer so appointed by the commission or by the governor in council, as the case may be, shall be paid such salary or remuneration in accordance with the civil service regulations as may be determined by the commission or the governor in council respectively.

My hon. friend will note that it says, "in accordance with the civil service regulations."

Mr. BENNETT: That meets the difficulties I was pointing out to the minister. In other words, instead of the governor in council fixing the salaries, they are to be fixed by the Civil Service Commission. The resolution, of course, says just the opposite. Perhaps the better way for us to proceed would be to have the resolution reported and the bill given its first and second readings, so that with the bill in our hands we may study what the new provisions are as distinguished from the resolution.

Mr. EULER: That is exactly the suggestion I desire to make. Perhaps the committee might allow the resolution to be reported, and then the bill can be introduced and read a second time, and the whole matter be discussed in committee.

Mr. BENNETT: Without committing ourselves on this side of the house to any acceptance of principle.

Mr. EULER: Quite so.

Mr. KENNEDY: What is to prevent the Civil Service Commission having access to the same information which is available to the minister in preparing his recommendations in regard to the qualifications of any individual for the position of appraiser?

Mr. EULER: The commission cannot possibly have the same knowledge, because they cannot possibly have that knowledge in themselves. The men who will make the selection as provided for in the bill will be men who have personal knowledge of those whom they propose to be appointed as appraisers, and that is knowledge which no commission could possibly have.

Mr. KENNEDY: Have they not the privilege of sending out an examining board to ascertain the qualifications of those it is proposed to appoint? Surely the minister does not mean to say that the Civil Service Commission themselves have knowledge of all the examinations of all the government employees for the various posts in the civil service.

Mr. McQUARRIE: May I ask whether the minister would advocate the application of this same principle in regard to the appointment of appraisers to other departments of the government?

Mr. EULER: I have troubles enough of my own without interfering with the other departments. If the committee desires, I might give the reasons as stated in the report of the royal commission. The report says, at page 8:

> Our inquiry has shown that the present system of appointing appraisers or other officers requiring expert or technical knowledge is unsatisfactory, and we are convinced that where expert and technical knowledge is required, the examination of the applicants for positions should be conducted by those who are specially qualified to act in the premises.
>
> We are of opinion that all appointments to the office of appraiser at the different ports of the Dominion should be made by the minister after examination of the applicants by the board of appraisers.
>
> We quite recognize that this method of appointment would conflict with the system now in vogue under the Civil Service Act, but notwithstanding this we are of opinion that this method should be adopted.

You could not get anything much stronger than that.

Mr. KENNEDY: Can the minister give us the page number of the evidence upon which the commission arrive at that conclusion?

Mr. EULER: I cannot do that. I am quoting from the final report.

Mr. CAMPBELL: Should not the minister take just as seriously the recommendations of the special parliamentary committee that was appointed a couple of years ago to inquire into the Customs department?

Mr. EULER: There have been at least four different bodies that have made investigations of one kind and another in regard to the Customs department, and they do not agree in all cases, and out of the plenitude of the advice that has been offered, I have been obliged to take that which seems best to me. I might also quote from the recommendations of the Commercial Protective Association, whose representations, I think, were considered of some value by the parliamentary committee that investigated the customs department two years ago. They recommend with regard to appraisers:

> That the board (the board of appraisers) be given power to retain such appraisers as they deem competent and qualified, and to appoint with the minister's approval and notwithstanding the provisions of the Civil Service Act such further appraisers as may be required from time to time, and to fix subject to the approval of the governor in council the remuneration to be paid to the various grades of appraisers.

Their recommendations are somewhat similar with regard to special investigating officers.

Mr. GUTHRIE: It looks as if the resolution as it appears on the order paper followed fairly closely the report from which the minister has just quoted. But the difficulty I see is that the minister has announced to the house that the bill which he proposes to introduce does not follow the resolution. We know that matters of this kind must be introduced into parliament by way of resolution, and a resolution must first be expressly approved by His Excellency the Governor General. The resolution as it appears on the order paper was so approved, but if I gather correctly from the minister's statement, the bill does not follow the resolution in two very important points.

Mr. EULER: It does not go as far.

Mr. GUTHRIE: In two very important points of principle the bill involves a serious change. In the first place, the resolution provides that the minister is to make these

appointments; now the minister says that the bill which is based on this resolution empowers the Civil Service Commission to do so. The resolution provides that the governor in council may fix salaries; the bill, we are told, substitutes the Civil Service Commission. What I am pointing out, Mr. Chairman, is that the bill must follow the resolution. The resolution has been approved by His Excellency the Governor General, and I think the minister is going pretty far in saying that he proposes to introduce a bill very different from the resolution which he is asking the committee to consider. What is the object of passing this resolution if the bill is to be entirely different? Let us have a resolution such as we expect to be incorporated in the bill when it comes forward. If this proceeding is only for the purpose of expediting the matter, I do not know that I would seriously object; but if we are going to pass a resolution in this instance, not to be followed by a bill along the same lines, we can do it in other instances, and there will be no object in the future in introducing resolutions at all. I submit the whole proceeding is very irregular and that the minister would be well advised to introduce a new resolution in the terms of the bill he proposes to bring forward later on.

Mr. EULER: While I quite admit the justice, to some extent, of the criticism made by my hon. friend, I think after all it is not of vital importance. The lesser is always included in the greater, and we propose in the bill to take lesser powers than are contained in the resolution. I should think the criticism would have more force if the bill went beyond the powers asked for in the resolution.

Mr. GUTHRIE: I think the bill does go beyond the resolution.

Mr. EULER: No. My hon. friend said if he knew the proceeding was merely to save time he would not be disposed to object to the passing of the resolution. That is exactly the reason. I might have removed the resolution from the order paper and replaced it by another. I made inquiry of the proper officers, and they thought there could be no valid objection to passing the resolution in its present form. I would ask the committee to let the resolution go through. I cannot see what possible harm can be done by taking this course, for the right will still be reserved to every member of the committee to discuss the principle of the measure on the second reading, and hon. members can inform themselves upon the whole bill when they have it before them. It is now printed.

Mr. GUTHRIE: We object strenuously, as my leader pointed out, to the principle involved in the resolution, and if our silence is to be treated as acquiescence in this proceeding I must protest.

Mr. EULER: Without betraying any confidence, I may say that I made some inquiries and I understood it would probably be acceptable to pass the resolution in its present form, it always being understood that no member of the committee was to be bound by the resolution, that so far as its principle was concerned they could reserve their right to make observations on the second reading of the bill, which might be entirely at variance with the tenor of the resolution.

Mr. LAVIGUEUR: I think the Minister of National Revenue is to be congratulated on his initiative in withdrawing certain classes of officers from the jurisdiction of the Civil Service Commission. Whenever the question of appointments by the Civil Service Commission has been discussed in this house it has been pointed out that the most important positions in the service are not under the control of the commission. The minister has good authority for taking this course in the recommendation of the royal commission that investigated the customs. They recommended that certain classes of employees of the Department of National Revenue should not be appointed by the Civil Service Commission, but by the governor in council upon the recommendation of the minister. For my part I should like to see some of the minister's colleagues follow the good example he has set them, as I am fully of the opinion that the ministers and their deputies are much better qualified than the Civil Service Commission to appoint the higher classes of employees. I would rather see the minister take this responsibility himself than leave it to the Civil Service Commission.

Mr. EDWARDS (Frontenac): Mr. Chairman, at the time the Civil Service Commission was appointed I ventured to offer some criticisms as to the wisdom of placing all patronage in the hands of three or four men sitting in Ottawa. At that time I was a voice crying in the wilderness—I was in a hopeless minority. I was treated with the severest censure by those on my own side of the house, and my friends on the Liberal side were unanimous and loud in claiming that all patronage appointments should be taken out of the hands of members of parliament and turned over to the Civil Service Commission, which would be independent of parliament. I expressed the opinion at the

time that many appointments, such as postmasters in country districts, should remain in the hands of the member for the constituency, no matter what government was in power. I contended that so long as the people saw fit to express their confidence by sending him to parliament, he was the man whose recommendation should receive consideration in the making of such appointments.

Some hon. MEMBERS: Hear, hear.

Mr. EDWARDS (Frontenac): I take no different position now from what I took then. But there was another reason why I had serious doubts as to the way in which this change would work out. I was very confident that so long as a Conservative government was in power the Grits would force them to hew to the line in leaving all patronage in the hands of the Civil Service Commission. While at that time not one of the oldest members of the house, I had a long experience and extensive knowledge of Grit tactics. I believed then and my belief has since been confirmed absolutely, that once they obtained the reins of office the Civil Service Commission would be practically a dead letter so far as many appointments were concerned. Since this government has been in power the recommendations of the Civil Service Commission have become virtually a dead letter, and we have seen thousands of men arbitrarily appointed through Grit patronage just as in the old days before the Civil Service Commission was brought into being.

Now the commission advertise for applicants for a certain position and they set forth the qualifications required. They report whether the successful applicant posseses the requisite qualifications, and on that recommendation, and under the circumstances, the law distinctly says that the returned soldier, not may, but shall, have the preference. It does not stipulate that he shall possess a university education; if he possesses even the minimum qualifications the law says that he shall have the preference. I do not know to what extent that regulation has been observed by the minister who is interested in this bill, but I do know that I am prepared to prove that one of his colleagues, the Postmaster General (Mr. Veniot), does not care anything whatever for the laws of the land when it comes to making appointments. I have the facts and I am prepared to show where in a certain instance, out of eight applicants, only one of them was a returned soldier; and although he was not only accepted by the Civil Service Commission as possessing the necessary qualifications but was appointed to the position, the Postmaster General decided to override the law, to override the report and recommendation of the commission and to appoint one who was not a returned soldier and who did not possess any better qualifications than did the returned man. That is one instance. I will venture to say there are members in this house—probably more on this side than on the other, but any number of hon. gentlemen—who could cite cases similar to the one I have mentioned, and which I hope to go into more fully when we are dealing with the Postmaster General's estimates. When that time comes we will fight it out to a finish. I repeat, in view of the experience we have had in the past few years—and every year is getting worse than the year before with this government—for the minister to get up and say the man will be appointed on the recommendation of the Civil Service Commission is the purest kind of farce. It is a bluff, nothing but camouflage. It is hardly worthy of that name, because the minister simply says to the Civil Service Commission: "This is the man you have to appoint, and if you do not appoint him we will take the matter out of your hands and appoint him ourselves. If you do appoint him at our dictation we will say that you are the ones that made the appointment." That is the kind of bunkum put up by the minister to-day and which he wants us to endorse by legislation.

If the government have made up their minds to discard the Civil Service Commission altogether, and to ignore their recommendations, why do they not come out like men and say, " We have tried the thing and in our judgment this procedure is not the proper one; we propose, so far as we are concerned, to discard the Civil Service Commission and make these appointments ourselves." They are doing this anyway without regard for law or anything else. They have been doing it for years and it is getting worse and worse every year. When in opposition hon. gentlemen opposite insisted on hewing to the line, and a minister at that time did not dare suggest such a thing as that he had a better knowledge than the Civil Service Commission as to who should fill a certain office. But as soon as they get the reins of power the Civil Service Act, as well as every other act that interferes with tactics for election purposes, becomes a dead letter. It has been a dead letter ever since this government came into power.

Mr. IRVINE: I understand that, according to this resolution, the appraisers will make

recommendations regarding appointments. Is the minister bound to forward to the Civil Service Commission any name so recommended or may he send in some other?

Mr. EULER: There is nothing in the act to bind the minister to accept that recommendation. I may say, however, for the information of the committee, that they would have to be very strong reasons—not political in their nature, by the way—which would lead the minister to reject the nomination of that committee of appraisers.

Mr. IRVINE: Could not a provision be made that the recommendation of the appraisers could be sent direct to the Civil Service Commission, thus relieving the minister of any obligation in the matter of appointments?

Mr. EULER: I think I understand the difficulty which my hon. friend would try to meet. I can assure him that he would not remove that difficulty in any case by the method he suggests. If any minister chose to exercise his authority improperly he would be about as able to do so under that method as by any other means.

Mr. GARDINER: Between now and the time the bill is read the second time the minister might take into consideration the possibility of so amending this legislation as to have the Civil Service Commission make appointments, and have them create an examining board from among the present appraisers. That would probably meet the situation better than would the method now proposed.

Mr. EULER: That would remove entirely from the control of the department the appointment of these special officers, and that is exactly what we do not want.

Mr. GARDINER: If the commission were to appoint a board from the minister's appraisers for the purpose of holding examinations, then the examinations would still be under the officers of the department, although the matter would be under the control of the commission.

Mr. EULER: I have read already from the report of the royal commission, which goes further than the bill, as well as from the report of the Commercial Protective Association, which also goes further than the bill. Someone has raised a point as to the recommendation made by the parliamentary committee of inquiry in 1926, in which no provision is suggested for appointments by the Civil Service Commission. What I have before me states:

[Mr. Irvine.]

The evidence adduced before the committee disclosed two outstanding facts, namely:—First, the methods of appraisal are exceedingly careless and fail to safeguard the interests of the importer, or the revenues of the country from being defrauded by undervaluation; and secondly, persons appointed as appraisers—

And remember, these were appointed by the Civil Service Commission.

—are in many instances untrained in the branch to which they are appointed. The committee recommend that the appraisal branch be reorganized and that all appraisers be chosen because of their competency to estimate the values of the class of goods they are appointed to appraise.

There is nothing said there about appointments by the commission.

Mr. GEARY: Surely it is assumed.

Mr. EULER: Not necessarily.

Mr. BENNETT: It is the law of the country.

Mr. EULER: I do not say that what I have quoted rules out of the equation appointments by the commission. But it does not so state.

Mr. STEVENS: I thought that what we were supposed to do was to pass this resolution subject to reservation, retaining our right to criticize the principle of the bill when we had the bill before us. In the absence of the bill I do not feel competent to discuss the matter, but things are being said now that impel me to make one or two suggestions. If the discussion is to proceed I want to call the attention of the minister to another matter. Frankly, my opinion is that the committee would be in a better position to discuss the subject if the bill were before us. I am going to confine myself for the moment to this statement, that so far as the resolution now before the committee is concerned I am absolutely and unreservedly opposed to it. The minister understands that thoroughly, and in refraining from further discussion of the resolution I must not be considered as in any sense consenting to the principle of the resolution. I will reserve, until I have the bill before me, any further remarks I have to make. I have not yet seen it and I do not know what are its terms.

Mr. KENNEDY: I would like to call the attention of the minister to one fact in relation to this recommendation by the parliamentary committee. It is true that that committee found that the methods of appraisal were very slack, but the minister will remember also the commission we had and the result of that inquiry with regard to the Civil Service Commission. In view of that fact

I do not think it fair that the commission should be ignored and that appointments should be made otherwise than through the Civil Service Commission. However, I am willing to accept the suggestion that we pass this resolution, providing that all our rghts are safeguarded so that we may discuss the matter when the bill is before the house.

The CHAIRMAN: Shall the resolution carry?

Mr. BENNETT: On division.

Resolution reported, on division, read the second time and concurred in. Mr. Euler thereupon moved for leave to introduce Bill No. 291 to amend the Department of National Revenue Act.

Motion agreed to and bill read the first time.

NATURALIZATION ACT AMENDMENT

The house resumed, from May 7, consideration in committee of Bill No. 19, to amend the Naturalization Act—Mr. Rinfret—Mr. Johnston in the chair.

The CHAIRMAN: When the committee rose the question was on the amendment proposed by the hon. member for Comox-Alberni (Mr. Neill). Is it the pleasure of the house to adopt the amendment?

Mr. STEVENS: On division.

Amendment agreed to on division.

Section as amended agreed to.

Section 2 agreed to.

On the title:

Mr. GARDINER: I do not know whether the minister has any further proposals to make; from his observations last night I was inclined to believe that he had. My particular reference is to the question of posting notices in connection with which several suggestions have been made in committee. Under the proposed amendment the notice will be posted for at least sixty days, and we have suggested that the minister would be well advised to extend that time to at least four months. I would like to call the attention of the committee also to this particular section and to ask the minister the reason for posting the notices as the section is drafted at present. It does not provide for anything, even if you post the notices for sixty days. This seems to me to be quite an innocuous section, and unless it is amended in some form it will have no value at all. You may post a notice for sixty days, but if there is no provision for receiving objections to the granting of a certificate, of what value is the posting of the notice? I would like the minister to say if he has any other proposal in mind in reference to these two particulars?

Mr. RINFRET: In connection with the question of the proper delay and other matters of that kind I am quite in the hands of the committee. Hon. members from all sides of the house have suggested that perhaps the delay of sixty days would not be long enough, and some have even suggested a delay of six months. I would point out that under the present act there must be a delay of three months; I think it would be going too far to make it any longer, but I am quite willing that we leave the delay as it is in the present act. Therefore I would move that we revert to section 1 of the bill and that the words "ninety days" be substituted for the words "sixty days" in the fifteenth line thereof. I hope this will meet the wishes of the committee.

Amendment agreed to.

Mr. GARDINER: I appreciate the manner in which the minister has met our objections, but there is still another point which he has not recognized. If any valuable purpose is to be served by posting a notice for ninety days, some provision must be made for persons residing in the vicinity to file objections to the granting of a certificate. In section 22 as it stands at present no such provision is made, although in the old act that point was taken care of. I would suggest to the minister that some provision should be made in order that objections to the granting of a certificate of naturalization may be lodged with some person in authority, either with the minister himself or with some person designated by him.

Mr. RINFRET: I do not think any additional provision is required on that point, but I am quite willing to declare now that any objections of the kind to which my hon. friend refers always can be brought to the attention of the Secretary of State. In the previous act it was provided that such objections might be presented to the court hearing the applications for naturalization. But now that whole procedure will take place with the department. I do not think it is necessary to have any provision in the bill. I desire to state most positively to my hon. friend that the Department of the Secretary of State will give full consideration to any such provision, as he has just referred to.

Mr. RYCKMAN: Before the bill is reported I would like to draw the attention of the committee to the language used in

the amendment. Opposed as I am to the bill, I have hesitated to address the committee, because I was not in the house yesterday when the matter was so fully discussed. I do not know whether the language used has been discussed or not, but it does seem to me that we are not only using inappropriate language but really stultifying ourselves. "Natural born" can only mean one of two things. A natural born fool is an idiot from his birth. "Natural born" either means an idiot, or an illegitimate or natural son. That is a fact. "Natural" means both legitimate and illegitimate, but legitimate only when applied to ordinary affairs and not to birth. "Natural", in connection with birth, has only the one meaning. I think it can then be said that this bill was conceived in iniquity and born in sin. I am unwilling that this house, without an objection from me, should use the words "natural born" in the sense in which I know the committee intends it, but which is not the true meaning of the words.

Mr. RINFRET: I do not think, Mr. Chairman, that the objection is well taken. I might say that that is the very term used in the Australian statute, which has been recommended for imitation by the leader of the opposition himself.

Mr. ROSS (Kingston): There is another objection altogether to the term. "Natural born" is the one thing which the minister is not applying to this legislation. Under the bill, Caesar could not get a certificate, or Macbeth could not get one. How will you prove that anyone is "natural born"? The only people that I think could come under this would be the Indians, who are assured of no medical attention at birth, or the Esquimos or someone like that.

The CHAIRMAN: I think I should point out to the committee that all the sections of the bill have been carried.

Mr. ROSS (Kingston): I will reserve my remarks for the third reading.

Title agreed to.

Bill reported.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

The house resumed from April 27, consideration in committee of Bill No. 205, respecting the Department of Health and Soldiers' Civil Re-establishment.—Mr. King (Kootenay).—Mr. Johnston in the chair.

Section 1 agreed to.

On section 6—Selection and employment of staff, etc.

Mr. KING (Kootenay): Mr. Chairman, when we were in committee at the last meeting, clause (b) of section 6 also clause (g) of section 6, and section 14 were allowed to stand in order that they might be further discussed at this meeting. The other sections were adopted.

In regard to clause (b), section 6. My hon. friend from North Simcoe (Mr. Boys) suggested that the word "temporary" should be added after the word "time", in the second line. I think if we will give a little consideration to the section he will find that the addition of the word "temporary" will not improve the section.

What is being sought in this section is to indicate a class which could not possibly be brought under the Civil Service Commission. I will just read the clause:

> (b) for the selection and employment of such part time professional officers, or part or full time employees whose compensation is determined by the rates payable for similar work in the locality in which such persons are employed as may be required from time to time for the carrying on of the work with which the minister is charged under this part.

The first class, professional officers, would include consultant surgeons, consultant medical officers, X-ray experts, or some professional class that would not be in the service of the department at all times, but only as required from time to time. We have a class that would be employed part time, such as painters, window cleaners, and men of that type. They would be "part time" and would be paid for the services rendered at the prevailing rates. Then there would be "full time" employees, such as hospital orderlies, cooks, assistant cooks, engineers and firemen. If we will consult the practice in the Department of Public Works, a large employing department, it will be found that there they have a class known as the "prevailing rate class". It is to make provision for these two classes, which do not come within the provisions of the Civil Service Act, that the section is drawn. As I said before, it was drawn by the Department of Justice, and I think it is quite clear, and would not be improved by adding the word "temporary".

Mr. SPENCER: I would like to ask the minister how many in the department will be outside the supervision of the Civil Service Commission?

Mr. KING (Kootenay): I can hardly say offhand, but it would be a considerable number. You would have your professional staff,

such as consultant surgeons, consultant heart and chest men, and so on, in the various centres where hospitals are established. You would also have your hospital attendants, such as orderlies, and nursing staff, and the classes that I have mentioned. I would be glad to give my hon. friend that information when we go into the estimates.

Mr. SPENCER: Is the number increased under this bill?

Mr. KING (Kootenay): No, it is not increased.

Mr. GARDINER: I would like to ask the minister regarding a question which was before the committee when this bill was being considered, that is, with reference to certain classes of returned men who were indigent and had no means of providing for medical attention. In view of the recommendations of the pensions committee, would the minister now say whether those recommendations include provision for that class of returned men?

Mr. KING (Kootenay): This bill gives us power to provide for and take care of that class. The recommendations made by the committee will be given every consideration by the government. If my hon. friend will consider the whole field, I think he will agree that it requires pretty careful consideration. There are throughout Canada many pensioners who do not to-day come under our clinical treatment, as we treat only for pensionable conditions. This will include a very great number, but I do not believe it is the intention of the committee—and in fact they have so indicated—that cases that are financially able to provide for treatment for themselves, should come under that provision. As a matter of practice we have been treating many of those cases and we have been giving them hospitalization where they have not the financial means and it has been necessary for them to have such treatment. That practice has been followed and probably it will have to be extended from time to time as that class of case increases in numbers.

Mr. GARDINER: With regard to the class of persons whom we have been discussing, I know of many cases where they have been refused treatment. It appears to me that this country must in some degree accept the responsibility of treating such cases providing they have not the necessary means to procure treatment for themselves. Just so long as the minister is satisfied that he has power to see to it that that class of case is treated and he will look upon those cases sympathetically, I shall be satisfied with his explanation.

Section agreed to.

On section 14—Appointment, classification and salaries of staff.

The CHAIRMAN (Mr. Marcil): This clause stood. It is a new clause.

Mr. KING (Kootenay): Clause 14 is related to the previous clause, that is paragraph (g). In this bill proposing to amalgamate the two departments, it is our purpose to bring the executive and clerical officers in the department within the scope of the Civil Service Commission. This clause provides the means whereby those people who have been appointed under the Department of Soldiers' Civil Re-establishment may be placed in their permanent position by the governor in council. The old section will be found on the page opposite clause 6. Under this section the minister of the Department of Soldiers' Civil Re-establishment was empowered to employ those necessary to carry on the work of the department but he was also charged with seeing that those employed under this authority should as far as practicable be classified by him in accordance with the schedule of classes or positions set forth in the civil service classification. Therefore the officials whom we have in the Department of Soldiers' Civil Re-establishment and who will eventually be transferred to the permanent service, have been appointed under the rules and regulations of the Civil Service Commission although they have not been under the commission. This new clause will permit us to bring them into the department and to give them their permanent status there.

Mr. BOYS: I did not hear clause 6 called. Clause 3 was called and then as far as I know we passed from clause 3 to the clause now under consideration. What I wish to say would not be appropriate at the moment but I trust I may be given an opportunity of saying a word or two regarding clause 6.

Mr. KING (Kootenay): I think we have advanced a little too fast. As a matter of fact paragraph (g) of section 6 was held up for further discussion. There was some question regarding provision for burial expenses for returned soldiers who died in destitute circumstances.

Mr. BOYS: It was paragraph (b) that was held up.

Mr. KING (Kootenay): We have passed it.

Mr. BOYS: Was it called this afternoon?

Mr. KING (Kootenay): Yes. I referred to my hon. friend's proposal. In regard to the burial expenses of ex-members of the forces, as I stated the other day, at the pre-

sent time those who are on the strength of the hospital and under treatment and who eventually die, are buried by the department if they die in destitute circumstances. If the individual is a pensioner and he should die, then the pension commission can at their discretion provide for his burial moneys up to $100, and I understand that under the suggestion of the committee this will be made $150. In addition to that we have an organization known as the Last Post fund which is Canadian-wide, having branches in each and every province with the exception of Prince Edward Island. The central executive is in Montreal. We contribute to that organization an annual sum of $10,000. Some of the provinces, particularly Ontario, and some of the municipalities, for instance, the city of Toronto, have also contributed towards the fund. The question was raised last year on the estimates and at that time the house was given the assurance that if the Last Post fund had a deficiency in the revenues it might secure from various sources, the department would supplement that revenue in order that they might have funds with which to carry on the work. That is being done and will continue to be done.

Mr. ADSHEAD: I think the Prime Minister will bear me out that the Minister of Health is somewhat wrong in that regard. The idea was not to supplement the charitable contributions that were made, but the department was going to take over the burial of any soldier who died in indigent circumstances and thus prevent people from having to go out and beg for money for that purpose. The idea was not to supplement what they failed to collect by means of begging, but to take over the whole matter.

Mr. KING (Kootenay): I did not understand the matter in that way. I understood that those who were administering the fund found that at times their funds were insufficient and they suggested that some additional aid should be given. There is no doubt the organization has been doing good work and I am not sure that it would be wise to wipe out an organization of that character. It has maintained an interest in the various communities and I do not think that is bad for the people of Canada. If a man who has served overseas dies in a community, I do not know of any nicer tribute than for the community to support the Last Post fund. I do not think they have to go out and do any begging and we do not ask them to do that. In Manitoba and Alberta their funds have been insufficient and we are supplementing them. I believe the work is being done at a less cost and probably more sympathetically than it could be done by the department generally.

Mr. GARDINER: Does the minister find any undue delay because of the fact that funds are not available in any particular part of the country?

Mr. KING (Kootenay): There should not be any undue delay. If a veteran dies in a community and they communicate with the Last Post fund, the burial should take place at once.

Mr. ADSHEAD: I had an entirely different conception of the matter from that entertained by the minister. My protest was made in regard to what I considered a blot on the escutcheon of Canada; that is to allow anybody to go on the street and beg for money to bury a returned soldier. It ought to be the business of the country to see that they do not need to go out and beg.

Mr. CLARK: Section 14 says, "such members of the staff of the department as may be designated by the governor in council." Why should they be designated by the governor in council rather than by the Civil Service Commission?

Mr. KING (Kootenay): At the present time they are not under the Civil Service Commission. They have been appointed by the governor in council to date, and in the amalgamation these officers will be selected and designated as the officers for these positions, and eventually they will be transferred and come in under the commission.

Mr. CLARK: Do I understand that the Civil Service Commission will have nothing to say about the selection of the officers who will be appointed for the department?

Mr. KING (Kootenay): The selections have been made already and the officers are now in the department.

Mr. CLARK: I realize that, but as I read this section it would indicate that all those who are now there are not going to be transferred, but only those who are selected by the governor in council, thus many of those who are now there may be left out.

Mr. KING (Kootenay): I do not think there will be so many left out. There will be in the amalgamation a reduction in staff, and I think we shall have to take the responsibility of making that reduction in the reorganization. As far as the staff itself is concerned in the central office, there have been certain adjustments and there will be further adjustments, but I am satisfied that the

reorganization that is under way will have to be carried on by the department, and after the amalgamation these officers will come in under the Civil Service Act.

Mr. CLARK: Do I understand that the effect will be that after they are once appointed, they come under the Superannuation Act, for instance?

Mr. KING (Kootenay): Yes, they will.

Mr. CLARK: And after the original appointments by the governor in council, further appointments must be made by the Civil Service Commission?

Mr. KING (Kootenay): Exactly.

Mr. McGIBBON: Do I understand the minister to say that he has made all his appointments?

Mr. KING (Kootenay): No, I have not made very many. Appointments have been made from time to time since the inception of the department under the legislation which brought the department into being. It is the intention, and I think it is the proper thing to do now that we have arrived at the stage where we know that a number of these officers will be required for many years to carry on this work, that they should now be made permanent and given the advantage of the Superannuation Act and other advantages that go with permanent service.

Mr. BOYS: This section really brings them under the Civil Service Act?

Mr. KING Kootenay): It will.

Mr. BOYS: It brings them from the present department to the new department, and then they become permanent and subject to the Civil Service Act?

Mr. KING (Kootenay): Yes.

Mr. BOYS: I see my mistake. It was evidently (b) not section 3 that was referred to. I do not wish to prolong the discussion, but I do not think the minister has in any way answered the contention that I made when this bill was before the committee before. He has merely said that he does not think the word "temporary" is going to improve the situation, but he does not say why He does not meet the argument I made. Let me make it again in a few words.

This section gives the minister power to make regulations from time to time, and to select and employ certain employees either on part or full time. My contention was that that language stands, and that the minister can appoint anyone he sees fit as a full-time employee, and if he does that, that employee stays there and becomes permanent. The minister shakes his head. But there is the language. I am not arguing that the employee will come under the act, but the minister appoints him and he can stay there, and the effect of that is to get around the provisions of the Civil Service Act. I made no charge on the previous occasion that that was the minister's purpose, and I am not doing so now, but I say that as the language stands it enables that to be done, and if the minister can give any reason why the insertion of the word "temporary" is objectionable, I am quite ready, as I intimated before, to drop my suggestion, but he has done nothing except simply to say that after consulting with somebody he thinks the introduction of the word "temporary" is not going to improve matters. He does not say it is objectionable. He does not answer the argument that the way the section is worded at the present time gives him or some other minister power to appoint full-time employees. He merely says that he does not think the insertion of the word "temporary" will improve matters. I think the minister might fairly point out in what respect the argument I have advanced is wrong. We have the English language there, and it says that the minister may select and may employ part or full-time employees. All right. He employs a full-time employee. That means somebody who is going to work all the year round, according to the hours prescribed. The minister leaves him there, and he stays there. Is there not a degree of permanency there, not in the sense that he comes under the act, but permanent so long as he is left there? Why not put in the word "temporary". That would show plainly that the intention of the committee was to give the minister no such power as that.

Mr. KING (Kootenay): I think my hon. friend is unfair. I discussed this section a few moments ago at some length, and he did not hear a word I said, and now he says that I made no argument.

Mr. BOYS: The minister is not fair to me. He does not mean that. He is just speaking carelessly. He says I did not hear him. I have already said that I thought section 3 was called. I have said that I heard the minister give an explanation in this connection, and I was wondering why he was introducing it under section 3. I said that the minister said that he had consulted certain officers who

had told him that they did not think the introduction of the word "temporary" would improve matters. In view of that how can the minister rise and say that I never heard a word he said, when I have been reiterating what he did say.

I do not want to prolong the discussion. I have made my argument as to full-time employees. I have asked the minister to show me that he has not the power under this section to appoint a man as a full-time employee, who would stay there and be permanent, thus evading the provisions of the Civil Service Act. I say that that is the effect of the language. I do not say that it is the minister's purpose, but the insertion of the word "temporary" would put an end to any such thought.

Mr. KING (Kootenay): Certain officers will be employed under certain conditions. As I explained before, the part-time professional officer is the expert who may be consulted from time to time, but would not be on our pay from day to day. Then there is the part-time painter, the man whom you might employ for a month or six weeks in the year. Then there is the hospital orderly and the cook, who are employed from day to day and are paid on full-time basis. That is all that means. The section is to apply to that class, and to insert the word "temporary" would just be perpetuating a condition that is now causing a great many men in the service a good deal of uneasiness, not in this department, but in the Department of Public Works and other departments where there are men who have been in the service twenty or twenty-five years and are still known as temporary. That condition of things is not fair to them because they are permanent to all intents and purposes, and yet they do not enjoy the advantages of a permanent civil servant. The cook who is a good cook, and the hospital attendant who is a good hospital attendant, will undoubtedly remain in their positions, and I do not see any objection to using the words "full time". I cannot see any advantage in using the word "temporary".

Mr. BOYS: The minister suggests that this means a cook or an employee of that kind. There is absolutely nothing in the section to indicate that it applies only to a cook. It says:

> Full time employees whose compensation is determined by the rates payable for similar work in the locality in which such persons are employed.

[Mr. Boys.]

That embraces everybody who can be employed.

Section agreed to.

On the preamble.

Mr. CLARK: Mr. Chairman, for a number of years an effort has been made to bring under the Civil Service Act the employees of the Department of Soldiers' Civil Re-establishment and of the Soldier Settlement Board. Under this bill the former class are dealt with and in due course will become entitled to superannuation. The employees of the Soldier Settlement Board are equally deserving of similar treatment. They are doing very important work and have now been employed in the department for almost ten years. I feel that something should be done to bring them under the Civil Service Act, and I hope that action will be taken by the minister to this end.

Now I should like to ask the minister one or two questions under section seven. Are soldiers' advisers supposed to devote their whole attention to this particular work?

Mr. KING (Kootenay): They have not been doing so.

Mr. CLARK: Are they all paid the same salary?

Mr. KING (Kootenay): No, the salaries vary from $1,200 to $3,600.

Mr. CLARK: Will the minister give us a list?

Mr. KING (Kootenay): I shall be glad to place it on Hansard when we are dealing with the estimates of the department. If my hon. friend wishes I could give him what I believe are substantially the correct figures. In the city of Toronto we pay $3,600; in Halifax $3,000; in St. John, $2,400; in Winnipeg, $3,600; in Calgary, $2,400 or $3,000; in Vancouver, $3,000; in Victoria, $2,400. They do not devote their whole time to the work. Probably they could not be expected to at those salaries.

Mr. CLARK: At the various meetings of the committee which has sat on this subject during the present session it transpired that some of the soldiers' advisers are devoting their entire time to the work and are making a particularly fine record. I might mention the soldiers' adviser in the city of Winnipeg, who appeared before the committee at practically every sitting. The records produced indicated that he had done tremendous service for the returned men; and the records from the other centres in my opinion did not compare at all favourably with his. I sug-

gest to the minister that there should be a reorganization so that each centre may be given the same service as is being given in Winnipeg.

Mr. KING (Kootenay): It is our intention to go very carefully into the work that is being done by the different advisers. The adviser in Winnipeg undoubtedly has been doing a great deal of work, including the preparation of cases for the appeal board, and he has been consulted by the returned soldiers on almost every matter that interests them. He has given up a great deal, if not all, of his time to the work. That is not true of the other officers; they are devoting their time to the preparation of cases for the appeal board or the pension board. It is my intention to go very carefully into the work performed by these advisers.

Mr. POWER: I wish to endorse the suggestion made by the hon. member for Vancouver-Burrard (Mr. Clark). By common consent I think the committee agreed that the soldiers' adviser in Winnipeg was a remarkably efficient man. He has devoted his entire time to the work of the department for what I consider a meagre salary for a man of his ability and energy—$3,600. I think the minister ought to appoint an overseer of the soldiers' advisers in the city of Ottawa in order that the work may be co-ordinated and unified. At the present time I understand these men have no direct superior, and it is almost impossible to say whether they are doing their work properly or not. I do not wish to accuse any of them of not carrying out their duties as they should, but it seems extraordinary that one man should have so very much work to do and the others comparatively little. In my opinion the minister ought to give serious consideration to this very important matter in its relation to our returned men, and at another session bring forward some plan whereby the work will be carried on a little more efficiently.

Preamble agreed to.

Bill reported.

SOLDIER SETTLEMENT ACT AMENDMENT

Hon. ROBERT FORKE (Minister of Immigration and Colonization) moved the second reading of Bill No. 288, to amend the Soldier Settlement Act.

Motion agreed to and bill read the second time.

Mr. FORKE moved that the house go into committee on the bill.

Mr. GARDINER: The bill is not distributed, Mr. Speaker. I do not know whether it is printed or not.

Mr. LAPOINTE: I understand the bill was distributed this afternoon.

Mr. SPEAKMAN: It is on some files not on others.

Mr. SPEAKER: Is the house ready to proceed with the bill?

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

On section 1.

Mr. BENNETT: Is this in accordance with the recommendations of the committee?

Mr. FORKE: Yes. Perhaps I had better read section 26 which is being repealed:

> When a settler obtains Dominion lands, whether by soldier grant or otherwise, and whether before or after having secured from the board any advance pursuant to this act, while there is owing by him to the board any sum or sums of money as the result of any sale made to him by the board, or otherwise by reason of the exercise by the board of any of its powers under this act, such sum so owing shall constitute a first charge on the lands so obtained and no patent shall be issued to such settler therefor until such sum or sums, with accrued interest, have been fully paid or repaid.

When a soldier obtained a grant on any particular parcel of land the liability was upon that land, and if he obtained a homestead at a later date the liability was applied to that homestead also. Under this amendment the liability will apply only to the land in respect of which he gave security and if at a later date he takes up a homestead and discharges his duties thereon his patent shall be issued to him without liability on that homestead. The liability will remain on the land for which he gave security. If on the other hand he has obtained a loan upon a parcel of land and later obtains a homestead, receiving a further grant of money on the security of that homestead, then the liability shall apply both to the homestead and to the original grant of land. In respect of the homestead, the liability will be only to the amount that has been advanced by way of increased loan, through his having obtained a homestead. That, in a few words, explains the situation. This legislation will not be retroactive; it will take effect only from the passing of the act. It may be some injustice to those who in the past had not the advantage which will accrue to others under this legislation; but to make it retroactive would lead to endless confusion and would entail a tremendous amount of work which probably could never be undertaken.

Mr. MANION: Did the minister read section 26 as it stands or as it is now in this bill?

Mr. FORKE: What I have read is section 26 in the original act.

Mr. MANION: And the minister is asking the committee to pass section 26 as now proposed?

Mr. FORKE: Yes.

Mr. ARTHURS: The opinion of the committee which made the recommendation along this line was that it should be retroactive; otherwise it would be obviously of no use to the soldier. The intention of the committee was that those men who, they thought, had been unjustly deprived of patents for land by reason of a liability of some other description in respect of a separate transaction with the government, should be relieved and be enabled to secure their homestead without regard to that liability. There is no doubt that the intention was that they should not suffer because of any liability to the government they may have had in the past.

Mr. ADSHEAD: The idea of the committee was that a soldier having received a loan in connection with a quarter-section, that quarter-section should be security for the loan, and that if he had acquired a homestead that homestead should not necessarily be encumbered with the loan which had been granted on the quarter-section. Two soldiers take up two pieces of land; they have a quarter-section each on which they obtained loans; and one takes up a homestead. Now it is manifestly unfair to exact from the one man security in respect of a half-section and from the other man security in respect of a quarter-section. I submit—and this was the intention of the committee—that if a soldier took up a quarter-section on which he obtained a loan and then acquired a homestead, the homestead should not be encumbered but should be left free, unless some specified sum had been advanced on that homestead. I think the words "or otherwise" ought to be deleted. That phrase includes all lands he has acquired, whether by purchase or by way of homestead.

Mr. SPEAKMAN: Possibly the hon. member (Mr. Adshead) is under a slight misapprehension. The purpose of the committee was to release the Dominion lands—and by Dominion lands I do not mean lands acquired by purchase but lands still belonging to the Dominion; that is to say, lands on which entry was made, patent to be afterwards issued. We must differentiate between Dominion lands which are purchased and become private property, and lands which remain Dominion lands, on which entry is made until the patent is issued. The purpose of the committee was to remove the charge against such Dominion lands. The proposed section makes provision with regard to a settler who obtains Dominion lands, whether by soldier grant or otherwise, and thereafter secures the approval of the board to any advance to him pursuant to the act, "while there is owing by him to the board any sum or sums of money as the result of any sale made to him by the board or otherwise"; and we have to remember that a large part of the money advanced was advanced not for the purchase of land but for the purchase of stock and equipment, for improvement and other purposes. In many cases we found that the only land held by the man was that Dominion land together with stock and equipment; and we found it impossible to differentiate between the loan which would rightly apply to the one quarter-section alone, and loans applicable to the entire land at the time the loan was advanced. We therefore suggested that the land in possession of the settler at the time the money was advanced should be considered as security. In other words, that was the factor in the mind of the board at the time the money was loaned and was understood by the settler to be part of the security he had to offer. Under the former act, which we propose to repeal, that same man after receiving a loan made entry either by way of a soldier grant or on a homestead; and automatically that additional land was charged under the loan, although the land which he had just entered upon was not in the mind of the board at the time the loan was made, inasmuch as it was not in the possession of the settler when he received the advance. We found that the only practical method to adopt was to draw the dividing line at the point when the loan was authorized. The land in the possession of the settler at that time would automatically come under the act, because we could not free it from the suggestion of being one of the factors that led to the loan. All land on which entry was made after the loan was advanced was free from that suggestion and would be free under the provisions of the act. The bill goes further than is apparent. After a man failed and the contract was rescinded and the land resold, the deficiency which remained was chargeable to the former settler as a debt which would automatically apply as a charge and a first mortgage against any land he might take up thereafter. Under this new section that land is free, because no soldier grant is subject to a charge of that kind.

Mr. ARTHURS: This section is not retroactive.

Mr. SPEAKMAN: It is not retroactive to this extent, that it does not apply to the man who has left the land, but as I understand it, it does apply to any man who is still in possession of the land whether or not the loan was formerly charged. While he is still possessed of the land and while the agreement has not been rescinded I understand that the charge is automatically removed from all Dominion land acquired after the loan was made. Certainly that is the intention of the bill and that is my understanding of it.

Mr. ARTHURS: If that is true the language should be different. In the first line of section 26 we find the words, "When a settler obtains Dominion lands,—". While if my hon. friend is correct it should read, "When a settler has obtained or obtains."

Mr. SPEAKMAN: Our understanding was that by the repeal of the former section the new section would apply to all settlers in possession of the land at present and would not go back to the man who has sold out except that it would permit him to take up a second homestead in the future.

Mr. McGIBBON: The minister has admitted that it is not retroactive at all.

Mr. FORKE: It applies to all soldiers now on the land. It is almost meaningless to say that it does not apply to those who have sold out and left, but it applies to all soldiers now in possession of the land.

Mr. McGIBBON: Then what did the minister mean by his former statement?

Mr. FORKE: It was a slip, if anything. The idea is something like this: Supposing a soldier has had rather bad luck with his original land and has had things go wrong. After he has been sold out and everything has been cleaned up he will be able to retain the homestead which he obtains at a later date. This is to give him another chance. Under the old act the board would have been able to follow him up to his second homestead for the original debt, but under this section he will have another start.

Mr. McGIBBON: Does the minister tell me that the government have been doing that in the past? If so, they should be ashamed of themselves.

Mr. McLEAN (Melfort): The important word is "thereafter" in the second line. I would have no quarrel with the suggestion of the hon. member for Parry Sound; his change would affect men now on the land, but this section goes a little further, because it provides for homesteads which may be obtained in the future. I agree with the hon. member for Muskoka-Ontario that this injustice should not have been permitted in the past, but the fact remains that it was done under the old act.

Mr. KENNEDY: I understand that to-day when a soldier has taken out a loan on a farm which he has purchased he requires the consent of the Soldier Settlement Board in order to take up a soldier grant. He has the right, of course, to take up a homestead. In the case of a soldier who has been salvaged and who still owes something to the board, would the minister assure us that there would be no difficulty in securing the permission of the board to take up a soldier grant?

Mr. FORKE: That is the object of the act; the liability will rest only on the land on which the loan was made.

Mr. KENNEDY: But that would not prevent the Soldier Settlement Board from refusing the soldier the right to take up a soldier grant.

Mr. THORSON: What has that to do with this act?

Mr. KENNEDY: It refers to the soldier grant, and in view of the fact that we are dealing with this problem I think it is a legitimate question. It is a matter of administration.

Mr. BOYS: I should like to ask the minister if the purpose of this act is to benefit the soldier?

Mr. FORKE: Yes, that is the main purpose.

Mr. BOYS: I was not a member of the committee and did not hear the discussion which took place there; perhaps for that reason I do not fully appreciate the effect of this section, but after reading it three or four times I cannot see how it is going to benefit the soldier. I see the explanatory note, which reads as follows:

> It is also the opinion of the committee that the present policy of withholding title to homesteads and soldier grants in respect of lands other than those upon which loans are granted should be discontinued.

I understood that the purpose of this section, which repeals the former section, was to free the homestead of any loan which might be owing the department. Am I right in that?

Mr. FORKE: Not exactly. The section repealed gave the board power to follow up the loan to any lands which the soldier might obtain at a later date.

Mr. BOYS: They have that right anyway; if any man owes the department or the government a sum of money, naturally you can follow up that loan to anything he has in order to get the money. I thought by this section you were freeing the homestead of any balance which might be due the department. But let us look at the section, which says:

When a settler obtains Dominion lands, whether by soldier grant or otherwise—

We might as well say when a soldier obtains Dominion lands in any manner.

—and thereafter secures the approval of the board to any advance to him pursuant to this act, while there is owing by him to the board any sum or sums of money as the result of any sale made to him by the board or otherwise by reason of the exercise by the board of any of its powers under this act subsequently to such approval, such sum so owing shall constitute a first charge on the lands so obtained—

That would be a homestead or any land.

—and no patent shall be issued to such settler therefor until such sum or sums with accrued interest have been fully paid or repaid.

With every desire to read this in the manner indicated by the minister, that is, as favourable to the soldier, I cannot so read it. It seems me this is protecting the department.

Mr. FORKE: Section 26 of the original act was an iron-clad agreement which bound up the soldier in every way. This section refers to a case where the soldier secured a loan on the security of his original grant, and later took a homestead. When he took that homestead he went to the board for a further loan, because of the fact that he had the homestead. This section deals with cases of that kind; the homestead will be held liable for the additional money loaned after the soldier acquired it.

Mr. BOYS: Let me follow that up. Suppose the settler has a loan, say, of $1,000 on a certain property. Then he gets a homestead, and this section distinctly says that he cannot get that homestead until he pays the $1,000. I so read it, and if I am wrong I should like to be put right.

Mr. POWER: I am free to admit that while there were seven or eight lawyer members of this committee, they were unanimous on one thing: that the officers of the crown did not know how to draft legislation. They were by no means unanimous as to how legislation should be drafted for presentation to the house. There was a real grievance on the part of the soldier, in that after he had obtained a loan from the board, or had purchased land from the board, and then took up a homestead, the board would follow him and would not permit him to take his patent, or become the owner of this homestead, until such time as he had paid off every cent he owed under the original loan. Moreover, if he was salvaged and there was a deficiency, they would follow him for the rest of his life, even on to other land he might take up. It was thought by members of the committee that that was not quite a fair deal, and that it discouraged the initiative of the soldier. If he wanted to start over again somewhere else, it was not fair to him to plaster a mortgage on everything that he might own for the rest of his life. Two things were done; first, all deficiences were wiped out, and, secondly, it was proposed that the mortgage which was on the original land should not follow the soldier on to any Dominion land which he might afterwards acquire, and he should not be prevented from obtaining his patent.

Mr. McGIBBON: Will you be good enough to tell us where that is so expressed in this?

Mr. POWER: I am coming to that. There is another factor in this situation. The soldier who owned the two, the settlement land and the Dominion land, might go to the board, and, and the strength of both, say, "Will you give me a new loan, a loan for improvements or a loan for stock?" If he went to the board and on the security of both obtained a loan, in that case the board would be entitled to the security of the old as well as the new. It was in an endeavour to make this clear that we arrived at the draft which is now in these amendments, and which is as follows:

When a settler obtains Dominion lands, whether by soldier grant or otherwise, and thereafter—

That is, after he has obtained these lands. Under the old act, section 26, if he obtained a new grant it was plastered with a mortgage. Now, if he obtains this, and then goes after another loan—

—and thereafter secures the approval of the board to any advance to him pursuant to this act, while there is owing by him to the board any sum or sums of money as the result of any sale made to him by the board or otherwise—

"Otherwise" here would cover the case of where he obtained money for stock.

—by reason of the exercise by the board of any of its powers under this act subsequently to such approval, such sum so owing shall constitute a first charge on the lands so obtained and no patent shall be issued—

Mr. BOYS: Would my friend explain to me just what is meant by that? It is confusing to me, and perhaps to others as well. What is meant by the words "lands so obtained" in the third to the last line?

Mr. GEARY: That is the land obtained in the first line.

Mr. BOYS: Does that mean the land he is getting, or the land—

Mr. POWER: "Shall constitute a first charge on the lands so obtained."

Mr. BOYS: What lands?

Mr. POWER: The lands obtained before he got the loan.

Mr. BOYS: That is the point exactly.

Mr. POWER: The lands obtained before he got the loan. The only way I can make myself perfectly clear is to refer to the old act. Section 26 is as follows:

When a settler obtains Dominion lands, whether by soldier grant or otherwise, and whether before or after having secured from the board any advance pursuant to this act, while there is owing by him to the board any sum or sums of money as a result of any sale made to him by the board, or otherwise by reason of the exercise by the board of any of its powers under this act, such sum so owing shall constitute a first charge on the lands so obtained and no patent shall be issued to such settler therefor until such sum or sums, with accrued interest, have been fully paid or repaid.

The whole thing is in the word "thereafter". After he has obtained what I call "new land", which might be Dominion land, or by soldier grant, or by homestead, he goes to the board and says, "I want a loan," whether it be for improvements or for stock, then everything he owned would be covered by that loan.

Mr. ADSHEAD: Would not the land be specified? It is not specifying the land when he gets the loan that we object to.

Mr. POWER: I do not know anything about the agreements, because I have never seen them.

Mr. ADSHEAD: If a loan is given to anybody, the Soldier Settlement Board must necessarily specify the security upon which they give it.

Mr. POWER: At present it is not specified if I may call my hon. friend's attention to section 26—and every piece of land he obtains is plastered by this mortgage to the land settlement board. It was the endeavour of the committee to make that clear, and the amendment was brought down. Whether we have succeeded in doing that or not, I do not know; I would not be quite sure myself. It was an honest endeavour on the part of the subcommittee to clean up that situation. Personally, I think it seems to cover the case. My hon. friend from Red Deer (Mr. Speakman), who has had far more experience that I have in dealing with land settlement, is also of the same opinion. My hon. friend from Melfort (Mr. McLean), who has a large number of soldier settlers in his constituency, seems to think that this fits the case. I have none in my constituency, and, for that reason perhaps I have not been so much interested in land settlement as I might be.

Mr. ADSHEAD: My hon. friend from Red Deer made the statement a few minutes ago that the soldier who had obtained a loan upon his soldier land when he had a homestead, received that loan without anything being said in the agreement about the homestead. The hon. member said that the homestead having been a factor in securing that loan, it should be agreed upon that it was encumbered. That is the very point: that he gets a loan upon a quarter section, which is expressed in the agreement, and though the homestead that he had at the time he got the agreement was not referred to in the agreement, still it was encumbered. It is that very principle that we are discussing—that when a loan is granted the things secured by that loan should be specified in the agreement. The hon. member for Red Deer said that it was a factor in the board granting a loan, although they did not so specify it.

Mr. SPEAKMAN: If no loan had been made for the purchase of land the matter would be very simple. The security would be specified and be limited to the land purchase. The difficulty is that many of the loans were not obtained for the purchase of lands, and so did not stipulate any particular class of land. They may have been for the purpose of purchasing stock, or for the purpose of placing permanent improvements on the land, such as buildings; or for the purpose of purchasing seed or feed, or sometimes subsidiary amounts in order to subsist. All of these loans were general loans; there was no specification made as to the land to which they applied, and in most of these cases, I venture to say, it is impossible to dissociate the Dominion land held by the settler at that time from the board land.

Mr. STEWART (Edmonton): Section 26 gave them the right to take any land.

Mr. SPEAKMAN: At the time the law was made that dominion land came in as security. Without that security in most cases they could not have made the additional loan for stock, equipment and the other purposes I have mentioned. The hon. member for East Calgary is perfectly right in his contention. The complication arises from the fact that many loans were made by many different people and in none of the other loans was any special reference made to any particular class of land.

Mr. ADSHEAD: That is exactly the unfairness of the situation. I know a soldier who took up a quarter section of land on the purchase plan and he also secured a loan for the purpose of purchasing stock and implements. Another soldier takes up a quarter section of land on precisely the same plan and he takes up another quarter section on the homestead plan. He has to have stock because he has homesteaded. The one soldier gives as security only the quarter section that he has purchased, while the other has to give the whole half section.

Mr. STEWART (Edmonton): That was the law.

Mr. ADSHEAD: I am talking about fairness.

Mr. CLARK: I should like to make this suggestion. Section 26 is being repealed by this bill, but I suggest that we should stop there. What will the effect be? Any future acquired property, whether it be stock or land, will be unencumbered and only the original land will be encumbered. The object of the committee surely is to free the future acquired property from the original mortgage. Therefore if we repeal section 26, we accomplish that purpose. The next thing is that we do not wish to prohibit that man from coming before the board again for a new loan. That is, I think, correct. If that man comes before the board and asks for a new loan, the board will say: What security have you? The man will say: Here is my homestead; here is my stock; here is some other subsequently acquired property; I will give you that. Why bother with this complicated section? Let us repeal the old section and thereby take the charge off the future acquired property. Then a man will have in his possession free all the property which he acquires after he put the mortgage on and he can offer that in the future as security to the settlement board. I think that is the proper way of dealing with the present difficulty.

Mr. NEILL: Might I suggest that the clause would read more to the purpose which is intended by the hon. member for Parry Sound (Mr. Arthurs) if it read like this:

When a settler has obtained or obtains dominion land.

The word "obtains" suggests something in the future and, the minister notwithstanding, this is intended to be retroactive to a large extent. When I say that a man obtains land, that refers to the future. This section is intended to cover also the past tense.

Mr. KENNEDY: I should like to come back to the question that I asked the minister a little while ago, namely, with regard to a settler obtaining dominion land by soldier grant. I understand that every settler has the right to take up a homestead without any question or discretion on the part of the Soldier Settlement Board or anyone else, but section 15 of the Soldier Settlement Act reads:

The minister may issue, free, to any settler a soldier grant for not more than one quarter section, of one hundred and sixty acres, more or less, of lands reserved pursuant to section six of this act.

The point I want to raise is this: Will there be any trouble, so far as the soldier settler is concerned, in getting the right to take up a soldier grant provided that he has been salvaged and he still owes the board say $200 or $300? He has not actually been freed from the encumbrance in connection with the soldier grant unless that right is unquestioned.

Mr. FORKE: My hon. friend is referring to a case where a soldier has a homestead and where he has made a failure and been cleaned out.

Mr. KENNEDY: No, I refer to the case of a soldier who has a loan against a homestead or any other kind of land, obtained through purchase or otherwise, and he has been salvaged. He still owes the board, after everything has been taken over by the board and sold, say $200, but he has not previously exercised his right to take up a soldier grant. Will he have any difficulty in getting a certificate giving him the right to take up that soldier grant?

Mr. FORKE: I can hardly answer that question because soldier grants are governed by another law entirely. If he has failed and

been cleaned out, the act says "the minister may". I suppose the whole circumstances will have to be taken into consideration.

Mr. KENNEDY: I think it is a matter of the right of the soldier. The act says: "the minister may". My point is: unless he is given that right, is any club held over him? Is the soldier grant not made clear?

Mr. FORKE: Judging from administration I would say that if a soldier had made a failure on a quarter section of land, had been cleaned out and then had got a soldier grant, if they did give it to him they would not carry over the debt of $200; they would not follow him for that money. I am perfectly certain of that.

Mr. KENNEDY: The minister hardly understands my question. Before a soldier can take up a soldier grant he must first secure a certificate from the minister?

Mr. FORKE: Yes.

Mr. KENNEDY: If he has been salvaged on a previous homestead or on a purchased farm and he still owes the board say $200, will the minister undertake to say that he will receive the right to take up his soldier grant without question?

Mr. FORKE: I can hardly answer that question, because all the circumstances have to be taken under consideration. If the Soldier Settlement Board came to the conclusion that he was worthy of another trial and a soldier grant was given to him, they would not follow him for the $200.

Mr. KENNEDY: That does not release him so far as the soldier grant is concerned.

Mr. FORKE: There is no provision for that in this bill at all.

Mr. GEARY: I think the hon. member has the point of the difficulty. The desire of the committee apparently was to make a charge only on the land in respect of which an advance was given. You are getting at that object not by restricting the legislation so as to make the advance a charge only upon the land in respect of which the loan was issued, but by providing the other case, that is the case where a loan shall be a charge on everything that he owns. That is the case you have provided for and by implication I suppose you mean that in no other case will there be a charge upon all the man's holdings for the advance.

Mr. POWER: By repealing section 26.

Mr. GEARY: No, the old section 26 is just that exactly.

Mr. POWER: That is what is repealed.

Mr. GEARY: If you add the words—

But otherwise there will be no restriction on the right of the advancee to get his patent—

—you would effect the purpose of the committee. Is that not what is wanted? In other words I think my hon. friends fear there may be a debt owing and there is no guarantee that that debt will not be carried over on to all the man's property be it homestead or soldier settlement land. What you have done is to instance the one case where there shall be a charge on everything he holds. You have not excepted the situation which these gentlemen desire should not obtain, that is that there should be a charge made otherwise than in regard to land in respect of which the advance is made. I think it is in the drafting of the legislation that the difficulty has arisen. They have not provided for the case desired to be provided for, but for the other case where the charge shall be made on all the holdings. It is exactly as my hon. friend from North Simcoe said a moment ago.

Mr. BOYS: I should like to support what the hon. member for Vancouver-Burrard said. As I understand it, the situation now is that the department have a contract in connection with any loan that has been made. That contract binds certain specific lands mentioned therein. Get rid of this section entirely, and that contract stands as a mortgage against that land. Nothing more should be required by the department but that. We will assume that the soldier wants a further advance either on that land or on some other land, or on both. A new contract is put through, and that contract binds whatever lands may be included in it. It seems to me that to gain that purpose all you have to do is to repeal the section entirely, and the department then stands in the very same position that any individual would be in who has made an advance, and who may be called upon to make another advance.

Mr. POWER: If the hon. gentleman will look at the report of the committee, he will find that that was their original idea, but we could not get it done in that way.

Mr. BOYS: Will my hon. friend point out what is wrong with that? I cannot see it. All the legislation did was to say that notwithstanding a contract specifically mentioning certain lands, any other lands that may be acquired shall be automatically bound when acquired. I understand it is the desire of the committee to get rid of that feature—

Mr. POWER: Then there was the case where the board had advanced moneys to a man for stock or equipment, but only because he had his land settlement land and some other land, and it would be manifestly unfair to say to the board: We will charge this new land on the strength of which a further loan is made.

Mr. BOYS: My answer to that is simple. When he comes for that advance—

Mr. POWER: He has done so already.

Mr. BOYS: Then your position is this. The board has made an advance to a soldier without security. If they choose to make an advance without security—

Mr. POWER: But it was made on the strength of the legislation which covered all his land, both the land under land settlement and the other land. The advance was made on the strength of that legislation. They said: His land setlement land may not be sufficient to cover this advance, but we know that he has a homestead alongside, and so the two together were charged to cover the advance, which might not be just for the purposes of the land settlement land, but might be for stock or equipment to be used on both lands. The settler may have bought horses and cattle to be used on both these lands, and the board advanced him money on the strength of that.

Mr. McGIBBON: But the board has that stock for security.

Mr. POWER: Some of the cattle may have died.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

ST. JOHN RIVER STORAGE COMPANY

The house in committee on Bill No. 17 respecting the St. John River Storage Company.—Sir Eugene Fiset.—Mr. Johnston in the chair.

On section 1—Provincial acts adopted and confirmed.

Sir EUGENE FISET: Mr. Chairman, my hon. friend from Témiscouata (Mr. Pouliot) has given notice of motion to amend this bill on the third reading. As he will have full opportunity to discuss his motion then, and knowing how prolix he can sometimes be, and in view of the importance of conserving as far as possible—

Mr. POULIOT: Mr. Chairman—

Sir EUGENE FISET —this precious hour for private bills, I do move that this bill be now reported.

The CHAIRMAN: Is it the pleasure of the committee to adopt the motion?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No, no.

Motion agreed to on division, and bill reported.

Mr. SPEAKER: When shall said bill be read the third time?

Mr. J. F. POULIOT (Témiscouata): Mr. Speaker, before this bill is read a third time I have an amendment to move, seconded by Mr. Woodsworth—

Mr. STEVENS: Next sitting of the house.

Mr. POULIOT: No, now.

Mr. SPEAKER: I will put the motion. It is moved by Sir Eugene Fiset, seconded by Mr. McLean (Melfort) that said bill, namely, an act respecting the St. John River Storage Company (as amended) be now read a third time.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, we called "Next sitting of the house," I understand that without unanimous consent the bill cannot be read a third time to-day.

Mr. SPEAKER: Did any hon. member say, "Next sitting of the house"?

Mr. STEVENS: Yes.

Mr. POULIOT: Before you proceed, Mr. Speaker, I would ask if you will accept my amendment at the next sitting of the house when the bill comes up for third reading?

Mr. SPEAKER: At that time the hon. member will be at liberty to present his amendment.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I rise to a point of order. We have just reported from the committee of the whole a very important and technical bill that I believe is ultra vires of the parliament of Canada to enact, and we have not considered one single clause of it. I submit that this is out of order, and I desire to register my protest against such procedure.

Mr. SPEAKER: The bill was committed by the house to the committee of the whole. The committee of the whole was seized of what appertained to the bill. If I followed aright the proceedings, the committee of the whole decided of its own volition that the bill should be at once reported. It was so reported. Upon resuming the chair, I asked: When shall said bill be read a third time? I was under the impression that it was the desire of the house to have it read immediately, but the hon. member for Vancouver Centre (Mr. Stevens) called "At the next sitting." Therefore at the next sitting of the house on the third reading any hon. member may rise and take objection to the bill. But as I said, the committee of the whole can do as it pleases with the legislation which is submitted to it. The committee of the whole, having said that the bill should now be reported, apparently considered that it had been sufficiently examined and studied.

Mr. PETER McGIBBON (Muskoka-Ontario): Surely, Mr. Speaker, the action of this house is not to become a farce. Here is a bill submitted to the committee of the whole and reported without being considered at all. It cannot be considered clause by clause on the third reading. What are we to do with it?

Hon. P. J. VENIOT (Postmaster General): It was fully considered by the private bills committee.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, am I to understand that this house is prevented from discussing this bill in committee in the future?

Mr. SPEAKER: The committee will do as it pleases. If the committee decides to discuss the bill from the title to its last clause, it will of course do so; but if the committee says unanimously, or by a majority, that the bill shall be reported forthwith, then I must accept the will of the committee.

Mr. POULIOT: The member for Rimouski (Sir Eugene Fiset) was determined that the committee should not hear anything about the bill.

Mr. SPEAKER: Order. There is nothing before the house. Will the Clerk Assistant call the next order?

FEDERAL LOAN COMPANY

On the order being called:

House in committee on Bill No. 59, an act to incorporate the Federal Loan Company (as amended, and recommending that the title be changed to "An act to incorporate the Federal Lending Company")—Mr. Lang.

Mr. M. F. HEPBURN (West Elgin): Mr. Speaker, in the absence of the sponsor of the bill, I may say that I understand there is to be a change in the title. It is—

Mr. SPEAKER: Order. Is the hon. gentleman desirous of proceeding with the bill? The promotor of the bill is not here.

Some hon. MEMBERS: Stands.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: Stands?

Mr. HEPBURN: Mr. Speaker, I—

Mr. SPEAKER: Is the hon. member authorized by the promoter of the bill to proceed in his absence?

Mr. HEPBURN: Yes, Mr. Speaker.

Mr. SPEAKER: Mr. Hepburn, for Mr Lang, moves, seconded by Mr. Chevrier, that I do now leave the chair for the house to resolve itself into committee of the whole on Bill No. 59, to incorporate the Federal Loan Company. Is it the pleasure of the house to adopt the motion?

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

On section 1—Incorporation.

Mr. CHURCH: I wish the hon. member who has moved this bill into committee would give some explanation of it. A session or two ago the house took up the question of a consolidation of the federal loan companies act and the principle of incorporating such purely provincial companies was found to be quite unsound and not for this parliament. The house is on pretty thin ice so far as this bill goes as to jurisdiction in the matter of provincial rights are concerned. We do not want any more Home Banks or Sovereign or Farmers Banks or York County Loan Companies in Canada; we do not want loan companies and innsurance companies obtaining from the federal parliament charters purely provincial in scope and character. Is this bill within the four corners of federal jurisdiction? The hon. member should enlighten the committee as to what security parliament will have that the powers conferred in this bill will be carried out and that we are within our powers. We are entitled to know something about the company, what it proposes to do, its bona fides,

what security it offers, and the nature of the business to be transacted. In the public interest we should be very careful in passing bills of this sort, which endanger provincial rights.

Mr. HEPBURN: Unfortunately the sponsor of the bill is absent, but I may say that this is an ordinary loan company which is being incorporated in the usual way. Apart from this I have no explanation to make. The bill passed the committee and had the approval of the Superintendent of Insurance. On the third reading of the bill, I have no doubt, an explanation can be given.

Mr. CHURCH: As we cannot get any information I move that the committee rise and report progress and ask leave to sit again.

Mr. CANNON: I was present when this bill came before the banking and commerce committee and a report was submitted from the Superintendent of Insurance who had examined it and who gave his approval. The only objection was that the name of the company might be misleading inasmuch as there were other companies bearing similar names. I understood that the promoter of the bill had agreed to change the name. This objection was the only reason why the bill was not adopted when it first came up. It is now before the house in order to have the name of the company changed.

The CHAIRMAN: There is before the committee a motion which is not debatable. Mr. Church has moved that the committee rise and report progress. Those in favour of the motion will say Aye.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

The CHAIRMAN: In my opinion the nays have it; I declare the motion lost. There is a motion that the name of the company be changed to the Central Finance Corporation.

Mr. BENNETT: The notice says "Federal Lending Company."

Mr. SPENCER: This legislation, I understand, is asked for in order to make it possible for corporations to lend money on second mortgages. Although ostensibly only 6 per cent is to be charged on money loaned, we are informed by the Superintendent of Insurance that, with the various charges, the rate will amount to about 18 or 20 per cent. I have no doubt that those who are promoting the bill are perfectly right when they say that this will not be as high an interest as is charged by certain money lenders in such cities as Montreal. At the same time it is a usurious rate and it seems to me that something is wrong with our present financial institutions if it is necessary for us to get behind legislation like this, under which the borrower will ultimately have to pay about 18 per cent. The only ground on which one could possibly support this bill is that under it the evil will not be as great as that which prevails at the present time with money lenders who charge much higher rates. As regards the name, I do not think that the word "Finance" should be used. When we use that word we associate it with the highest type of financial institutions in the country. The name does not seem to me to be a proper one to designate a money lending institution whose various charges will eventually run up to as high as 18 per cent.

Mr. CHURCH: I wish to protest against this bill. Some of us can remember the ruin caused by the York County Loan Company, and the suffering entailed in Parkdale, West York and other places. I protest against parliament granting a charter to the persons named in this bill—Lawrence Kert, David Sher and two or three stenographers. How do we know who the company are? Do we know anything of its bona fides? What are its powers? It will lend money on second mortgages at any rate it likes to poor people. I submit that the powers of this company are beyond the scope of this parliament. The company will deal in chattel mortgages, lien notes, second mortgages and all that kind of thing and its purposes will be purely provincial and local in Toronto. This company is to have its head office in the city of Toronto, but we have had enough companies there incorporated by this parliament, such as the Farmers' Bank, the Home Bank, the Sovereign Bank, the York Loan Company and many others, all of which have failed and caused great ruin and loss to thousands. You will notice what these gentlemen propose to do; they desire to suspend three federal acts, the Money Lenders Act, the Interest Act and the Loan Companies Act, all of which have been passed for the protection of the working classes in our large cities. No one knows what interest this company will charge on these second mortgages; this parliament is asked to release the company from the control of these acts. A

similar bill came up in this house two or three years ago, and I took the ground then that we did not have sufficient protection for our people and that this parliament had no jurisdiction. On general principles I protest against incorporating companies such as this, which give no security or protection to the public from extortionate rates of interest.

Mr. MORIN (St. Hyacinthe): I rise to a point of order; I think the hon. gentleman is absolutely out of order in his remarks. The discussion should be limited to the amendment changing the name of the company, rather than to the merits of the bill.

Mr. CHURCH: My hon. friend will be able to speak when I get through.

The CHAIRMAN: I think the point raised by my hon. friend is well taken. There is an amendment before the committee and the hon. gentleman should discuss the amendment.

Mr. CHURCH: Very well, I will discuss the change of name. This change of name is just a subterfuge; they wanted to get the word "Federal" in the title of the company, but some of the government officials were opposed to that name so they are asking this parliament to change the name to "Central Finance Corporation" making this in effect a new bill in its entirety. There are too many of these companies now imposing extortionate rates of interest on the foreign people in the city of Toronto, lending them money on chattel and second mortgage and charging them fabulous rates of interest for it. Many of these foreigners are not educated and cannot afford to employ a lawyer, and companies of this kind find it easy to do business with them. There are several of these companies in the city of Toronto, and the provincial legislature saw fit to bring in legislation to try to effect some control. I see that the hon. member for Toronto West Centre is in his seat; this is in his constituency. If we are not careful, before we know it we will have some day a second York Loan Company incorporated by this parliament if some control is not exercised by this house.

Some hon. MEMBERS: Order.

Mr. CHURCH: I am discussing this change of name, and you cannot discuss the name without discussing the principle of the bill. This amendment practically makes this a new bill, so I think it should go back to the private bills or other committee for reconsideration. While this particular company will not be located in my own constituency I know something of the suffering among the poor people of Toronto from the failure of similar companies, such as the Home Bank, the Farmers' Bank and the York Loan Company, and so long as I am a member of this house I will protest against the incorporating here of purely provincial companies of this kind, which attempt to secure a charter from this parliament by some change of name or some play on words so as to escape provincial supervision. When they are incorporated here the provincial government can do nothing with them; they are not even under the terms of the public acts I have mentioned of this parliament. If this sort of thing is to go on the sooner the Minister of Finance brings in a new Loan Companies Act the better it will be, if the public are to be protected from extortionate rates. As a lawyer I have seen something of the suffering caused among the poor people of Toronto, by the failure of some of these loan companies of this kind, and I wish to protest against interference by this parliament with the government of Ontario in its control of purely provincial companies of this kind, which are not by the widest stretch of the imagination proper companies to give a charter to here.

Mr. ARTHURS: I wish to bring up a point of order. Apparently the banking and commerce committee considered that the name of this company was very important, because the only change they made was in the name. Now we have an entirely new name proposed by some hon. members, and I would direct attention to standing order 113, which says:

> No important amendment may be proposed to any private bill, in a committee of the whole house, or at the third reading of the bill, unless one day's notice of the same has been given.

This amendment now before the house changes the name of the company, so I believe it should stand as a notice of motion to be considered when the bill comes up again.

The CHAIRMAN: Notice of this amendment has appeared in the votes and proceedings for the required time, so it is quite in order.

Amendment agreed to.

Section as amended agreed to.

Sections 2 to 4 inclusive agreed to.

On section 5—Objects.

Mr. GARDINER: Will the promoter of this bill give some explanation with regard to subsection "b" of section 5, which is as follows:

> Notwithstanding anything contained in the Interest Act, and the Money Lenders Act, and in section 63 (c) of the Loan Companies Act—

I should like the hon. gentleman to explain what that means, in order that we may know exactly what we are doing.

Mr. HEPBURN: I am not entirely familiar with this bill. It was discussed in the banking and commerce committee and I understand it has been endorsed by the Superintendent of Insurance. I believe the company is to lend money on second mortgages, and probably for that reason they cannot be bound down as other companies are.

Mr. CHAPLIN: I submit that there are many members of the house who have not had an opportunity of attending the meetings of the committee which considered this bill, and I think someone should be here to explain any of the sections which may require explanation. Inasmuch as there apparently is no one here, I would move that the committee rise and report progress.

The CHAIRMAN: All those in favour will please say, "yea."

Mr. HAY: Mr. Chairman—

The CHAIRMAN: The motion is not debatable.

Motion agreed to.

Progress reported.

CONSIDERED IN COMMITTEE—THIRD READINGS

The CHAIRMAN: There are quite a number of divorce bills. Will it serve the purpose of the committee if I read one bill, and we can name the others and report them all at one time?

Bill No. 221, for the relief of Edward Bennett.—Mr. Anderson (Toronto-High Park).

Bill No. 222, for the relief of Annie Amelia Eliza Ferguson.—Mr. Rennie.

Bill No. 223, for the relief of Laura Langstaff Dent Kemp.—Mr. Hepburn.

Bill No. 224, for the relief of Helen McLean.—Mr. Anderson (Toronto-High Park).

Bill No. 225, for the relief of Robert Pius Nageleisen.—Mr. McPhee.

Bill No. 226, for the relief of Elsie Irene O'Meara.—Mr. Stinson.

Bill No. 227, for the relief of Doris Read.—Mr. Anderson (Toronto-High Park).

Bill No. 228, for the relief of Thomas Zeamond Toll.—Mr. Stinson.

Bill No. 229, for the relief of Katie Louise Turner.—Mr. Church.

Bill No. 230, for the relief of Samuel Radcliffe Weaver.—Mr. Rennie.

Bill No. 231, for the relief of Florence Elizabeth Mousley Monarque Westover.—Mr. Casselman.

Bill No. 232, for the relief of Richard Thomas Bell.—Mr. Garland (Carleton).

Bill No. 233, for the relief of Albert Cheney.—Mr. White (Mount Royal).

Bill No. 234, for the relief of Katharine Adriance Burruss Christie.—Mr. Wilson (Wentworth).

Bill No. 235, for the relief of Nellie Cohen.—Mr. Jacobs.

Bill No. 236, for the relief of Louis Cowell.—Mr. Church.

Bill No. 237, for the relief of Wesley Thornton Davidson.—Mr. Harris.

Bill No. 238, for the relief of Orfie Earl Dingman.—Mr. Garland (Carleton).

Bill No. 239, for the relief of Edith Alice Douglas.—Mr. Pettit.

Bill No. 240, for the relief of Radford Alonzo Dunfield.—Mr. Casselman.

Bill No. 241, for the relief of Reuben James Fenton.—Mr. Anderson (Toronto-High Park).

Bill No. 242, for the relief of Jane Annie Field.—Mr. Church.

Bill No. 243, for the relief of Charles Edward Frank.—Mr. Anderson (Toronto-High Park).

Bill No. 244, for the relief of Bernice Gatehouse.—Mr. Anderson (Toronto-High Park).

Bill No. 245, for the relief of Harriet Elizabeth Roussie Grey.—Mr. Lennox.

Bill No. 246, for the relief of Thomas Haggith.—Mr. Kay.

Bill No. 247, for the relief of Ellen May Collison Keene.—Mr. Church.

Bill No. 248, for the relief of Henry Peet.—Mr. Garland (Carleton).

Bill No. 249, for the relief of Leon Proulx.—Mr. Jacobs.

Bill No. 250, for the relief of Dorothea Wilhelmina Reynolds.—Mr. Anderson (Toronto-High Park).

Bill No. 251, for the relief of Violet Robinson.—Mr. Lennox.

Bill No. 252, for the relief of Susan Amelia Saunders.—Mr. Lang.

Bill No. 253, for the relief of Agnes Georgiana Smith.—Mr. Geary.

Bill No. 254, for the relief of Walter Edgar Soule.—Mr. Thorson.

Bill No. 255, for the relief of Phoebe Ellen Stevens.—Mr. Casselman.

Bill No. 256, for the relief of Thomas William Storey.—Mr. Bothwell.

Bill No. 257, for the relief of Samuel Wellington Thompson.—Mr. Garland (Carleton).

Bill No. 258, for the relief of John Edwin Timson.—Mr. Anderson (Toronto-High Park).

Bill No. 259, for the relief of Jennie Campbell.—Mr. Geary.

Bill No. 260, for the relief of Annie Pearl Appel.—Mr. Garland (Carleton).

Bill No. 261, for the relief of Dorothy Catalina Day Armstrong.—Mr. McPhee.

Bill No. 262, for the relief of Louise Morris Hays Grier.—Mr. McPhee.

Bill No. 263, for the relief of Thelma Katherine Halliday.—Mr. Thorson.

Bill No. 264, for the relief of Marion Jarvis Lewis.—Mr. Church.

Bill No. 265, for the relief of Annie Moore. —Mr. Casselman.

Motion for third readings agreed to on division, and bills read the third time and passed.

SECOND READINGS

On motion of Mr. Geary, seconded by Mr. White (London), the following bills were read the second time, on division, and referred to the select standing committee on miscellaneous private bills:

Bill No. 157, for the relief of Sydney Franklin Lankin.—Mr. Geary.

Bill No. 158, for the relief of William James Wall.—Mr. Jelliff.

Bill No. 159, for the relief of George Rubin Sanderowich, otherwise known as Rubin Sanders.—Mr. Geary.

Bill No. 160, for the relief of Kathleen Elizabeth Hedges.—Mr. Lennox.

Bill No. 161, for the relief of Lotus Henderson Conover.—Mr. Geary.

Bill No. 162, for the relief of Marguerite Trelawney Buller Allan.—Mr. McPhee.

Bill No. 163, for the relief of Alexander Graham.—Mr. Garland (Carleton).

Bill No. 164, for the relief of William Henry Phillips.—Mr. Young (Toronto Northeast).

Bill No. 165, for the relief of Marjory Elgin Burch.—Mr. Young (Toronto Northeast) .

Bill No. 166, for the relief of Frances Helen Renison.—Mr. Casselman.

Bill No. 167, for the relief of Katie Abramovitch.—Mr. Jacobs.

Bill No. 168, for the relief of Daisy Myrtle McPherson.—Mr. Pettit.

Bill No. 172, for the relief of Claire Ellen Burke.—Mr. Anderson (Toronto-High Park).

Bill No. 173, for the relief of George Edgar Gooderham.—Mr. Young (Toronto Northeast).

Bill No. 174, for the relief of Pearl Hazel Clement.—Mr. Arthurs.

Bill No. 175, for the relief of John Arthur Towers Irvine.—Mr. Church.

Bill No. 176, for the relief of William Henry King.—Mr. Clark.

Bill No. 177, for the relief of John Pepper. —Mr. Garland (Carleton).

Bill No. 178, for the relief of Caroline Mildred Potter.—Mr. Edwards (South Waterloo).

Bill No. 179, for the relief of Fanny Alrheta Schaefer.—Mr. Clark.

Bill No. 180, for the relief of Ivy Ethel James Sergent.—Mr. Robinson.

Bill No. 181, for the relief of Angelo Spadafore.—Mr. Garland (Carleton).

Bill No. 182, for the relief of Lena Zimmerman Staples.—Mr. Hocken.

Bill No. 183, for the relief of Audie Bertha Stewart.—Mr. Pettit.

Bill No. 184, for the relief of Gertrude Aileen VanderVoort.—Mr. Casselman.

Bill No. 185, for the relief of Roy James Vollans.—Mr. McPhee.

Bill No. 186, for the relief of John Young.— Mr. Clark.

THOUSAND ISLANDS INTERPROVINCIAL BRIDGE CORPORATION

On the order:

Second reading of Bill No. 70, to incorporate Thousand Islands International Bridge Corporation.—Mr. Hay.

Mr. SPEAKER: I understand the hon. gentleman wishes to withdraw this bill.

Mr. HAY: Yes.

Bill withdrawn.

NIAGARA FALLS MEMORIAL BRIDGE COMPANY

The house in committee on Bill No. 14, to incorporate the Niagara Falls Memorial Bridge Company—Mr. Pettit—Mr. Johnston in the chair.

Mr. PETTIT: I move that the bill be reported.

Mr. CAMPBELL: I find myself unalterably opposed to this bill.

The CHAIRMAN: The motion is not debatable.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

Mr. CHAPLIN: Next sitting of the house.

Mr. SPEAKER: It cannot be read now.

Mr. CANNON: The bill has been amended in committee and therefore it cannot be read a third time now.

Mr. SPEAKER: Standing order 77 reads:

All amendments made in committee are reported by the chairman to the house, which shall receive the same forthwith. After report the

bill is open to debate and amendment, before it is ordered for third reading. But when a bill is reported without amendment it is forthwith ordered to be read a third time at such time as may be appointed by the house.

The bill having been amended in committee, it cannot be read a third time now.

Mr. CHAPLIN: There are already on the order paper amendments for this bill.

Mr. SPEAKER: The bill having been amended in committee and having been reported as such, it cannot be read a third time now. I am deciding in favour of the hon. gentleman. Next sitting of the house.

BELL TELEPHONE COMPANY OF CANADA

The house resumed from April 10 consideration in committee of Bill No. 43, respecting the Bell Telephone Company of Canada.—Mr. Edwards (Ottawa).—Mr. Johnston in the chair.

Mr. MORIN (St. Hyacinthe-Rouville): I beg to move, Mr. Chairman, that the bill be reported.

Mr. CHURCH: I have an amendment to that bill, Mr. Chairman.

The CHAIRMAN: House in committee on Bill No. 43, respecting the Bell Telephone Company of Canada.

Mr. MORIN (St. Hyacinthe-Rouville): I beg to move that the bill be reported.

Mr. CHURCH: I rise to a point of order, Mr. Chairman. I have an amendment to this particular bill in the votes and proceedings of April last.

The CHAIRMAN: Order. When the hon. gentleman first rose the bill was not then before the committee. When the bill was properly before the committee, the hon. member who was looking after it moved that the bill be reported. Is it the pleasure of the committee that the bill be reported?

Mr. CHURCH: I rise to a point of order. I moved an amendment the other night, and at nine o'clock the amendment was still before the chair when time expired. The bill went to the bottom of the list, and it is up again to-night. I had not completed my forty minutes when I spoke the other evening; I had spoken only 38 minutes of that time. I had not finished, I was then speaking to the amendment.

Mr. MORIN (St. Hyacinthe-Rouville): You completed your forty miutes, and I made a motion following.

The CHAIRMAN: Order.

[Mr. Speaker.]

Mr. EDWARDS (Frontenac): I think the point of order taken by the hon. member for Toronto Northwest is well taken, that he had not taken his full time. So far as the bill not being before the committee is concerned, there ought to be a rule of this house obliging the hon. gentleman who occupies the position of chairman to sit with his face absolutely facing that clock and not turning one hair's breadth more to the right than to the left. Otherwise it is a question of which can jump the quicker. I am not saying that I agree with the position taken by the hon. member for Toronto Northwest, but I say that every hon. member of this house is entitled to a square deal, and I do not consider that he is getting a square deal in this matter.

Mr. MORIN (St. Hyacinthe-Rouville): The hon. gentleman had already spoken forty minutes, and when nine o'clock struck he had finished his remarks. The committee then reported progress without any amendment.

Mr. EDWARDS (Frontenac): On that point I merely wish to say that the only evidence we have is a statement by the hon. member across the way and a statement to the contrary by the hon. member for Toronto Northwest. If the hon. member for St. Hyacinthe-Rouville wants to back up his assertion, let him produce the records to show that the chair called time.

The CHAIRMAN: I think this confusion has come about from the fact that the house copy of the bill is not at the table at the moment.

Mr. CHURCH: A motion was made, and it is in the votes and proceedings, in April, but the Speaker ruled that before I could move my amendment the bill had to go in committee. I had not finished at nine o'clock. The Speaker was in the chair, and he ruled that the bill had to go into committee. That is recorded in the votes and proceedings. Furthermore, Mr. Chairman, I would point out to you that the clock is striking nine.

The CHAIRMAN: Under the circumstances I think the committee cannot proceed as the house copy of the bill has been mislaid, and it is not on the table.

Mr. EDWARDS (Frontenac): I would call your attention, Mr. Chairman, to the fact that it is nine o'clock.

SOLDIER SETTLEMENT ACT AMENDMENT

The house in committee on Bill No. 288, to amend the Soldier Settlement Act.—Mr. Forke.—Mr. Johnston in the chair.

On section 1—No patent to issue until amount owing to board is repaid.

Mr. BOYS: Before the house rose at six o'clock the hon. member for Quebec South had made an explanation in answer to what I and my hon. friend from Vancouver-Burrard had suggested regarding this section. At the moment I was somewhat impressed by what he said, but I am given to understand now that in all the contracts the land to which the department and the government look for security is named, and if the land is named, that should afford the department ample security. Therefore I think that the object of the committee and of the minister himself would be gained by repealing the clause entirely, leaving it to the department and the government to look to the land included in that agreement, and to any other land that may be included in any future agreement when further loans may be made.

Mr. FORKE: Where the soldier has taken up a homestead some time after the money was loaned on his first parcel of land, and a further loan is made on the security of that homestead, then the amount of money loaned should stand against the homestead because the loan was made on the further security he had to offer. That is what section 26 as it now stands is intended to cover.

Mr. CLARK: Does the minister suggest that further moneys are advanced from time to time without taking any written security whatever?

Mr. FORKE: I expect so. I do not know that anything is done if money is loaned on the security of that land.

Mr. CLARK: I think the minister misunderstands my question. It is suggested here that further moneys are advanced from time to time after the original loan was made. There is no question surely that when the original moneys are advanced a security in the form of an agreement or mortgage is taken. That is correct, is it not?

Mr. FORKE: Yes.

Mr. CLARK: Then I believe it is suggested that subsequently, for the purpose of acquiring stock or perhaps an additional piece of land, further moneys are advanced. That is correct, is it not?

Mr. FORKE: Yes.

Mr. CLARK: It is now suggested that in order to make that stock or land which is subsequently acquired security for the further advance, we must preserve this section of the act, because otherwise the government would not have any security. I cannot believe that that money would be advanced without a further agreement or mortgage which would make the stock or additional land security for the moneys so advanced. If that is so, then there is no necessity whatever for this section. This section can be repealed quite safely, and in the future the man can come before the department and bargain for the additional moneys required, putting up as security the stock or additional land which he may have in his possession.

Mr. STEWART (Edmonton): But my hon. friend is forgetting, is he not, that the title to the homestead land is in the Department of the Interior. The precaution taken here is simply by statute to provide that the Department of the Interior shall not issue a patent on land included in the loan for which the settler can give no instrument that would be valid for the loan.

Mr. BENNETT: No valid security.

Mr. STEWART (Edmonton): Yes. Therefore it is necessary in the statute itself to mention the land held by the Department of the Interior, that is, crown land.

Mr. CLARK: I quite understand that; but there must surely be some document entered into between the soldier and the department when the second loan is made. Am I correct in that?

Mr. FORKE: I think you are right.

Mr. CLARK: Then in that agreement surely this homestead, or whatever it may be, will be mentioned, and even although the man has not the legal right to pledge the homestead as security, notice can be given by the Soldier Settlement Board to the Department of the Interior not to issue the patent, or if issued, to send it to the board. Thereupon the charge is perfected and no statutory provision is necessary.

Mr. FORKE: I understand that the Soldier Settlement Board make a charge against that particular land, which is known as "charged land." When the patent is asked for it is not issued until that charge which has been registered against the land is paid off.

Mr. BOYS: The minister does not make it plain to me. Let us take a concrete case and reason it out. In one case the man owns the land and asks for a loan. He pledges his property to the department as security, and

the department is protected. Now the minister takes another case where the man is a homesteader, and before he receives his patent he wants a loan. Cannot the department protect itself when making that loan by taking a mortgage? I do not think this section is as clear as it should be. In fact I think you are hurting the soldier by it.

Mr. POWER: How are we hurting the soldier? We certainly are not making him worse off than he was before.

Mr. BOYS: I rather think we may be. My friend has said that after seven or eight lawyers had tackled it they could not agree among themselves. Now we all seem to be of one mind; we want to help the soldier and to make the legislation definite. I do not think I can put it any plainer. I have dealt with the two classes; one where the man owns the land, borrows money and gives the land as security.

Mr. STEWART (Edmonton): That is freehold.

Mr. BOYS: Certainly. The other class is where he has not the freehold; the title is in the crown.

Mr. STEWART (Edmonton): It is in the ownership of the Department of the Interior for the crown. It is not the property of the Soldier Settlement Board.

Mr. BOYS: In that event there is no question whatever that the soldier cannot give any security.

Mr. STEWART (Edmonton): Yes, he can give security to the extent of his interest in the land.

Mr. BOYS: Very well; that is done by agreement, and the moment you give the crown notice of that it is binding. This section is useless. I venture to say that my friend from Quebec South (Mr. Power) could draft a section which would be much more easily construed. He must admit that this is very doubtful.

Mr. POWER: No, I do not admit that this section is very doubtful at all. I did say that we had considerable trouble in drafting it. I understand it, but my difficulty is in making it clear to my hon. friends. I understand what we had in mind when we drafted it, and it covers the point we were then considering.

Mr. ARTHURS: That was in your head, not in the bill.

[Mr. Boys.]

Mr. POWER: Partly. The trouble is I cannot communicate what is in my head to thicker heads opposite! I apologize for that remark. I understand the point made by my hon. friend from Vancouver-Burrard (Mr. Clark), and also by my hon. friend from North Simcoe (Mr. Boys), that it would be better to repeal section 26 altogether.

Mr. BOYS: Yes.

Mr. POWER: As a matter of fact that was the first suggestion of the drafting committee in the report.

Mr. BOYS: The first suggestion is generally the best.

Mr. POWER: If the hon. gentleman cares to read the report he will find it suggested that section 26 be repealed. While we were studying it later with the officers of the Soldier Settlement Board and with several members of the house who are familiar with the operations of the board, the question arose whether or not if we repealed section 26 we would not be going too far in taking away security from the crown.

Mr. BOYS: Will you explain that?

Mr. POWER: I understand my hon. friend's point. There is a direct obligation over and above the statutory one. We are in agreement up to this point, I take it. In endeavouring to repeal the statutory agreement we found that we had gone too far, in that we had lifted the mortgage from land which really should be subject to it under the terms of the contract.

An hon. MEMBER: No.

Mr. POWER: Yes. The man makes a contract; he goes to the board and obtains an advance of money on the strength of the security which he has in his two parcels of land.

Mr. BOYS: And that certainly binds both him and the land.

Mr. POWER: That binds him—

Mr. BOYS: And the land too.

Mr. POWER: Contractually—

Mr. BOYS: It binds both the man and his land.

Mr. CLARK: And any interest there may be in it.

Mr. POWER: And any interest or equity there may be in the land.

Mr. BOYS: Quite so.

Mr. POWER: But it was in order to save the board from having to take proceedings on that contract that we retained the charge on the land—the statutory obligation. The reason will appear later on in the discussion of another section. The Soldier Settlement Board, though it does sometimes foreclose under the statutory charge, and has as a matter of fact sold lands under the enactment, has not taken action in the courts to obtain judgment and enforce the written agreement or contract. Apparently the board has always been reluctant to do this and I suppose it still is, so much so that it made representations to the members of the drafting committee with respect to the deficiencies. The idea was not to abandon altogether their recourse under the contract with regard to deficiencies, because that might permit fraud or allow a person with fraudulent intent to get something which he had no right to. But the information we had was to the effect that this contract has never been enforced, so that it was thought well to leave the statutory guarantee in. I do not know whether I have made clear the intention.

Mr. BOYS: Does my hon. friend suggest that the statutory right is any higher than the contract of the man himself?

Mr. POWER: It involves much less trouble.

Mr. BOYS: I cannot see that. I agree with everything that my hon. friend has said except on the last point. He admits that the right exists against the land and the man, both, and if you passed fifty statutes you could not give the department more than that. What therefore is the sense of retaining the statutory provision?

Mr. POWER: Because they keep the patent to the land.

Mr. BOYS: Of course they do; they keep it anyway.

Mr. POWER: My information is that under the agreement they do not.

Mr. CLARK: But they can.

Mr. POWER: Under the agreement they do not. Apparently the agreement covered only the loan on the land, whereas the government of the day thought it well to go further and have a statutory charge on the land. We are lifting the statutory charge in every case. The statutory charge that existed in 1926 we are lifting in every case except that in which the man gives his new land as a guarantee for loans in connection with both it and the old. The former statute gave them a lot more.

Mr. GEARY: Will the hon. member tell me this: Is there any charge against the land subsequently obtained in connection with any one of these transactions except the statutory charge contained in the old section 26?

Mr. POWER: Yes.

Mr. GEARY: Are you sure?

Mr. POWER: I think there is.

Mr. GEARY: Outside section 26?

Mr. RALSTON: I do not know anything about the Dominion Lands Act and therefore I am as well qualified to speak about it as anybody else. There seem to be three transactions involved. One transaction, in section 18, relates to the sale of stock and equipment, where security is provided—a statutory charge. There is another under section 19, where the charge is somewhat different; it is a first charge on the land of the settler or the land sold to him by the board. That indebtedness is created by advances for improvements—not advances in connection with the purchase of the land itself, but for improvements. Then section 25 provides for advances for the discharge of incumbrances This is the only section in which there is a specific charge on Dominion lands held by the settler. Under sections 18 and 19 there is no specific charge on Dominion lands which the settler held at the time the advance was made or the indebtedness created. But apparently section 26 has been introduced for the purpose of creating what I may call an omnibus charge not only on land then owned by the settler but on after-acquired land; and what is sought to be done by this amendment is to do away with that charge on after-acquired land. The object is to see that the board's security shall be preserved in so far as there is a charge on land owned by the settler at the time the indebtedness was incurred or the advance made. But as to the Dominion land which he may acquire in the future, there is to be no charge.

Mr. GEARY: Except under 26.

Mr. RALSTON: Except under 26, and, I may point out to my hon. friend, under 25 as well, which seems to provide for the very same thing. Section 26 provides for a charge not only in respect of money owing as a result of any sale made to the settler by the board, but otherwise, by reason of the exercise by the board of any of its powers under this act, and also in respect of advances made by the board pursuant to the

act. It seems to cover all possible forms of indebtedness which could be created under the act as between the board and the settler. It says, "You shall have a charge not only on Dominion lands at present owned but on lands hereafter to be owned"; and I take it that the object of the amendment—and apparently it was the object of the committee—is to do away with that charge on future acquired Dominion lands, leaving the board with the security on the lands owned by the settler at the time the loan was made or the obligation created.

Mr. McGIBBON: The minister is not quite correct in his interpretation in the matter. The intention was to make it retroactive.

Mr. RALSTON: It is retroactive in the sense that if there is any indebtedness outstanding and there has been no settlement between the board and the settler, the charge which is created by section 26 shall not apply to Dominion lands acquired in the future.

Mr. McGIBBON: In the past a soldier wanting to homestead would apply to the government for a loan for stock, and the government took not only the original security but his stock and notes as well. Is that correct?

Mr. RALSTON: That is correct under section 26. That is one of the transactions covered by that section, under which the board had not only the security of the stock itself, but the security in connection with the land which he owned and Dominion land which he might acquire in the future.

Mr. McGIBBON: It was the intention that the homestead land should be free; that is to say, the original farm plus his stock should be sufficient security for the additional loan, without taking in everything else. Is that right? Does it apply in that case?

Mr. RALSTON: I think so.

Mr. McGIBBON: I want to be sure.

Mr. RALSTON: It applies only to Dominion land which was owned by the settler before the advance was made; that must be what my hon. friend has in mind. If the settler owned land at the time the advance was made, the charge applies; if the land is acquired later the charge does not apply.

Mr. McGIBBON: That is exactly the point; all this land will be still mortgaged. Our contention was that that advance was for stock; his original holding plus the stock should have been enough security without mortgaging these homesteads, and these mortgages should be lifted.

Mr. RALSTON: I can only say that there are three kinds of security, as I was trying to point out; there are three different sections, and they deal with securities in varying terms. Then along comes section 26 and gathers all the land together as security. This section does away with that so far as it affects property later acquired.

Mr. ARTHURS: To a large extent I agree with the hon. member for Quebec South. I know he has had great difficulty in understanding this section, because earlier in the debate he said he had consulted ten or twelve lawyers before he really understood it. To me this section is about as clear as mud. I think the government have the right intention, as far as this section goes; the intention of the committee was that the soldier should be relieved with regard to any land which he held in addition to the land previously mortgaged to the government. This has been more or less restricted by this section, since it does not apply to cases where men had homesteads before receiving a second loan, although in many cases the second loan was expended on the homestead itself. I am not opposed to protecting the government to that extent, but the main objection to the section is that it is not clear and distinct so that everyone can understand it without trouble. A second objection to the whole bill is that it does not go as far as the committee intended it to go. There was a special provision made by the committee, unless I am mistaken, providing that in cases where the assets of a defaulter or a man who had not made good on a farm were not sufficient to pay his indebtedness, he should be released from any future obligation to the government and that no further action could be taken against him. That is most important, because instead of homesteading land a man might purchase other land, and he would always have this claim of the government hanging over him no matter how long he stayed on the land or how hard he worked. I think the act should be amended to include all the provisions recommended by the committee.

Mr. RALSTON: That was the way the report was put before me, and I was given to understand, and I am within the hearing of members of the committee from both sides of the house, that on further consideration it was

thought that the repeal of the whole section would be going too far, in that it would wipe out the security for loans made for other purposes besides the purchase of land itself.

Mr. ARTHURS: I did not question that point; I said I was in favour of that restriction which is now made. But there is the other point which has to do with a man being held liable for an indebtedness after he has been cleaned out.

Mr. RALSTON: The repeal of section 26 would wipe out the security not only for indebtedness in respect to land purchased from the board but also for loans for stock and equipment and for improvements, and it was thought that security should be retained provided that it consisted of land owned at the time the advance was made. I understand that my hon. friend does not object to that. With regard to the deficiency my hon. friend is right; I see there is a provision in the statute covering deficiencies, but I understand that that is never invoked except in cases of fraud, and I understand further that the committee reported themselves perfectly satisfied that this section should be invoked in those cases. That is a matter of practice, and I make that statement within the hearing of the minister.

Mr. ARTHURS: We believe it should be in the statute rather than a matter of practice.

Mr. POWER: That is what I was trying to explain a moment ago. As my hon. friend says, it is quite true that the committee was of opinion that these deficiencies should be wiped out and that the man who made a failure should be allowed to start with a clean sheet, but my hon. friend will find that under the act that charge would have applied to lands. There is a charge in the act now which applies to lands which he may obtain after he has been cleaned out. Under the Soldier Settlement Act he cannot make a fresh start unless he first pays back everything he owed to the board, and in addition to that under his contractual obligations, even if he left the land and opened a shop in the city, the board could follow him. It was found very inconvenient to do that; in fact, it was found impossible, and no case has arisen where that action has been taken by the board. We could have easily wiped out the deficiency when there was a question of new land being taken up, and I think we have done that by the new section 26. Any land the settler may take up now will not be charged with his debt; he may take it up now or after he has failed and has settled with the board. The man who goes into the city and opens a shop is not protected in any way by any of our amendments.

Mr. ARTHURS: But the settler who buys an adjoining farm to make a new start is not protected either.

Mr. POWER: Yes; we have wiped out section 26.

Mr. ARTHURS: That applies only to crown lands.

Mr. POWER: I think the hon. gentleman is right, but when the settler obtains a patent that becomes his own land and is therefore private land.

Mr. ARTHURS: But suppose he purchases private land?

Mr. POWER: Then it is not crown land.

Mr. ARTHURS: He would not be protected against that.

Mr. POWER: I believe that is right, but he is protected to the extent that the board will not sue him; it has not been the practice of the board to institute actions of this kind. Unless we pass legislation stating that the board no longer should have the right to enforce obligations under the act by appealing to the court, we must allow this section to remain in the statute. It must not be forgotten that we have to protect the government against fraud, and in view of the fact that it has not been the practice of the board to go before the courts to obtain judgment it was thought wise to leave with the board power to take this action in cases of fraud. If we placed an amendment in the act stating that this action could be taken only when there was fraudulent intent it would be necessary for the board to prove fraud, so we thought it best to leave these provisions in the act with the clear understanding that no soldier settlement board will take action except in cases of fraud, and in so doing I think the soldier is amply protected.

Mr. CLARK: May I ask a question? As I interpret the remarks of my hon. friend, they are to this effect: He leaves the section as drafted in the act. The department can take the law in its own hands and retain the man's patent, or retain the man's interest in the land; the man has no defence. If the section is not there, it may be necessary at some time for the department to take action in the courts, in which case the man would have a defence. Leaving the section in as it is, the department could take the law in its own hands.

Mr. POWER: They have not taken any action.

Mr. BOYS: I do not propose to repeat what I have said, but I want to read the explanatory note on another feature. This appears on the right hand side of the sheet:

It is also the committee's opinion that no deficiency which may remain on the resale of the lands or other property of a former settler whose agreement with the board has been terminated should be charged to or collectible from the said former settler, except in such cases where fraud or intent to defraud is shown.

It has been suggested that such a thing has never been done, and that such a thing never will be done. I do not think there is anybody in this house who has the right to speak for what may be done in the future. That will depend, no doubt, upon the contractual rights. What I rise to say is this: There certainly is nothing whatever in section 26 of this bill which in any way carries into effect the protection that is given the soldier by the explanatory note that I have just read. I might say further that I have been told that this particular bill was never considered by the committee as a whole, but that it was considered by a sub-committee. It does seem to me that the proper course to take is for this bill to go back to the committee for further consideration.

Mr. POWER: The report was read to the committee and concurred in.

Mr. ARTHURS: I want to say that the member for North Simcoe (Mr. Boys) was mistaken.

Mr. BOYS: I was speaking of the bill itself.

Mr. ARTHURS: The bill would not be before the committee.

Mr. BOYS: That is what I am saying.

Mr. ARTHURS: The member for North Simcoe was taking up the point I brought forward a few minutes ago. We want to relieve the man of any deficiency which might exist, but I believe this should be statutory, and not at the whim of this or any other government. This land settlement scheme was for the purpose of placing soldiers on the land as settlers; we all agree on that. We are anxious to keep as many men as we possibly can on the land of the various provinces of Canada. If a man is sold out under this act and still believes that he can go on and make a success, either by the purchase of another farm, with the assistance of his friends or otherwise, or by locating land under the homesteads acts of the various western provinces, or the provinces in the east, that man should not have the threat held over him all the time that an action for the deficiency between the amount he agreed to pay and the amount his land brought under a forced sale will be brought by the soldier settlement board. That is the only point I am trying to make, and I think the minister would be well advised to make it statutory instead of following the practice which we believe is followed. It would be a great relief to many of these men to know they could not be proceeded against except in the case of fraud.

Mr. ESLING: May I ask the minister a question with respect to the future operation of this act? Are there any advances being made now, or is there any provision for advances to returned men toward the purchase either of land or of equipment?

Mr. FORKE: No, there are no advances made.

Mr. ESLING: And there have not been any made since 1924, I understand?

Mr. FORKE: No.

Mr. ESLING: Why talk about the future? Is there going to be any provision made for this year? I have two or three applications from returned men who desire assistance, either in the purchase of land or in the purchase of equipment. Is it the intention of the government to make any provision for the returned men by way of advances?

Mr. FORKE: No, there has been nothing done since 1924; no money has been voted for that purpose.

Mr. ESLING: But have you made any provision for the future?

Mr. FORKE: No, I do not expect so.

Mr. CAHAN: I have listened to the discussion, and it seems to me that the clause might be simplified and carry out the intent of the committee—an intent which has been expressed by the hon. member for Quebec South and by members on each side of the house—if it were made to read something like this:

When a settler obtains Dominion lands, whether by soldier grant or otherwise, such lands shall be subject to a first charge in respect of any advance thereafter made to him by the board, pursuant to this act—

Then follow the closing words:

—and no patent shall be issued to such settler for such lands until the amount of such advance, with accrued interest, has been fully repaid.

If you bear in mind the fact that you wish to secure future advances, and future advances only, upon these Dominion lands so acquired, it seems to me that you might express it in a more simple and concise form, and prevent any possibility of such misunderstandings as have arisen in this discussion. It seems to me that the clause might be redrafted and made so simple and so clear as to obviate the criticisms which have been made during the course of the discussion this evening.

Mr. POWER: Will the hon. gentleman read that again, please?

Mr. CAHAN:

When a settler obtains Dominion lands, whether by soldier grant or otherwise, such lands shall be subject to a first charge in respect of any advance thereafter made to him by the board, pursuant to this act, and no patent shall be issued to such settler for such lands until the amount of such advance, with accrued interest, has been fully repaid.

That seems to me to carry out the intent of the hon. member for Quebec South.

Mr. STEWART (Edmonton): While I was not a member of the committee I have discussed the matter at some length with members of the committee. Am I wrong in coming to this conclusion that what the committee really intended to do was to free Dominion lands, or crown lands, from the mortgage issued on the freehold, if at the date of the issuing of the mortgage, or subsequent to that date, the settler acquired those lands? That is what I think the committee had in mind—that the mortgage should apply only to the lands upon which it was issued, and not on the Dominion lands acquired after the issuing of the mortgage. I do not think you have done that.

Mr. McGIBBON: No, we have not.

Mr. STEWART (Edmonton): Am I right in supposing that?

Mr. POWER: Yes.

Mr. CAHAN: Did I not cover that in my suggestion—"shall be subject to a first charge in respect of any advances thereafter made"? It does not apply to previous advances; it only secures the advances thereafter made to such settler by the board, pursuant to this act.

Mr. RALSTON: Does my hon. friend think that covers the case of an actual sale of lands by the board—not the advance of money, but the sale of lands? That is what is covered also in this section.

Mr. CAHAN: All I am suggesting is this simple way of expressing it.

Mr. RALSTON: It certainly saves a lot of words.

Mr. CAHAN: And it might save a lot of circumlocution. I suggest that it might be reconsidered. This committee seems to be unanimous in its intent, and it should be easy to find some form of expression which will cover it clearly.

Mr. STEWART (Edmonton): Mr. Chairman, there are two points that we have just been discussing. The first is whether or not the mortgage, under the provisions of the amendment, will be freed from the crown lands acquired after the mortgage was issued, and, secondly—

Mr. BOYS: That is not disputed. How could you possibly free by statute lands upon which the man himself has a mortgage?

Mr. STEWART (Edmonton): We are not speaking of that at all. Let me try to make it clear. As I gathered from the report of the committee what they are desirous of doing is this. Under section 26 as it is at present any land owned by the settler and even his canary and his cat come under the provision of the mortgage. What the committee want to do is this, that any land acquired from the crown by homesteading or otherwise by the settler after the execution of the loan should not be covered by the mortgage.

Mr. BOYS: Quite so.

Mr. STEWART (Edmonton): I doubt if they have done that. Let us endeavour to get the matter clear so that we can amend the act properly. The second thing the committee desires is that it be made statutory, that except in case of fraud, he shall not be proceeded against for the deficiency.

Mr. BLACK (Yukon): That being so, does the minister suggest that section 26 covers that? I am directing this question to the Minister of the Interior, he having elucidated the matter better than it has been done so far at this sitting. Is the department under section 26 prevented from suing a soldier for the money he owes?

Mr. STEWART (Edmonton): He can be sued. If we could get into our laymen's minds exactly what the committee want, then we had better take some time to redraft the bill properly.

Mr. BOYS: We all know what we want, and most of us feel that it is not to be found

in the provisions of the bill. We are told that the committee reported on certain things. This is the report of the committee:

> Your committee therefore recommends that an act be passed this session as follows:
> An act to amend the Soldier Settlement Act.
> His Majesty by and with the advice and consent of the Senate and House of Commons enacts as follows:
> 1. Subsection 4 of section 22 of the Soldier Settlement Act, being chapter 188 of the revised statutes of 1927, is amended by striking out all words following the word "settler" in the sixth line thereof.
> 2. Section 26 of the said act is repealed.

I need not read the remainder. The bill that is before us—and I say this with all respect to the hon. member for Parry Sound —was never before that committee. The bill that was before that committee and the bill which it recommended is absolutely different from the bill now before the house. The committee recommended the repeal of section 26, and we find the extraordinary situation that although we have the committee recommending that repeal, a bill that has not been before them is introduced to carry into effect their report, but doing the very opposite. It may be intended to have the same purpose but it certainly has not. In view of the fact that the bill now before this committee was never before the special committee that dealt with the matter, would it not be wise that it should be referred to the committee for consideration so that some provision may be inserted which will protect the soldier in regard to the explanatory note which I read, and which I need not read again? It is not in the bill now, and if the intention is to relieve the soldier from any deficiency there may be, let us have something in the statute; do not let us leave it to the whim or caprice of some future minister or some official of the department. If you intend to give the soldier that right, to discharge him from that obligation, let us put it in the statute.

Mr. POWER: My hon. friend is quite right in what he has just said with regard to the report of the committee. I will go further. The report of the committee recommended that the Soldier Settlement Act be amended in this respect:

> Subsection 4 of section 22 of the Soldier Settlement Act, being chapter 188 of the revised statutes of 1927, is amended by striking out all words following the word "settler" in the sixth line thereof.

That covers the deficiency.

Mr. BOYS: That is just what I read a minute ago.

[Mr. Boys.]

Mr. POWER: Section 26 we have already discussed. Section 27 also had references to charges on the land. In order that my hon. friend may not have any doubt as to the bona fides of the Minister of the Interior—

Mr. BOYS: I have none.

Mr. POWER: —or of the minister in charge of the administration of this act—

Mr. BOYS: I am not expressing any.

Mr. POWER: —may I tell him this, that the report of the committee passed the committee? The suggested amendments were looked over by the officers in charge of the land settlement board and they found that some of the amendments were not workable. With all due respect to all the lawyers on the committee, although we knew what we wanted, we had not arrived at a workable solution. For instance, in regard to the amendment to section 68, while I was discussing the matter with the Minister of National Defence, he pointed out that it was all very well to provide for a revaluation of certain lands, but we had not made any arrangements for a basis on which the revaluation could be made. Therefore we were obliged to consult with the officers of the Soldier Settlement Board in order to find out how we could arrive at a reasonable basis. That has been done by the new amendment to the act.

The amendments that have reference to deficiencies and to the mortgage were thoroughly discussed by the hon. member for Winnipeg South Centre (Mr. Thorson), the hon. member for Melfort (Mr. McLean), the hon. member for Red Deer (Mr. Speakman) and myself. We met the officers of the Soldier Settlement Board and the law officers of the crown and on Friday night after continuous discussion we arrived at the drafting which is now before the committee. We were not in any way influenced, I can assure the committee, by either of the ministers, and our endeavour was to put before the house something which would be comprehensive. Evidently we did not succeed. I would suggest to the minister that he allow this clause to stand and I for one am perfectly willing to agree to this. We cannot ask that the bill be sent back to the committee because the committee is discharged, the report having been brought before the house and concurred in. But I think some of the committee members on the other side of the house and others would be quite willing to volunteer to join in a conference for the purpose of discussing the matter. I know members on this side of the house who are interested in land settlement will do like-

wise, and in view of the fact that we all have in mind the same thing; that there is no dispute with regard to the principle, I think by to-morrow or the next day we may arrive at some amendment which will be satisfactory to all parties. Perhaps the minister will accept that suggestion.

Mr. FORKE: I trusted to about half a dozen lawyers to draw up the bill and I now find there is a great deal of difficulty in regard to it. I move that the committee rise and report progress.

Mr. NEILL: Might I repeat the suggestion I made before six o'clock that if the section is going to be amended it should read that when a settler—

The CHAIRMAN (Sir Eugene Fiset): This motion is not debatable.

Mr. POWER: By consent of the committee.

Mr. CLARK: I do not propose to discuss the motion, but may I draw the minister's attention—

The CHAIRMAN (Sir Eugene Fiset): The motion is not debatable.

Progress reported.

SUPPLY—DUMPING DUTY

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee of supply.

Hon. S. F. TOLMIE (Victoria, B.C.): I wish to move an amendment to this motion, Mr. Speaker, and in doing so, to draw the attention of the house to a very important matter, namely, the application of a dumping duty applicable to certain agricultural products that are imported into Canada from time to time.

It must be realized by all that to build up the agriculture of Canada we must establish and maintain stable markets in which the producer can dispose of his products at a profit. In Canada we find that our crops are divided practically into two divisions. Some of our crops are those which keep well and can be shipped long distances, and owing to that and to our soil and climatic conditions as well, and to the condition of the world's market and the shortage of supply, we can put these crops on the market at a profit. Owing to the very nature of these products we can also hold them from time to time until we have an opportunity to sell them to the very best advantage. On the other hand, we are producing soft fruits and vegetables of various kinds, poultry and poultry products, and so forth. With regard to the fruits and vegetables, they are of such a nature that an immediate sale must be obtained for them; otherwise a loss is experienced.

The United States, located to the south of the border line, and enjoying a very much earlier season, is able to dispose of her early products to great advantage in the large, populous and wealthy centres in that country, and a little later on, when her markets begin to be satisfied, she looks for other suitable markets in which to dump her surplus products. These products are shipped north into Canada in preference to forcing them on the home markets in the United States and spoiling those markets. These products come into Canada in competition with the early crops in this country, and they have a very serious effect on the results obtained by our producers. We have as an illustration of that the poultry business, the production of eggs, and so forth, which has now reached a very large figure in this country. We find that in California they have spring weather in December, January and February. when the poultry down there are producing their egg crop at the very lowest cost of the whole season, while the producers in Canada have to house their fowl and keep them at much greater expense, and are producing at the very highest peak of cost. Then we have in British Columbia a country that is milder than eastern Canada, a province that is especially well-fitted for the production of poultry and poultry products. We can ship to the big markets in eastern Canada, such as Montreal and Toronto and other places, at a season of the year before their local poultry have begun to produce at a profit. That presents a tremendous opportunity for the British Columbian to build up a great trade in the east, but when he ships his produce there, unless protected by the dumping clause as he has been for some short time, he finds that when his produce reaches that market it meets with the surplus production from the southern states, their end of the season crop, when their produce has to be sold very cheap, and the result is that the market is demoralized to a great extent.

As a striking illustration in fruit, take apricots. We have California, Oregon and some other states to the south all producing apricots. They sell their best quality apricots in the large centres of the United States, securing a high price for them, and then when it comes to disposing of their surplus crop, instead of spoiling their local market by forcing their sale, lowering prices to do so, they ship them north into Canada, and a

great advertising campaign is carried on to help dispose of them. They are several weeks ahead of our producers in the Okanagan, and when our first class product reaches the market we find that the shelves of the housewife have already been filled to a great extent by American trash. It was to meet such a condition as that, that the dumping clause was first introduced by Mr. Fielding in 1907. It provided that the specific duty was not to exceed 15 per cent under any conditions. But in 1920 it was discovered that the dumping clause had been evaded to a great extent, and that it had been of really no protection to the fruit and vegetable growers in the way it was being applied up to that time. In 1921 it was amended and the duty was based on the cost of production, so that a reasonable figure was charged on these products from the south, and the protection thus received by the producers in Canada was found by them to be very advantageous indeed. In 1922 this was repealed, and clause 47a was added to the Customs Act, whereby the duty was based on the fair market value, such value being fixed by the Minister of Customs. Very little action was taken under this clause for some time, and finally an order in council was passed authorizing the minister actually to fix the various estimates of what a fair charge was. This list was prepared and published, and gave great satisfaction to the dealers throughout the country because it established stability to a certain extent. In 1926, and later, it was generally enforced, with excellent results indeed. The experience with the dumping clause has been that it has not increased the prices of the products to the local consumer. We have found that by stabilizing our home market it has had the effect of encouraging greater production, with the result that our home production soon meets our home requirements, and as far as prices are concerned the competition between the various producers in this country regulates that feature.

The value of a dumping clause depends, first of all, very greatly upon its continuity and steady enforcement, so that a man is enabled to figure from one year to another, whether he is a buyer of these products, a dealer, or the producer on the land.

Secondly, we must have a fair conception of the market value. We progressed very well with the dumping clause, and it was found very advantageous to the producers, but on the 19th of March last, 1928, we found that this dumping clause was cancelled by the government. This has had a demoralizing effect and has given rise to a great deal of discussion throughout the whole of this country from the Atlantic to the Pacific. This was clearly shown the other day at the meeting held in this building when a large delegation from all parts of the Dominion met members of the cabinet and discussed this matter very fully.

Now, the fixing of values on the importation of certain commodities into Canada is not entirely new. I remember years ago after there had been a very heavy settlement of the ranching districts of Oregon, Washington and Idaho, that a large number of horse ranches were closed up owing to the depreciation in the value of the stock. These animals were shipped into Canada several hundred at a time. I remember inspecting one train load of over three hundred head. Some of those horses on their home ranges were not worth more than five or ten dollars a head. To meet this situation our tariff was amended so that those animals were valued at not less than fifty dollars per head, thus assuring the payment of a duty of $12 50 on each animal. That had a very excellent effect for it kept out of this country a lot of cheap breeding stock that would have been detrimental to the horse breeding of the Dominion.

The present situation is one of urgency. It should be dealt with immediately. Some of these vegetable crops are now coming on the market. By the handling of these crops with a little care, by stabilizing our market, we can greatly increase our production not only along the lines I have mentioned but along other lines that are of importance to Canada. To be effective we must have quick action, otherwise the market is broken before the remedy can be applied. In addition to this, we must have such legislation as will anticipate the coming of various shipments. If we have to wait until a shipment arrives at the boundary line before we can get an order in council passed, I am afraid the procedure will be too slow to be effective. What we want is to be in a position immediately to meet any shipments which it is intended to dump here and take the requisite steps to exclude them except under certain conditions. I repeat, the case is most urgent, and I hope after the interview which the government had with the delegates from all parts of the country a few days ago, they fully realize the importance of speedy action and will take a sympathetic view of the whole situation.

Before reading the amendment I may refer to the fact that in the course of his remarks

the other day to the delegation the right hon. Prime Minister said, referring to hot house tomatoes, asparagus and canteloup, that some of these were not even produced in this country. I would point out to the right hon. gentleman that that is not exactly so. We are producing asparagus of excellent quality in many parts of Ontario and also in British Columbia. As to hothouse tomatoes, they are produced of the very highest quality in British Columbia and in the east, and under present conditions without the protection of a dumping clause they are forced to come into competition with tomatoes sent up from the southern states, the product of Mexican peon labour. With regard to canteloup, I think growers in the east have established a great reputation for what is known as the Montreal melon. I do know that in the southern Okanagan valley our returned soldiers are producing a canteloup at Oliver, British Columbia. It is very thin of rind, rich in flavour, and second to none. Once you try an Oliver canteloup you are eager to order a case. I am quite sure that if this district is given an opportunity it will soon build up an extensive trade in the Oliver canteloup from one end of Canada to the other.

I beg to move, Mr. Speaker, seconded by Mr. Charters:

That all the words after the word "that" be stricken out and the following substituted therefor:

In the opinion of this house the necessary action should be taken by the government forthwith to effectively control the importation into Canada, either on sale, or on consignment, of natural products of a class or kind produced in Canada under conditions which prejudicially or injuriously affect, or threaten to prejudicially or injuriously affect, the interests of Canadian producers.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I might say to the house that the government received no intimation whatever of the intention of the opposition to move this amendment until after the hon. member (Mr. Tolmie) who has just spoken was on his feet. It is customary, when an amendment is to be moved to the motion to go into committee of supply, particularly as in such a case it is equivalent to a motion of non-confidence in the government, that notice should be given in advance to the administration in order that the ministers who are immediately concerned will be certain of being in their places and in a position to make reply. I regret that the Minister of Finance (Mr. Robb), who was here a few minutes ago, has gone to another part of the building. Pending his return I shall say a few words with regard to the amendment.

The amendment implies that at the present time there is no power in the hands of the government to take action where necessary "forthwith to effectively control the importation into Canada, either on sale or on consignment, of natural products of a class or kind produced in Canada, under conditions which prejudicially or injuriously affect, or threaten to prejudicially or injuriously affect, the interests of Canadian producers." I may say that there is on the statute books a clause in one of the acts which was passed by this parliament some years ago designed to serve this very purpose. It is a part of the Customs Act and was designed for the express purpose of giving to the administration power to take action in case of necessity. I will read the clause, and I think hon. members will see at once that it almost parallels in its phraseology the terms of the amendment. Section 43 of the Customs Act provides:

If at any time it appears to the satisfaction of the governor in council on a report from the minister, that natural products of a class or kind produced in Canada are being imported into Canada, either on sale on on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers, the governor in council may, in any case or class of cases, authorize the minister to value such goods for duty, notwithstanding any other provisions of this act, and the value so determined shall be held to be the fair market value thereof.

That clause has never been repealed. My hon. friend from Victoria (Mr. Tolmie) has referred to a rather important delegation which, as he remarked, waited upon the government a few days ago, within the precincts of this chamber. The members of that delegation for the most part came here under the impression that the power just referred to had been taken away from the administration, and they were here to request that a new section should be enacted which would restore the power so repealed. They were somewhat surprised to learn that they had evidently been misinformed as to what had taken place with respect to the matters in which they were interested, and to learn that the power which resides in the governor in council and under which alone, during the past years, it has been possible to take action of the character referred to in the amendment of my hon. friend, still resides in the governor in council and has in no sense been affected by any action on the part of the administration.

Mr. LADNER: That is really the whole point of the debate. Does the Prime Min-

ister say there is provision under the act giving authority to the governor in council to pass an order in council to apply the dumping duty? I am informed that the Department of Justice has ruled that no such power as this exists under section 6.

Mr. MACKENZIE KING: I am not aware of the ruling to which my hon. friend refers. What I am aware of is the statute before me at the present time, and the clause which I have just read to the house is the clause in the Customs Act as it appears to-day. I would respectfully submit—

Mr. LADNER: The section to which the Prime Minister is referring is not linked up with the other section giving power to apply the dumping duty, and that is the fault in the whole thing.

Mr. MACKENZIE KING: I cannot enter into an argument with my hon. friend on matters in respect of which I cannot speak with authority or with full knowledge, but I can say to him that the section of the Customs Act which was framed for the purpose of preventing the importation of natural products of a class or kind produced in Canada, at rates which would be prejudicial to or which would injuriously affect such products in Canada, still remains on the statute, and the governor in council has authority to act under that section.

Mr. LADNER: And apply the dumping duty?

Mr. MACKENZIE KING: The governor in council has the power to fix the rate at which these goods are to be valued when coming into the country.

Mr. LADNER: But that merely makes it subject to an ad valorem duty; it does not make it incumbent on the governor in council to apply the dumping duty. That is the point of the debate.

Mr. MACKENZIE KING: With respect to the importation of natural products from other countries at rates which would be prejudicial to the producers of Canada, the method which this parliament has said should be adopted as an effective means of preventing that sort of thing has been to give the governor in council in cases of emergent necessity power to fix the valuation at which these commodities shall be admitted by the Department of National Revenue. That means is provided in the statute at the present time; the power to exercise that right still resides in the governor in council. I submit therefore, with respect to the amendment moved by my hon. friend, that the necesity for such a motion does not appear inasmuch as the power rests already with the government for this express purpose. There is no doubt that there is wide misapprehension throughout the Dominion as to that power still residing in the government. Circulars were sent out from interested parties to horticultural organizations in different parts of the Dominion, which I gather created the impression that in some manner this power has been taken away from the administration; and the delegation to which my hon. friend refers waited upon the government with the express object of emphasizing the necessity for having that power restored. They were, as I have said, very much surprised when they were told that the power had not been taken away, but that it still resided in the governor in council.

I am informed by the Minister of National Revenue (Mr. Euler) that at the present time there are no representations before the Department of Customs with respect to any commodities coming into this country in a manner such as to necessitate action by the governor in council in accordance with the terms of the section of the Customs Act to which I have just referred. Should such a necessity arise, there is power for the governor in council to take action. And the governor in council proposes, as circumstances arise which appear to justify action under this clause, in keeping with the intention of parliament, to see that such action shall be taken as may be necessary. But I desire to make it very clear to this house that the governor in council does not purpose to usurp the powers of parliament with respect to fixing the rates of duty that should govern commodities coming into the country. The right to levy or fix customs duties, which are a form of taxation, is a right which no parliament that has any regard for British procedure will ever delegate to a governor in council or to an executive. So far as the collection or the imposition of customs duties is concerned, that is a responsibility for parliament; and when the government finds it necessary to impose additional customs duties on any class of products it will come to parliament and ask for the authority so to do. The government does not construe the clause to which I have referred as giving to the cabinet the right to fix duties, as the House of Commons would have the right to fix them. What it does construe the clauses as giving to the governor in council power to do is to meet emergent conditions, where producers of natural products in this country are placed at a disadvantage and prejudicially affected by situations, arising in other countries, which

could not be foreseen and which are of a temporary character, and such as parliament would not likely provide against from one year's end to the other.

I say therefore, with respect to this motion, that the necessary authority has already been given by parliament to the governor in council to deal with the situation to which my hon. friend has referred. There is no way in which that power could be increased except by the decision of parliament itself to raise the duties which are to be levied on natural products coming into this country. I submit that the moment to consider that question is when the house is in committee of ways and means, with budget resolutions before it proposed by the Minister of Finance, and not by an amendment brought forward upon a motion to go into supply, which is the equivalent of a motion of want of confidence in the administration.

Mr. GOTT: I want to ask the Prime Minister one question. Is he aware of the fact that order in council No. 1088 did not increase the tariff on vegetables imported from the United States?

Mr. MACKENZIE KING: I am sorry I have not in mind just what order in council 1088 is. I do not know the orders by number.

Mr. GOTT: The one we are discussing under 47a of the Customs Act.

Mr. SPEAKER: Is the house ready for the question?

Some hon. MEMBERS: Question.

And Mr. Speaker proceeding to put the question:

Mr. BENNETT: Mr. Speaker, before you proceeded to put the question the hon. member for Weyburn (Mr. Young) was on his feet.

Mr. CANNON: He can look after himself.

Mr. BENNETT: But other hon. gentlemen on this side wanted to speak.

Mr. PARENT: The hon. member can withdraw his feet whenever he likes.

Mr. SPEAKER: Does the hon. member for Weyburn desire to speak?

Mr. YOUNG (Weyburn): No.

Mr. SPEAKER: The spirit does not move the hon. member.

Mr. BENNETT: The point is this: The hon. member was on his feet and a member on our side was to follow, but Your Honour called the question.

Mr. SPEAKER: The question has not been put, and if any hon. member wishes to speak he may do so now.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, I shall not take up very much of the time of the house in discussing this amendment, but I should like to call attention to the fact that this amendment expresses the opinion that the necessary action should be taken by the government forthwith —not after they have received certain notices and spent several days in consideration of the matters presented to them, but forthwith—with a view to protecting the interests of our producers. The amendment suggests that action should be taken forthwith to effectively control the importation into Canada, either on sale or on consignment, of natural products of a class or kind produced in Canada under conditions which prejudicially or injuriously affect—and I wish to emphasize the next words—or threaten to prejudicially or injuriously affect the interests of the Canadian producer. There are a few people in the constituency which I have the honour to represent who will be benefited by a resolution of this kind, and I would like to present to the house one or two reasons why action should be taken forthwith not only to protect our producers against the importation of goods now but to protect them against improper importations with which they are threatened.

Let us consider for a moment the advantages enjoyed by producers of these articles in the United States. If you go to the southern states you will find that they have the advantage of cheap Mexican and negro labour, and that the wages they pay are very much lower than those paid by Canadian producers. I am sure everyone will admit that the southern producer has a decided advantage in that respect. Then I point to a second advantage: The Canadian producer must be satisfied with the production of one crop during the year, but the southern producer is able to produce two or three crops, due to the more favourable climate. I have indicated two advantages which seem to me apparent as being enjoyed by the southern producer as against the producer in Canada, but there is still another point which must be considered. The American producer has three markets, two high price markets and one low price or medium price market, while the Canadian producer under existing conditions has only one market, which is a low price or medium price market. In the first place, the United States producer has the advantage of the high price which is paid

when he first places his vegetables and fruits on the market. After a time producers in other parts of the United States compete with him and he gets the medium or low price market. The Canadian producer has no opportunity to compete in the high price American market, for the very good reason that Canadian products are not available at that time. When Canadian vegetables and fruits are brought to the Canadian market, and when the Canadian producer should be obtaining the high price which will make his business profitable, his products are thrown into competition with American products which have been on the American market for weeks. So I say the American producer, in addition to the advantages of cheap labour and climate which enable him to produce two or three crops in a season, has the further advantage of a home market in which a high price is paid for fresh products and in which he meets no Canadian competition; he has first entry into our market, securing the highest prices paid here, and therefore has two high price markets and one medium price market while the Canadian producer has to take a lower price for his products.

Let us apply this argument to strawberries. American strawberries appear on the Canadian market before our strawberries are ready, and they command a high price here after having also obtained a high price in their own country. By the time our strawberries are ready for the market the American strawberries have broken the market so that our producers must take a low or medium price for what they have to sell. Again, by the time our Canadian strawberries are ready for the market the American raspberries come in at a high price and compete with the Canadian article, which is absolutely unfair.

One may theorize as much as he likes with regard to matters of free trade and so on, but there should be something like fair play for our producers. I do not care what party is in power or who makes the tariff; they may theorize as much as they please with regard to the principles of Cobden and Bright, but any government or party framing a tariff for Canada should in all fairness take into consideration the climatic conditions prevailing in this country and in the countries with which Canada must compete. That is a matter of fair play to our Canadian producers, and it does seem to me that sometimes hon. gentlemen, perhaps with the best intentions in the world, in their theorizing on trade matters, entirely overlook the kind of climate we have in Canada, which places our producers at a disadvantage as compared with producers in other countries where the climate is milder.

A number of years ago the Canadian producer had some protection quite apart from the tariff; the difficulty and expense of transportation afforded him some protection, but to-day distance is not measured in miles but in minutes or hours. We do not say it is so many miles to Winnipeg; we say it will take so many hours to go there. Transportation facilities all over the world have so improved and cold storage appliances have been so perfected in recent years that in so far as trade is concerned the advantage of distance has been practically overcome.

I do submit, on behalf of the people in my own constituency who are engaged in producing these vegetables and fruits, that in all fairness to them I should enter my protest against existing conditions and express my approval of an amendment which has as its object giving our Canadian producers fair play and a decent, reasonable opportunity to compete with their own produce in their own home market.

Mr. ROCH LANCTOT (Laprairie-Napierville) (Translation): Mr. Speaker, I entered the house just as the hon. member for Victoria, B.C. (Mr. Tolmie), the ex-minister of Agriculture, was discussing Canadian vegetables. I strongly favour the policy of giving protection to our farmers, for they are greatly in need of it. However, after discussing the matter over with my hon. colleagues on this side, when the question was brought to their attention by the delegation from Quebec and other parts of the country which came to Ottawa, the right hon. Prime Minister pointed out to us the tariff that was agreed upon in 1926, for a period of twelve months. People living in towns openly advocated that we should not enact too high a tariff, because certain kinds of vegetables are not grown in the province of Quebec or in any other province. I agreed with their views that we should have a seasonal tariff. I agree with all those who advocate a protective tariff for our vegetables seeing that we have the Americans competing against us. We must bear in mind that the United States grow vegetables at all seasons, while we have but one season to produce them. There are in my riding a few thousand farmers who grow vegetables, and I wish to state that our crop of potatoes, tomatoes and a great quantity of garden products were very remunerative last year. I am still in favour of giving this protection to my people who have treated me so kindly ever since I have had the honour to represent them in this house. Later on when Que-

bec will have its own supply of potatoes and other garden vegetables, I shall be among those who will come to Ottawa to interview the Minister of Customs, the right hon. Prime Minister and his colleagues, and request them to apply the seasonal tariff of which we shall then be in need for a period of three or four months, as the case may be. This will also apply to all the vegetables grown in my county.

I have on many occasions stated in my riding, and I have also told a number of my colleagues in this house, that last year we enjoyed a protective tariff and that we made money. We are indeed very grateful. There must not be only one class of society to enjoy protection. We give protection to the manufacturers of this country; therefore, I state that it is high time to also protect the farmers. Since there is a contention put forth at present, that the salaries of a certain class of people are not sufficiently high, it is also time that we look after the interests of the farmers. The country may be prosperous for certain classes of people but it is not so for the farming element. If there is one person who has a knowledge of farming conditions, I should be the one, for I am a hay and grain dealer in the county of Laprairie-Napierville. I endeavour to give the farmers, who work day and night to supply the Montreal market with garden products, all the protection possible.

I did not expect to deal with this question, but since my hon. friend from Victoria (Mr. Tolmie) brought on this debate, I deem it my duty to plead for a few moments the cause of my constituents. I wish to state, sir, that I shall bear in mind the statements which were again made to-night by the right hon. Prime Minister: that we should have a higher protective tariff than we have at present, in order that our country may benefit from the sale of early potatoes. Last year, in my own county, we sold on the Montreal market thousands of bags of potatoes; we were able to compete with the Americans on our own markets. The people of Laprairie-Napierville did not sell their potatoes at the price the hon. Minister of Railways (Mr. Dunning) paid for them last year, that is $12.50 per barrel, they were sold at $5.50 and $6 per barrel, or $3 per bag for the first week, gradually coming down in price to $1.50 per bag, and we were quite satisfied. I state that by an intensive production and a protective tariff we would do away with American competition on our own markets.

There are in my riding four factories, canning tomatoes, peas, beans and corn. That goes to show that our tomato production is considerable. Why not encourage our farmers and force the Americans to stay in their own country? Why should the Americans have a market in this country to sell their vegetables, when they have a population of 115,000,000 people? That is why in closing my remarks I state: it is more than time to protect our truck farmers and the farmers as a whole. Had I my notes with me I could discuss this question more at length, but I did not think this subject would come up this evening.

Mr. JOHN EVANS (Rosetown): Tariff legislation, Mr. Speaker, seems to be going up and up, step by step, and I am surprised that a Liberal government in power can apply a measure of this kind to the food of the people. This measure was applied last summer and raised the price of certain natural products to a valuation somewhere about two or three hundred per cent above what any of our growers got for them. As the Prime Minister (Mr. Mackenzie King) said, the government still has the power, and they have applied it this year to the very limit. The hon. gentleman said a word or two about the rights of parliament. I want to say right here that this measure, known as the dumping act—call it what you like— has rendered parliament practically a nonentity. No one knows at present what duty is going to be paid on any of these natural products. No one knows what valuation the appraisers will put on these articles, and the duty is collected accordingly. They say that it is only put on during emergent conditions. Emergent conditions, sir, are a matter of opinion only. It has a very wide meaning, something like what our Conservative friends used to call "adequate protection." No one knows what it means, where it begins, or where it stops. Anyway, parliament has been rendered practically a nonentity during the application of this measure. The government still has the power, and it has used it to the detriment of every consumer in this country. They say it is a producers' measure. It is not a producers' measure, and I do not think it was meant to be a producers' measure. It was meant only to be a distributors' measure, and they are the only class that has so far been profited by it.

Last year, I say, this measure was applied, and the result was the raising of the prices to those who had already filled their warehouses. The prices paid to the Canadian producer were similar to what has been paid in years gone by. Take British Columbia apples; there is about 600 per cent difference

between the valuation on a box of apples and what the consumer pays for it. From 50 to 80 cents was the price paid this last year for British Columbia apples. Boxes valued at that price, have been selling in the retail stores in Saskatoon—I have taken particular notice of it—at something between $3.25 and $3.75 each. If any further dumping is needed on the food of the people, I do not know of it. The first anti-dumping order on vegetables and fruits was put into effect on July 14, 1926, during the short time that the Conservative party was in power, and tomatoes, cucumbers, celery, onions, potatoes, beets, spinach, cauliflower and so on were in some cases raised two hundred per cent in valuation over the cost price. Peaches and raspberries actually went up three hundred per cent. This was long before the Canadian growers of these commodities came forward asking for any concession or any seasonal tariff, but it was done, I say, by the Tory party during the short time they were in power in 1926. The first order that was imposed on July 14, 1926, was to all intents and purposes imposed after the importers got stocked up on some of these main lines. A week or two later plums, prunes and so on received attention and as regards most of these articles it seemed that the new duty was to be permanent.

The Liberal government after it took power rescinded this order on most varieties of fruits on October 5, 1926, but it was left on certain of the vegetables until February 8, 1927, so as to prevent importations that would spoil the price, not for the growers, but for the importers, packers and dealers who handle the stuff. Hardly any of this stuff is brought out by the farmer later than the end of November and the fact that freer trade existed after those dates did not help the consumer at all. It is on apples that the greatest incongruity of all these manipulations exists. On September 2 an anti-dumping order was issued which fixed the value for duty purposes at 300 per cent higher than the price the growers received that year, and the special duty was maintained by the Liberal government until February 23, when the big dealers announced that they could not buy enough Canadian apples to supply the demand. Therefore, while the duty was removed the price to the consumer remained the same and no one except the dealer was benefited by the putting on or taking off of the special duty. Surely these figures go to show that the man who needs the benefit does not get it. The tariff is an incongruity in all its phases. It is an economic fallacy from the beginning. As I say, the one who needs the benefit never gets it. If the duty was removed the price to the consumer remained the same so that no one benefited but the dealer.

[Mr. Evans.]

Boxes of apples were valued as follows:

Extra fancy, medium and large.. ..	$1 80
Smaller sizes of same..	1 50
Fancy in small sizes..	1 25
Combination fancy and C grade..	1 35
Unwrapped jumble pack..	1 20
Small, fancy and C grade in baskets..	1 20

I have under my hand a letter from the Minister of National Revenue under date of November 18, 1927, with a letter attached giving full information as to the price of apples, in regard to which I was at the time seeking information. The attached letter is signed by Mr. A. Fulton, Chief, Markets Extension Service, and is dated October 17, 1927. I find that the figures that I have given are just about the same as his, but I want to say that the price of MacIntosh Reds to the consumer in Saskatoon was $3.25, on January 6, 1928. The price to the retailer when they were shipped by freight was 15 cents higher. Mr. Fulton in his letter states:

> It is impossible at this date to state what prices the producer will procure for his apples until they are all finally shipped. Last year's average price to the producer averaged between 50 to 80 cents per box according to variety.

This is an authoritative statement showing that the value for customs purposes was fixed at 250 per cent higher than the price the grower received. No one cares for the producer. I have said in the house before and I do not mind repeating it that it looks as if this was done for the benefit of those who can bargain with the government or with politicians. I have yet to hear a better reason why the interest of the consumer is traded off in this way.

On January 6, 1928, fancy apples were retailing in Saskatoon at $3.25 or 400 per cent above the price that the grower received during the time the anti-dumping act was in full operation under both the Liberal and the Tory regimes. On June 1st last a new set of orders were issued reviving the anti-dumping duty, and on this occasion the length of time that the duties were to be in force was specified. Let me take as examples: asparagus, 10 cents per pound from April 15 to June 30; lettuce, a duty of 3 cents per pound all the year round, and strawberries, 10 cents per pound from June 1 to July 31.

Again on June 14 another order was issued covering other fruits and vegetables. Onions and lettuce are covered for the whole year by the anti-dumping duty. It covers a long list of fruits and vegetables on which the

duty will now be about 75 per cent to 100 per cent in some cases, higher than before, although most of these were protected by a high duty before the seasonal tariff was imposed, and they were very profitable before to the big dealer and importer. The value for customs purposes of these foodstuffs will henceforth bear no relation to the price the grower in a foreign country may receive from the Canadian importer; it will be guaged entirely by the need of the importer, and I think as well by the campaign election fund of the party. During the session of 1926 the Conservative party declared that what they needed was an elastic tariff. This was also mentioned at the Winnipeg convention, I remember. Well, here we have it. They used to work hard on a "brick for brick" policy, but I think they found that Uncle Sam could sling brickbats just as well as any Canadian. It seems now that elastic is safer than bricks and it can be stretched and manipulated to meet all kinds of conditions.

I am in favour of keeping the cost of living as low as it is possible to get it, and if Canada is to be an exporting nation, if we are to prosper, we must keep down the cost of living in this country so that it is in line with other countries. Then, too, I believe that the worker has a perfect right to all these succulent foods which now only the rich can buy. I think it is time the government considered abolishing an act of bondage of this kind. Dumping legislation was first of all enacted by the Canadian government. It seems that we have led in acts of privilege, at least since 1878, and since 1896 still more It was 1904 that saw the introduction of this measure, and it has been nothing but a measure of bondage ever since. It was put on for the benefit only of those who can make a bargain with the party that is in power at the time.

Mr. R. K. ANDERSON (Halton): We have just listened to the one consistent and whole-time free trader in the house, the hon. member for Rosetown (Mr. Evans). The hon. gentleman is always advocating free trade. If he were anything else but a wheat grower and a producer of free trade arguments he would probably want protection, but as those products do not need anything of that kind, he is consistently a free trader. If he had listened to the arguments presented by the very large and representative delegation which waited upon the government about a week ago, he would have heard some fairly good reasons why the use of the dumping clause was in the interests of the consumer. The hon. gentleman says that it is not in the interest of the consumer, but the delegation contended, and they gave their reasons why, that the dumping clause was in the interest of the consumers in the Dominion of Canada. They instanced the fact that if we did not conserve the fruit and vegetable industry and the poultry industry in this country, we would have to look outside of Canada for our fruits and vegetables and poultry products, in which case these gentlemen claim that it will cost the Canadian consumer very much more than he is paying to-day. They instanced the fact that only last year when the production of fruits in the United States was rather small and scarcely sufficient to supply their own needs, the Canadian market was supplied by our home production in Canada, and the prices of fruits here were very much less than they were in other years. The fact that there was no importation from the United States did not increase the price of the product in Canada.

I was very much impressed with that delegation. They were representative men, coming from all parts of Canada, and representing a large and important industry in this country. If you look up the figures you will find that the production of fruits and vegetables in this country is very large indeed. I have here some figures with regard to that industry which I received from the Bureau of Statistics. They show that from 1922 up to the present the industry has been shrinking. The production of fruits and vegetables in 1922 amounted to $55,855,000; 1923, $58,000,000; 1925, $48,000,000; 1927, $46,000.000, showing a slight reduction each year, because, so the delegation claimed, of the inadequate protection which the industry receives on its products.

The delegation are not asking for very much. They ask that the Canadian market be conserved for their products; that is, that the Americans shall not have the privilege of sending their products in here at any and all times, flooding our market with their surplus products, which are sold at lower prices than prevail here.

The hon. member for Frontenac-Addington (Mr. Edwards) in his remarks this evening gave the reason why the Canadian producer of fruits and vegetables cannot compete with the American producer. It is largely due to climatic conditions. In the United States the weather is very much milder and they can produce their products cheaper. They have a larger market at home, and they can supply that market in the average year and have a

surplus. Some of their products starting from the southern states are sent up to the large cities in the United States, and sometimes they reach the Canadian border without finding a purchaser. They are consequently dumped upon the Canadian market simply for the cost of the freight.

On motion of Mr. Anderson (Halton) the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, May 9, 1928

The house met at three o'clock.

REPORT

Reports of the Clerk of the House and of the Civil Service Commission in respect to the organization and re-classification of the permanent staff of the House of Commons.—Mr. Speaker.

BANKING AND COMMERCE

MOTION FOR CONCURRENCE IN REPORT OF COMMITTEE

Mr. F. WELLINGTON HAY (North Perth) moved that the seventh report of the select standing committee on banking and commerce be concurred in.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I believe I am in order today in making a few remarks on this motion. As I tried to say the other day, the work of the committee was somewhat limited in its scope. We were given to understand that we ought not to bring in any recommendation that would involve a change in the Bank Act, and this made the work of the committee rather academic in character. I would point out that it is impossible to bring witnesses from a distance, such as economists from the United States or Great Britain, who might be considered authorities in this matter. Further, we found some difficulty—those of us who were trying to present the standpoint of the general public—in securing suitable witnesses. I discovered that a number of business men who were complaining about inadequate credit facilities were not willing to come before the committee. Whether or not their contention was correct, they took the ground that if they passed any adverse criticism their credit might be endangered. As a matter of fact, therefore, all the witnesses who appeared before the committee, with the exception of one who represented the Canadian Council of Agriculture, represented either the department or the banks.

While I think the report as presented fairly gives the main points that were considered, I should like to direct attention to the fact that other suggestions were also offered. For example, it was urged that there might be established small local banks and co-operative credit societies. The committee did not go into these matters in any detail. There were also a good many general criticisms of the present banking system. The bankers claimed that these criticisms were not well founded. In order to save the time of the house as far as possible I have summarized the claims of the banks as follows:

(a) That the small number of banks in Canada—four banks controlling approximately 70 per cent of the entire deposits (page 28)—is in the interests of Canada. (page 27).

(b) That according to the bank's code of honour, in the granting of credits, there is no discrimination against a business concern that is a rival to one in which a bank director is also a director. (pages 104-105). That is to say, that the charge that interlocking directorates is inimical to the welfare of the public at large is not well founded.

(c) That, on the contrary, interlocking directorates are a distinct advantage. (page 105).

It has been said, especially in western Canada and in the maritimes, that the concentration of headquarters of banks in Montreal and Toronto is not good for the east or for the west. The banks claim:

(d) That districts remote from headquarters are under no disadvantage. (page 44).

It was complained that in some instances business enterprises, especially in their initial stages, were not able to secure credits such as were necessary, and that private individuals had at this stage to do the financing of such concerns. That is the complaint. The claim of the banks is:

(e) That it is not the function of a bank to take the hazards of the commencement of a manufacturing business (page 102), but that any solvent concern in a liquid shape can obtain all the credit it can reasonably desire for legitimate purposes. (page 100).

Mr. A. E. Phipps was emphatic. He said:

> No legitimate loan properly secured has been refused, from one end of Canada to the other, since I have been a banker. (page 44).

It seems to me that the general public will have to decide whether or not these statements of the bankers are in accordance with the facts. I might, in passing, call the attention of the house to the fact that in Eng-

land bankers and other financial men, and industrialists, are considering whether or not the present system is adequately meeting the credit needs of the country; and when men of the type of Sir Alfred Mond are beginning to give attention to a question of this character, looking to reform, it would seem that we might take some action in Canada.

The main proposal brought before the committee was undoubtedly the establishment of a central bank. The statements made in the report are, I think, quite fair; but they do not cover all the ground which personally I should like to have seen covered. I might suggest some of the things that are found in the evidence but not included in the report:

(a) That under the Finance Act the government performed, with less machinery and expense, some of the functions of the federal reserve bank, but that the banks use the Finance Act to a very limited degree.

(b) That the control of the federal reserve banks over the money market through the open market transactions might be difficult to exercise in Canada. (page 70).

(c) That, in the opinion of Mr. H. P. G. Harding, governor Federal Reserve Bank, Boston: (1) The mutual savings banks in New England have been highly successful. (page 82). (2) That in the United States western cities would organize their own banks. (page 89). (3) That the federal reserve banks have been helpful in stabilizing the price level by stabilizing the money market. (page 75). (4) That a federal reserve system organized on the same basis as in the United States—that is, a regional system—would be impossible in Canada. (page 89).

Now there is only a bare mention in the report of what many of us consider to be the most vital matter, namely, the possible control of the general price level. As many of the members of the house will recognize, there are two distinct schools of thought on this matter. Some bankers and economists claim that there is very little relationship between the amount of money in circulation and the price levels; others claim that there is a very vital relationship. Indeed, some go so far as to say that the amount of money in circulation determines the general price level and that if this is so the general price level may be controlled by a control of the money in circulation. That was considered true when gold was the chief medium of exchange. It is recognized that the issuance of bank notes also has an effect, but more than that I think these newer economists and some bankers such as Mr. Reginald McKenna are recognizing that credit facilities including the checking system, which is responsible for something like 96 per cent or more of our business transactions today, have a very important effect on the general price level.

Again to summarize what I think hon. members will find in the evidence as submitted to the committee, I would say:

First, that bills and coins constitute less than 4 per cent of the total volume of money (page 42);

Second, that deposits created by loans are not kept, separate from savings deposits (page 40);

Third, that the bankers, in keen competition—to use the words of the bankers themselves—" are a practical people" "meeting the situation from day to day" and not considering the ultimate economic effects of the extension or contraction of credit (page 35);

Fourth, that there is no government control over the extent to which the banks can issue credit; that this is a matter of banking policy (page 3);

Fifth, the preponderant opinion of the witnesses was that only to a limited extent could the banks or a central bank influence the general price level (pages 34 and 84). Mr. Harding, in opposition to the position taken by Mr. McKenna and others of his school, agreed with Mr. Mellon that "neither the federal reserve system nor any other system can control prices (page 84).

It seems to me, Mr. Speaker, that whilst I can endorse the greater part of that report, we should add to it a clause providing that the committee which the Minister of Finance is urged to associate with himself, in addition to the work which they are asked to do, "should further explore the possibility of stabilizing the money market and preventing the recurrence of periods of inflation and deflation, with their attendant evils." In view of the very great evils which we have experienced in the past; the inflation that appeared to such a degree at the time of the war; the subsequent deflation which so adversely affected business in this country; the fact that students of this question would indicate to us that all through the past there have been recurring periods of inflation and deflation which have been responsible for upsetting general financial arrangements; for transferring large sums of money from one set of pockets to another and for creating great hardships alike for business men and labour people—in view of these considerations it would seem to me that the time is ripe for the government itself to give more care-

ful attention to this whole subject, and to attempt to bring scientific knowledge to bear upon this most important financial problem.

Motion agreed to.

RAILWAYS AND SHIPPING

MOTION FOR CONCURRENCE IN REPORT

Mr. W. T. GOODISON (West Lambton) moved:

That the fourth and final report of the select standing committee on railways and shipping owned, operated and controlled by the government, be concurred in.

Hon. R. B. BENNETT (Leader of the Opposition): Strictly speaking this report should be read, because it contains many clauses which in the view of many of the members of this house are wholly unwarranted, particularly those parts which endeavour to give approval to the method in which the accounts of the company are kept. In our judgment those accounts are not kept in accordance with the methods which prevail in many similar organizations. It, of course, is a matter of difference of opinion as to how the accounts should be kept in order to exhibit correctly the operations of the system, and possibly this question arises from the fact that the system is divided into eastern and other sections which include parts of several lines. Under these circumstances, since the report has not been read, I only desire to state that the report does not represent the unanimous views of the committee, as I am informed, and certainly it does not carry with it the judgment of all the members who sit on this side of the house. We content ourselves merely with observing that the report concurred in is concurred in on division, and not with our consent.

Hon. C. A. DUNNING (Minister of Railways and Canals): If the fact that the report has not been read has any effect in preventing debate upon the motion for adoption and if that is what my hon. friend has in mind, I would suggest that the report be read in order to permit discussion.

Mr. BENNETT: All that was meant was that, the report not being read, I was not going to point out the particular sections with which we disagree. It will be open to us to do so when the minister deals with the railway estimates, and my object in rising was merely to observe that we should not be understood as acquiescing in the report, that the concurrence was on division and was not the unanimous sentiment of the house.

Mr. T. L. CHURCH (Toronto Northwest): When this motion was up on Monday last it was agreed that notice must be given for the adoption of this report. This is the most important committee we have, but it has not carried out its instructions; meetings have been held in private, yet the house is asked to concur in this report. I did not feel that any useful purpose could be served by attending the meetings of this committee, which only touched the fringe of the subject. I am not a critic of public ownership; I venture to say that I stand second to no member of this house as a proponent of public ownership, but I do object to the way in which these railways are administered. For instance, the committee held a private meeting and went into the affairs of the merchant marine in private.

The Central Vermont Railway is in liquidation, and this government propose to spend $3,500,000 of the people's money in betterments on that road. Then again, the city of Flint, Michigan, can get a new station while the city of Hamilton, Ontario, can get nothing in this line but speeches and promises. I asked a question in this house yesterday with respect to the relationship existing between certain newspapers in this country and the railways; I asked for the production of the pass list and advertising list, but I was unable to get it. It is a well known fact that many of our newspapers just apply to the government for passes in exchange for advertising and for eulogy articles written in connection with officials of the railway. Just a little while ago the Canadian National Railways gave up a valuable right of way on Woodward avenue in the city of Detroit, of the Detroit-Grand Haven Railway on which they paid only $25,000 a year in taxes, in exchange for a right of way on a side street for which they have to pay $150,000 in taxes. This agreement was never considered or passed by this house.

Then there is the question of whether or not there is really a surplus in the operating accounts and annual statement. They have no sinking fund or proper depreciation fund. The annual statement is only a partial statement. It does not include the eastern lines or the Central Vermont or others, or all subsidiaries. It all is a matter of a play on bookkeeping and of accounts whether you have a surplus or not. The $193,000,000 also owed the government on old interest account is left

out, but it is in the annual report of the Department of Railways and Canals. It depends on what kind of accountancy you have. In the United States to-day, the railways, no matter what railway it is, are subject to the regulation and control and accounting system of the Interstate Commerce Commission. The accountancy, equipment of the road, condition of the roadbed, treatment of the public, grade and passageways, freight and passenger rates, are all brought under this public control of the Interstate Commerce Commission. The trouble with our railway is they are a law to themselves and can do as they like, and all the railway commission does is to issue a form of accountancy which is a scrap of paper with our Canadian National.

I asked for information last year in this parliament, when such a resolution as this had been rushed through in a few minutes and opposed the appointment of this committee but could get no information at all.

I am a supporter of public ownership, but only the kind of public ownership that the people of the province of Ontario have in their hydro, and not the kind of public ownership represented by this particular railway to-day. Mr. Speaker, private cars are being handed out, and passes are being given, both against the good of the railway and the Railway Act. I asked the minister yesterday for the return of these papers, and he said that it was not in the public interest to give me the particulars or that papers receive a hand-out of nearly $400,000 a year for this. I say that it is in the public interest to have this information. We should know what newspapers are receiving free transportation in exchange for advertising and for eulogy articles of the system and its heads. I have never asked for a pass on this system; I do not want any. I did ask this question regarding the newspaper flood of flattery, all for privileges costing $303,809.25 to the system:

1. What sums were spent on advertising in newspapers by the Canadian National Railways in 1927 and 1928, and to whom paid?

2. What sums were spent on free transportation in exchange for (a) newspaper space, (b) eulogy articles on the system and its officials, and to what papers in each case was transportation issued accordingly, (c) to aid in securing new business for the system?

3. How was an item of $175,162 increase in such advertising in 1927 and 1928 expended, and what papers benefited?

4. What was the number of passes granted each paper, and to whom?

Mr. Dunning:

This question calls for information of a kind that the management of the Canadian National Railways holds not to be in the public interest to divulge in detail, as publication, while serving no useful purpose, may place the Canadian National Railways in an invidious position with respect to competitors whose advertising appropriations are not subject to publication.

Even if it were advisable to bring down the information asked for in detail, it could not be given in the form of an answer to a question as it covers advertising of all kinds—newspapers, magazines, printing of booklets, etc.—and also not only the entire Canadian field, but such portions of the United States as are served by Canadian National lines in that country.

The item under advertising in Canadian National accounts which the hon. gentleman refers to as having increased by $175,162 during 1927, covers advertising of all kinds throughout Canada and the United States. During 1927, the management expended on advertising in newspapers $303,809.25. In addition thereto there was issued transportation in lieu of cash for advertising space in newspapers in Canada only $197,225.39.

Did you ever hear such an answer? I know two papers where all hands just go in and get passes and pay nothing. The advertising part of it is all a myth and of no value. Little of it is given and it is of no value to the system. The whole system of accountancy needs to be reorganized. Is is a mere matter of figures, and I just ask for a few days to give the members time to study this report. The committee they have only touched the fringe of the whole question. The committee just sat there and smoked a pipe or a cigar, and it all looked to me like a pipe dream and a smoke screen was thrown up to prevent a proper presentation of the real picture and the extravagant management of the system. I challenge anybody to look over these estimates of the merchant marine and discover anything. They went to work with 64 ships, and they sold without tender all but 46. They cleared the committee room when questions on the merchant marine were asked. Let me ask the minister if the Canadian Pacific Railway do not know everything that is going on in the Canadian National Railways? They do, and can tell all the inside affairs of the Canadian National Railways. Why were the head offices moved from Toronto to Montreal? Why should they be in Montreal? Montreal is not a public ownership city; it never was and never will be. It is from the central regional area that most of the revenue comes. It was a sorry day that the railway offices were taken out of the public ownership province of Ontario. I would rather see these Canadian National railway offices established in Winnipeg, or Hamilton, or Vancouver, or some other place. They should never have gone where they did go, as headquarters of a great publicly owned system.

Last year we asked the government for a return of the railways' new rates obtained

secretly from the Bell Telephone Company, over the head of the railway commission of this country. There was an application pending before the commission for an increase in telephone rates. The application was on the part of the municipalities to remove discrimination. While this was on the Canadian National Railways made a secret contract with the Bell for cut rates. The Canadian National railways board looks like a Liberal campaign committee of directors who do not direct. The service western Ontario gets from the Canadian National Railways, owing to poor rolling stock and terminals, is not fair to Ontario. Let me tell the Progressive members from the province of Ontario that it is a disgrace to any publicly owned road. A few months ago I was in Kitchener, the home town of one of the ministers; you could not get a train out of there on Saturday night after five or six o'clock. It is the same all through western Ontario generally and the trains and equipment are in some cases as old as the hills. What is the reason? I will tell you. This so-called publicly owned road took $22,000,000 of cash out of the old Grand Trunk in Ontario. They took $122,000,000 of credit out of the Grand Trunk. Where did they take that money and credit to? They invested it in what is known as the Grand Trunk Pacific. There has not been hardly one dollar spent since on the Grand Trunk railway in the province of Ontario, although the cream of the business is in Ontario and the chief earning power of the system is there.

I am not criticizing the president of the road personally, but I am criticizing his methods in the administration of the road. I made a speech at the party nomination of the member for Toronto West Centre (Mr. Hocken) along very similar lines, and I have been invited to go there again. I will speak there at the next meeting in his constituency. I do not need to take any lessons from him as a supporter of public ownership. I am a public ownership man first, last and all the time. He tried in 1912-14 to sell the street railway and the electric light company to the city for $32,000,000, but it did not go through. If it had, we would never have been able to take over our railway and would have had 10 cent fares forever.

We proposed a system of hydro radials in Ontario, the electrification of the Grand Trunk branch and suburban lines in the cities and towns of this province. This was proposed by Sir Adam Beck in the province of Ontario, and the municipalities were prepared to take many of these old lines which were out of use, and some which had been torn up, and electrify them. Sir Adam proposed to take many of the dead ends of the C.N.R. and electrify them. They extended from western Ontario down to Peterborough. They would have acted as feeders for the National railways. When Sir Henry Thornton arrived in this country he sent telegrams to the municipalities, and the project was defeated; the life work of this great patriot of the province. Sir Adam Beck has done more for public ownership than Sir Henry Thornton ever can do all his life. Sir Adam had an agreement to buy from the government the Toronto and Eastern railway, the Toronto Suburban railway, and the Niagara and St. Catharines railway, but Sir Henry Thornton vetoed it.

The committee was not interested in this matter. They held a meeting regarding the Canadian Government Merchant Marine. I have asked for a return on the matter, and I cannot get it. There was a report made about two years ago regarding the sale of sixteen ships. No tender was called for. Some of these ships cost $1,000,000, $1,250,000 or $1,500,000. I think sixteen of the smaller ships were sold without a tender. Some of them cost $1,250,000, and were sold for $50,000. That was the report made to parliament before the present minister was in the house.

We are asked to adopt the report of this committee. They asked a few questions in the committee regarding the merchant marine, and then they decided that the balance should be considered in camera, and the press were ordered out. The revenues and rates were not brought out at all. Under a proper public ownership system, like the hydro-electric, or the telephone systems of Alberta and Saskatchewan, every dollar of expenditure must be accounted for. In the case of the Hydro Electric Power Commission of Ontario there is $300,000,000 invested in heat, light and power and transportation. When Sir Adam Beck brought down his estimates in the legislature, there was no committee to whitewash the estimates; they were before the whole house and every dollar and every item passed the house—all the cards were on the table.

When you ask a question in the house here, you are told that it is not in the public interest that these things should be given out. In any properly conducted public ownership venture, like the hydro-electric, the utmost disclosures are made to the ratepayers, who are the shareholders. Why all the secrecy? The Canadian Pacific railway know anyway, first-hand, of the running of this "me too" road.

And now, Mr. Speaker, Sir Henry Thornton is going around the province of Ontario and making speeches nightly. He spoke in

Niagara Falls last night, and mentioned that he had seen the Chippawa plant at the falls. This plant generates an enormous amount of power, and is a real public ownership proposition, owned by the municipalities in the hydro. Sir Henry compilmented the engineers on the administration of that particular work. It cost $75,000,000. All the engineers are Canadian born, and, unlike the administration of this particular railway, everybody connected with it is a Canadian.

Who is Mr. Gaston? Mr. Gaston is a New York gentleman. He was asked in the committee if he was a lawyer and Sir Henry Thornton said last year that he was. He is not a lawyer at all. He graduated from the Yale School of Law; but that does not make him a lawyer. Nobody knows what he is receiving and apparently the work that he has to do is something that any young returned soldier lawyer in a law office could do. I believe in having Canadians put in charge of the administration of our roads which are being run under public ownership and in a policy of Canada for Canadians.

A few days ago I was attacked by a learned paper in the city of Ottawa on this question of public ownership in the administration of this particular railway. They said that my voice was the only one that was raised against this item. As long as I am a member of the house I am going to assert my right and privilege as a member of parliament to criticize the administration of the road, for the way Ontario has been discriminated against, the way the assets of the old Grand Trunk have been used elsewhere by the present head of the system, the way the great province of Alberta and the great maritime provinces have been discriminated against in the coal policy of this road. There was an order in council passed months ago in regard to the movement of coal from Alberta but it is still a dead letter, they say now the switching charges should be added to the rates. We will never get any coal brought down from Alberta if Sir Henry Thornton has anything to do with the matter. He would rather quote a rate of $9 to $14 a ton for carrying coal from Alberta and the result of that would be that we would have no business; whereas, if he would quote a rate of $9 a ton we would get the cream of the business. Sir Henry Thornton has done everything he can to defeat the development of the great coal industry of the country and to aid the Pennsylvania coal barons. Our coal industry should be a protectionist industry and one which should bring a great deal of relief and work to the people of Ontario and western Canada. Sir Henry has done nothing to assist the great coal industry in the maritime provinces or Alberta. He has sold sixteen merchant ships of a small type which could be used on the great lakes to go down to the seaboard as far as the ports of Nova Scotia and which could be converted to carry coal from Nova Scotia to central Canada and to cities like Hamilton during the summer.

I have great respect for and I like the Minister of Railways; but I would say, with all due respect, that the committee held only six or seven meetings and there are many other matters that should have been looked into. There is the question of the administration of the Central Vermont. There is the question whether the railway commission has not power to put their officers on the road the same as the Interstate Commerce Commission can do. If there was a proper system of accounting in connection with the system large deficits would be revealed in capital and maintenance. This matter came up on the debate on the address and also on the debate on the budget and it was shown that there is a large sum of money amounting to about $197,000,000 of unpaid interest owing to the government. If anybody else owed that money they would have to pay it, but now it is a mere matter of bookkeeping. That amount should be included in the statement given in the report. The statement in my opinion is not a statement at all, or only a partial one. The eastern lines are not included in it, nor the accounts of the Central Vermont or other subsidiaries. The administration of the Intercolonial has a large deficit, but this is put on the tax rate of the country by way of subventions to the maritime provinces and this is shown not in the statement but in a separate one. The hon. member for Toronto-Scarborough (Mr. Harris) put a very leading question to the committee but he could not get an answer. He asked for the assets and liabilities of the Central Vermont railway but the information was not available since 1926, as they say the railway is in liquidation and the case is before the courts. Yet they can show that the Central Vermont is going to require $3,700,000 for betterments. Where do they get that figure if they cannot show what the assets and liabilities are? Many other matters are left out of this particular statement that has been laid before the house.

There are a number of scrapped railways running out of Toronto; the old Canadian Northern, the Belt Line, the Toronto and Eastern, which could be used to give the people a service that they are not getting today. Sir Adam Beck would have bought the latter. What is the condition of affairs?

They are tearing up parts of whole railways east of Leaside to Brighton and selling them as scrap. This was done without tender. They are tearing up part of the Canadian Northern bridges, ties, rights of way and everything. It is all very well to ask for a committee but I venture to say that if a proper independent investigation was held into the whole Canadian National Railways matter we would have something nearly as bad as the customs inquiry.

My former hydro leader, the late Sir Adam Beck, upheld the principle of public ownership and development of the great province of Ontario, but this province has failed to get a square deal or the rural places there a service from the National railways under public ownership. They took $122,000,000 out of the old Grand Trunk in credits and $22,000,000 in cash under private ownership, a road that was giving good service, that built up western Ontario and that was doing well, and they spent these assets elsewhere. As Sir Henry Thornton said in the city of Toronto the other night, the main part of the revenues of the Canadian National Railways to-day comes from the central regional area; but the trouble is that we have too much radio, too many frills and fads in the system, too many golf courses, too many deadhead passengers and hotels with deficits. I venture to say they have not an hotel that is a paying proposition to-day and last year the hon. member for Westmorland (Mr. Price) in a return to this house got a return of the hotel deficits showing that every hotel had a large deficit. Yet they proposed to build an hotel in Paris and now they are proposing to build an hotel in Halifax. They are proposing to build two or three new ships to carry on a service between Canada and the West Indies although they have sold, for a few thousand dollars in some cases, sixteen boats that were convertible for further use to the people of Canada.

The last time these matters were up in March I opposed a special committee for these estimates because I believed it would do nothing but whitewash the system. The hon. member for Toronto West Centre (Mr. Hocken) said then that I attacked the system. I did not. I wanted efficiency and economy. He said that he represented ninety-five per cent of the people of Toronto. He did not represent one per cent of the people of that city in the 1913-14 purchase deals to acquire for $32,000,000 the Toronto street railway and electric light plant and all their intangible assets. I venture to say that he does not represent the people of Toronto in his views that one must keep quiet and say nothing when Ontario gets the worst of it and the United States the best of it from the Canadian National.

The Canadian National have a piece of property at the corner of King and Yonge streets, railway offices, but they went to work and moved to the corner of King and Toronto streets, not once but two or three times. They had the telegraph offices of the old Canadian Northern at the corner of Scott and Wellington streets and they moved them to the corner of King and Yonge streets. Large sums of money have been spent in renovating these properties, but they use them for only a few months and then they move back again, backwards and forwards. They have moved backwards and forwards in this way at a cost of five or six thousand dollars in losses of renovations, business and fixtures, and the system allowed a lot of speculators to use the government's and railways' home towards a deal that fell through for a skyscraper at the corner of King and Yonge streets. There is a large exodus of Canadian university graduates from McGill, Varsity and Queen's to the United States. There have been a large number of articles on that question in the newspapers. Our graduates in electrical science were good enough to develop the whole Chippawa power scheme for Sir Adam Beck, which is the most shining example of engineering there is in the world, but they are not considered good enough by Sir Henry Thornton to be given a position in the engineering department of the Canadian National Railways, or the law department. They fill up with Americans like Mr. Gaston.

Who asked Sir Henry Thornton to go to Mexico? How is he able to leave the work of administering the Canadian National railways for five or six weeks? I asked for a return to be brought down on this subject in the house. A debate was not allowed upon my motion, but I have the return here, and I find a letter in it signed this way:

> I have the honour to be,
> with the highest respect, Sir,
> Your most obedient servant,
> (Sgd) H. H. WRONG,
> (For the minister)

The minister being His Excellency, the Honourable Vincent Massey, Envoy Extraordinary and Minister Plenipotentiary for Canada, Washington, D.C.—and he is I tell

you most extraordinary. You would think that we were back in the old feudal days of William the Conqueror, with all this vanity and flattery. Sir Henry Thornton must have an awful lot to do when he can be talking on the radio every night all over the country making speeches and promises, and out on the golf links, and going down to Mexico on a mission that was not in the interests of the people of this country. He talks of spending 15 or 20 millions on immigration also. In this return that was brought down I find this letter:

My dear Mr. Minister:

My government is desirous to invite Sir H. W. Thornton, President of the Canadian National Railways to visit Mexico in order to undertake a survey of the present organization and functioning of the Mexican national railway lines, so that he may bring to the attention of our appropriate authorities the suggestions for the reorganization of those lines which his long professional experience may think fit.

As my government understands that an express assent of the Canadian government would be necessary for Sir Henry Thornton to undertake this survey on behalf of the Mexican Railway lines, I have been instructed to approach Your Excellency, which I have the honour to do, to request Your Excellency's good offices near the Canadian government so that Sir Thornton may be given the necessary authority to undertake the aforesaid labours in Mexico.

Sir Henry stirred up a small sized riot in Canada and created more strife and dissension than good will. I think Sir Henry Thornton would be better employed trying to give service to the people of this country. He would have been for instance, better employed to go out to Alberta and see what he can do towards moving Alberta coal out to the central provinces, or he might go to the maritimes and see if he could not utilize the ships that are being sold for almost nothing, to bring Nova Scotia coal to central Canada than in going this time to Mexico or to-morrow to Philadelphia to help the coal barons there. The Mexico business was a farce and a mistake and did Canada no good. Let him solve Canada's ills first.

As one coming from the province of Ontario, I am not satisfied with the investigation which this committee made. The questions asked in the committee did not touch the fringe of the subject. The whole thing was a white wash and of no value whatever. Sir Henry Thornton talks now about electricity, but he was the very man to destroy in the province of Ontario the dream of Sir Adam Beck for electric radial railways which would have revived every dead Grand Trunk Railway line in Ontario and have acted as feeders for the Canadian National Railways main lines. My hon. friend from Toronto West Centre (Mr. Hocken) used to be interested in the hydro radials and knows, and I am sorry that he was not more critical of the administration of the railways in Ontario and the raw deal Ontario has got. I attended meetings in his riding, and I know that the people in his riding would have been glad to have had the hydro radials which did so much to build up Michigan, New Jersey, Ohio and Pennsylvania.

Sir Henry Thornton, at a great cost, is buying these German engines, instead of using the hydro-electric energy in the province of Ontario for the electrification of our lines. These Diesel engines or electric units are made in Germany. True, they may have later a patent for them in the United States, but I maintain that we should be using our own electrical energy developed on the Chippawa or in the province of Ontario or Quebec, to electrify our suburban lines in these two provinces and bring feeders to the main line, instead of getting a lot of foreign type of Diesel German engines on which the wear and tear is very heavy, and which last only a few years compared with electric power and electrification of the suburban steam lines in industrial centres with trains operated with electricity instead of one coach by a Diesel engine.

There was a great lot of talk in the committee about the traffic which the Central Vermont railway brings to Canada. All that the Central Vermont is doing, when it assembles that freight away out west, is to bring it to the American seaboard through Canada. True, it goes to Portland, but that particular freight should be routed through all-Canadian channels and would mean more to Canada. It could be routed through to Quebec or Montreal by rail and water, or all rail, or be routed to St. John and Halifax by all rail, instead of that traffic being diverted to the United States. The same is true with regard to the shipment of our hard wheat, which is not being sent through Canadian channels and from Canadian ports to United States, lake Erie and American seaboard ports to mill.

I have read every line of the reports of this committee three or four times, and if this is the best that we can get from the investigation of the estimates by a committee, I think nothing is to be gained by referring estimates generally to a committee. The committee met some six or seven times and had some witnesses before them. It was the most obliging and polite committee on deport-

ment I ever saw. It was, "Please Sir Henry this," and "Please Sir Henry that," and "After you my dear Alphonse," and "after you my dear friend Gaston—you first, not me." The report runs this way: Mr. Harris has asked for some report, and Sir Henry Thornton asks: "Have you got that report, Mr. Henry?" Sir Henry says, " I have got that report," and then Mr. Harris says, "We shall be pleased to accept it." Sir Henry presents it and then "Thank you, Sir Henry, thank you, thank you also, Mr. Harris." Then at page 125 of volume 5 of the evidence I find this: That Sir Henry after five years of opposing Sir Adam Beck and his radials and electrification turns around and supports such a policy for suburban areas by electric units of one car with Diesel engine when he could have had trains of hydro radials five years ago. I quote from the committee report:

Mr. Cantley: What success have you had with suburban car traffic, with either the Deisel or gasoline car? Are you extending that service?

Sir Henry Thornton: Yes, we have certain suburban branch line services which, under steam operation, have been conducted at a loss. We cast about to try and find some cheaper but equally efficient method of operation. In the course of our investigation we developed the Deisel electric unit, which we believe is the solution of the branch line problem or the solution of problems which involve the provision of steam service at a loss. We have built a number of these units and are putting them on wherever circumstances justify them. They have been highly satisfactory. (To Mr. Henry). Do you happen to have with you any figures on the subject?

Mr. Henry: I believe we have.

There was altogether too much "I believe' and "I think" about this whole committee and the whole evidence. It is pretty nearly time we had a showdown about the way Sir Henry Thornton refused to work with the hydro-electric movement in the province of Ontario five years ago to bring the joy of living to the farmer on the farm and to the toiler and artisan in the city through the Hydro Radials. Michigan, New York, and New Jersey have all become the great states they are to-day through the great network of electric railway lines which they have developed as feeders to the trunk lines. In New Jersey you will find little villages every mile and a half or two miles, but Sir Henry Thornton, when a gilt-edged proposition was put before him by the hydro-electric municipalities of the province, backed by the province itself in 1923-24, threw the whole thing into the waste paper basket. He says, "My dear Mr. Harris", or "My dear Mr. Henry, we will buy a few more donkey Diesel engines and use them in Hamilton and other places throughout the province", when we could have had a great system of 1,000 miles of electric radials all through the province, at Peterborough, Brockville, London, Toronto, Windsor, Ottawa and many other towns, and have developed a system which would have saved this government the loss which the railway now sustains in the province of Ontario, by electrifying the old Grand Trunk branch lines and making them feeders to the main line of the Canadian National Railways. There are a number of bridge bills before this house at the present time, one at Sarnia, one at Windsor, and three across the St. Lawrence. What is the purpose? It is to build bridges where the Canadian National railways now have the cream of the business and own the territory. The Canadian National Railways declined to preserve the territory and the local business of motor truck and motor bus competition at the territory tributory to these bridges and with the state governments or United States federal or municipal authority control these international bridges and their rates for the system and the public. The telegraph and telephone system accounts should not be mixed up with a lot of petty subsidiaries in the statement. They have a unit with net earning power of $700,000 a year.

There should be a survey of a plan for electrification of certain main lines for parliament. All betterments now go into capital. This is bad financing and we pay in long-time bonds for some of the betterment plans twice the actual cost, over thirty-year bonds, far beyond the life of the work. There should be a reclassification and revaluation and a physical survey made of the entire railway at once. There is too much reference to the United States in rates, in accountancy methods, in depreciation plans. We are not in similar circumstances to class "A" American roads and our laws, federal and state, are different. Our slow Railway Commission should audit actively itself, and compel sinking funds and depreciation on a modern plan. The committee just dealt with a statement all old and just a post mortem. The auditors' system is merely one of checking; it is worthless to the country. No one knows what is going on. There should be a reclassification between operating and investment accounts and a reclassification of what belongs to each. At present there is no sinking fund that takes care of depreciation which is very rapid in the Canadian National Railways equipment and rolling stock. The same rule should be adopted as the hydro has adopted in Ontario. The huge increase yearly in capital is out of all proportion to the real book value of the Canadian National Railways to-day. There are

too many novices in the Canadian National Railways crying for the fads and frills of American railway associations. The Canadian National Railways, except on lines in the United States, has no depreciation or retirement reserve and is on an unsound and uneconomic basis at present. Had Sir Henry Thornton been alert to the traffic possibilities he would have got control of these proposed international bridges for public ownership as a means of mobilizing motor bus and motor truck lines to collect local business to feed the railway. But no. When you get down to private bills you find lobbyists there, representing the Canadian National Railways, actively supporting the granting of these charters to private promoters for speculation purposes. When he was asked to go into a rich district like the Red Lake district, he would not entertain the proposal; but when he is asked to take over a branch line that won't pay for twenty-five or thirty years, it is a different proposition. I intend to take the platform again when the proper time comes, as Sir Adam and I did for five years on the hydro radial program, and explain to the people throughout Ontario the raw deal handed to the province by this railway.

Hon. C. A. DUNNING (Minister of Railways): Mr. Speaker, I do not intend to follow the hon. member (Mr. Church) who has just sat down in his travels from Toronto to Mexico and back via Germany and then across Canada. I rather agree with the leader of the opposition (Mr. Bennett) that detailed discussion of Canadian National Railway matters can most effectively take place when we are in committee of supply. To attempt to follow the lengthy address in which all sorts of statements regarding the system and its management are made, is not in my view the most effective way of dealing with business of such importance. If when we are in committee of supply my hon. friend has any questions which it is within my ability to answer, I shall endeavour to deal with them. I would, however, commend to all hon. members the study of the reports of the select standing committee on railways and shipping owned, operated and controlled by the government, in order that before the house does get into committee of supply with regard to Canadian National railway affairs there may be a general understanding of the work which that special committee endeavoured to do and also of the information which was placed on record for the use of hon. members.

In connection with Canadian National railway affairs the house adopted a number of sessions ago a practice which has been many times advocated by hon. members in relation to the estimates of other departments of government. The house adopted, rightly or wrongly, what might be called the budget committee system with respect to the accounts and estimates of the Canadian National Railways. That practice has been followed for a number of years, and was adopted again this year with the full consent of the house except, I think, of the hon. member who has just sat down. I think almost every other hon. member is convinced of the practical value of the investigation which can be made, and which is made, by a special committee of this character with respect to an enterprise such as the Canadian National Railways. Therefore I again commend to hon. members the study of the reports and evidence, which are all printed and at their disposal.

I desire to make reference to only one matter mentioned by my hon. friend from Northwest Toronto. I will not enter into his disagreement with his colleague from Toronto West Centre (Mr. Hocken). I am quite sure that that hon. gentleman is well able to take care of himself. But my hon. friend did make reference to what is a very serious matter if it is true. He stated, if I heard him correctly, that free transportation was issued to the newspapers of this country by the Canadian National Railways. He made a further statement which appeared to indicate that he had evidence that the Canadian National Railways illegally issued free transportation to people in the Dominion. Statements have been made in various places throughout the country touching upon this matter, and I should like to say to the house at this juncture that the provisions of the Railway Act with respect to the issuance of free transportation are very specific. The method provided by the Railway Act for the audit of free transportation is clear and definite. The Board of Railway Commissioners is the body that conducts the audit and certifies that the provisions of the act have been complied with. I have on many occasions investigated rumours of the improper issuance of free transportation by both our great railway systems, and I must say that I have never yet had an instance brought to my attention which turned out to be a contravention of the law. My hon. friend makes a direct statement in that regard, and, as minister, I would appreciate it if members who believe that transportation has been issued illegally by either of our great railway companies would bring it to my attention or to the attention of the Board of Railway Commissioners, which, as I have said, is the body responsible for the administration of the Railway Act in regard to free transportation.

Now, with reference to newspaper transportation, my hon. friend spoke of transportation issued to newspapers as if it were free transportation. No free transportation, Mr. Speaker, is issued to newspapers either by the Canadian Pacific Railway Company or the Canadian National Railways. But for many years before the institution of the Canadian National railway system it had been the practice of the railways to issue transportation to the newspapers in contra account for advertising. That is to say, every newspaper in Canada is from time to time in receipt of an order from the Canadian National or the Canadian Pacific to insert a certain advertisement. That advertisement is inserted. The newspaper has an account against the railway company. With respect to that account the newspaper can draw transportation to an equivalent amount.

Mr. McGIBBON: May I ask the minister a question?

Mr. DUNNING: Certainly.

Mr. McGIBBON: Is not this advertising submitted to the newspapers without any expectation of the railway paying for it? That is, the newspapers are simply requested to publish the advertisement, and they are not paid for it except by way of free transportation?

Mr. DUNNING: Oh yes. Allow me to refer to the answer I made to a question by the hon. member for Toronto Northwest bearing on the point. It will be found in Hansard at page 2722. This is the concluding paragraph of the answer:

> The item under advertising in Canadian National accounts which the hon. gentleman refers to as having increased by $175,162 during 1927, covers advertising of all kinds throughout Canada and the United States. During 1927 the management expended on advertising in newspapers, $303,809.25. In addition thereto there was issued transportation in lieu of cash for advertising space in newspapers in Canada only $197,225.39.

That is to say, the railway expended in cash not quite twice as much as it paid for advertising by the issuance of transportation. That answers my hon. friend's question.

Mr. McQUARRIE: I desire to ask the minister if any record is kept of the transportation given to reporters and others connected with newspapers.

Mr. DUNNING: I have just dealt with that. Every bit of transportation issued to a newspaper for a reporter or for anyone else connected with that newspaper is charged up in the Canadian National accounts against the newspaper.

[Mr. Dunning.]

Mr. McQUARRIE: Giving details?

Mr. DUNNING: I cannot say positively as to details, but I do know that the accounts are kept in such a manner as to enable one to give the answer which I gave the other day in that regard. My hon. friend from Toronto Northwest also complained because the Canadian National did not think it well, in answer to his question relating to newspaper transportation, to give the details for which he asked. Now that raises what has always been a delicate matter with respect to an enterprise of this character, as to whether, through the medium of parliament, information should be forced into publication which no competitor of the institution, in the ordinary course of its business, does make public. My hon. friend asked for details in great variety, and the answer given—supplied by the management—is:

> The question calls for information of a kind that the management of the Canadian National Railways holds not to be in the public interest to divulge in detail, as publication, while serving no useful purpose, may place the Canadian National Railways in an invidious position with respect to competitors whose advertising appropriations are not subject to publication. Even if it were advisable to bring down the information asked for in detail, it could not be given in the form of an answer to a question, as it covers advertising of all kinds—newspapers, magazines, printing of booklets, et cetera, and also not only the entire Canadian field but such portions of the United States as are served by Canadian National lines in that country.

Then follows the information in aggregate figures which I read a few moments ago. There was no objection on the part of the management to giving aggregate figures, but there was an objection to giving details in relation to different newspapers and different classes of service, and that for the reason which I have just indicated.

I would respectfully urge upon the membership of the house, with respect to the matter of free transportation, that it is not in the interests of the system nor of the country that there should be an idea abroad that free transportation is given by either of our great railway companies in contravention of the law. My object in referring to the matter is to ask hon. members to bring to my attention, if they will be good enough to do so, or to the attention of the Board of Railway Commissioners any case which in their opinion constitutes an infraction of the law. As I said at the outset, the law as amended in 1919 is now quite clear and specific. The Board of Railway Commissioners conduct an audit with respect to free transportation, and I merely ask the co-

operation of hon. members with a view to dispelling this rumour that the law is being broken in this particular.

In regard to Canadian National affairs generally, I agree with the leader of the opposition. We can more properly go into details when the house is in committee of supply than in a general discussion of this sort, merely upon the adoption of a report.

Mr. J. H. HARRIS (Toronto-Scarborough): I would have hesitated to intervene in this debate at this particular stage had not my hon. friend from Toronto Northwest (Mr. Church) brought my name into the discussion. But another reason I have for rising at the moment is to acquaint hon. members with the importance of some of the items which are contained in this report. It is quite true perhaps, from the point of view of the hon. member for Toronto Northwest, that we may have been in a little pipe dream when that committee was sitting. But I notice that the evidence adduced in the sittings held by that committee was of sufficient interest to induce the hon. member to read the report three or four times, and of sufficient moment for him to rise in his place to-day, on the motion, and make certain observations with regard to the matter.

Inasmuch as the session is dragging out, and in view of the fact that when the estimates do come down to the house they will probably reach hon. members at a time when they are not just ready to discuss them, I wish to point out to the house as now assembled that the statements made in the report of this committee this year reveal two or three facts of which, while no doubt other hon. members and I know about them, I am quite certain that the general public, for whom we are trustees in this road, have no real conception so far as the bookkeeping system of the enterprise is concerned. Let me make one or two observations on this question, if I may. With regard to the rank and file of the men on the pay-roll of the Canadian National railway system, what I have observed leads me to the conclusion that during the last five years, at least, these men have been much more loyal to the company than they were previously. One can observe, from one end of the country to the other, the fact that on the whole the men on the pay-roll of the Canadian National system are, to the best of their ability, advancing the interests of the road which is paying them their weekly wages. You can notice it at every little station and in every section of the business; the men are anxious to secure for the system all the business which it is possible to get. So that in offering a few remarks, which are not necessarily a criticism, regarding the general bookkeeping system of the road, I want it clearly and distinctly understood that I am not in any way whatever referring adversely to those employees of the Canadian National Railways who after all comprise the heart and soul of the entire system—the rank and file. So far as the management are concerned, too, they are taking a keen interest in the success of the road. But I want to point out two or three things to the house.

We have in road equipment to-day a capital investment amounting to $1,914,000,000. I speak from memory. Now that is a sum of real magnitude, and the point I wish to bring out is that year by year we are adding to that sum. The directorate are not offering, nor is the Minister of Railways (Mr. Dunning) in this house, any feasible scheme whereby that fabulous sum, approaching two billions of capitalization, can be brought down to something approximating the real value of the road in order that we may have a truer picture of the operations of the system as disclosed in the balance sheet which is given to us each year. If you refer to page 21 of the report this year you will find additions to capital account amounting to some $43,724,677.16. Very good, if we are having these additions made to capital account. But as a layman who perhaps knows nothing about railways but who has found it necessary each year, in a small business, to take into consideration a certain amount of depreciation on plant and equipment, I say that when this sum is added to the capital account of the Canadian National Railways and no provision is made for exhaustion of the different elements which go to constitute the system, the public should know of these facts. And we sitting in this House of Commons should be in a position to discuss these matters with the public and give them some idea of what this capital account, approaching two billions, really implies.

I appreciate the difficulty one would have in setting up a depreciation reserve to take care of the exhaustion of new elements from year to year, when the capital investment starts with the sum of two billions. You can realize that a mere half of one per cent would be a very large item in the operating account, to be set aside each year for the purpose of meeting depreciation or exhaustion. Nevertheless the point is that nothing is being done at the present time—apart from those elements which are written off—so that year by year we might have reflected in the statement of the Canadian National system some

figure which would denote the amount of exhaustion annually of the elements in the service of the road, and which in any ordinary business would be disclosed in a statement of this kind.

Hon. members will find it stated in the report that the accounting system which was reviewed at some length by the committee is in accordance with sound railway practice. I was rather anxious to have a more definite statement as to what railroad practices were meant, and the question was asked whether the system was in accordance with the practice of class "A" roads, which receive their authority from the Interstate Commerce Commission. If hon. members will refer to page 174 of the proceedings of the committee they will find these words:

—some railroads found it good practice to set up depreciation to take care of the exhaustion of different elements, while other railroads did not. Some of the class "A" roads did and some did not. . . . Speaking of roads in the United States, they all accrue depreciation on equipment—

In reading this report any hon. member might believe that the accounting system is in accordance with railroad practice all over this continent, yet we find that the railroad practice depends upon where the railroad is located. When the Canadian National Railways go through the United States, their accounting methods are in accordance with the requirements of the Interstate Commerce Commission, but as hon. members know by far the greater part of this railway is in Canada, and the accounting practice of that portion is in accordance with the rules of the Board of Railway Commissioners. As far as I can see, the railway commission do not lay down rules and regulations with regard to the accounting system of the Canadian National Railways commensurate with the magnitude of this organization.

When these estimates come up, I want hon. members of the house to understand exactly what they are asked to pass. The hon. member for Toronto Northwest (Mr. Church) discussed the withdrawal of the eastern lines from the report this year. I remember when legislation was passed by this house affecting a 20 per cent reduction in freight rates on eastern lines, and I remember that the loss occuring therefrom was to be a statutory payment. I felt glad to do anything I could to assist the development of the maritime provinces; if by making a 20 per cent reduction in freight rates and paying the difference out of the consolidated revenue fund we would help the maritime provinces I was quite content to do so. However, I must admit that I was disappointed, although perhaps it is my own fault because I did not study the situation sufficiently last July, to find that this statement which most members of the house expected to cover all the operations of the Canadian National Railways for last year, does not deal with the deficit arising from the operation of the eastern lines. So while this statement is in accordance with the legislation we passed last year, I want hon. members of the house to know that the loss occasioned by the operation of the Maritime Freight Rates Act is not included in this report, so these figures do not present a complete picture of the operations of the railway.

[Mr. Harris.]

Two or three other rather important matters came before this committee, but I think the time has come in Canada when we should expect from the directors of the Canadian National Railways and from the government who have that directorship more or less under their control, some statement of policy as to what they are going to do to put the Canadian National Railways on a business basis, so that when the members of the house and the people of Canada, who are the shareholders in this railway, receive the annual statement each year they will get a fair reflection of the operations of the road. As it stands now, in my humble judgment this report does not show the people of Canada all that is happening. I would like to emphasize that in just one other way. Over a period of perhaps fifty years it is quite true that this statement issued year by year will be a true reflection of what has transpired, but as a yearly statement it is of little value. This year $40,000,000 has been added to the capital account; these elements all in use on the road will be exhausted during the next twelve months, and that exhaustion represents real money in dollars and cents. Yet when the statement is received next year the exhaustion of that $40,000,000 of additions will not be reflected in any way. I say again that in my opinion the time has come when the government and the directors of this road should give some thought to putting the Canadian National Railways on a business basis so far as their accounts are concerned, so that when the annual statement is presented we will be able to get some idea of what is going on.

Mr. W. G. McQUARRIE (New Westminster): The hon. member for Toronto Northwest (Mr. Church) referred to the issuance of transportation to reporters and others connected with newspapers, and it seems to me that that matter should be investigated. The explanation given by the minister seems to reveal the fact that a pernicious practice exists, or at least that it is customary with

both railways to pay for advertising by issuing passes. That seems to me entirely wrong; at least in connection with the Canadian National Railways we should pay for advertising in the regular way, and should only issue passes to newspaper men who are entitled to have them under the provisions of the act. I have heard rumours to the effect that publicity is obtained through issuing passes; that when matters are before the house in connection with which railway officials desire to have the gentlemen in the press gallery stop giving publicity which might hurt them, or when they desire publicity which might be of benefit to them, it is quite customary to have some high official of the railway come to Ottawa and issue passes in a rather wholesale manner to members of the press gallery. These are stories which I have heard; I do not know whether or not they are true, but I do not believe the minister should pass up this matter, as he seems inclined to do, by saying, "Oh, if any of the members hear of these things they should give me particulars of them." It seems to me that the minister or some one in his department should investigate matters of this kind.

Mr. DUNNING: Will my hon. friend permit a question? Is he now referring only to the Canadian National Railways, or does he include the Canadian Pacific Railway as well?

Mr. McQUARRIE: The rumours I have referred to were connected with the Canadian National Railways. So far as the press gallery is concerned, we have them writing articles from day to day, calling attention to the fact that members of parliament are receiving this and that perquisite, using free transportation, and having the privileges of the restaurant, and so on, while they themselves are doing exactly the same thing.

Mr. DUNNING: Oh, no, Mr. Speaker, that is quite wrong. The transportation issued to the press by the railway is not free transportation; it is paid for, and that is the distinction.

Mr. BENNETT: An annual pass is not computed.

Mr. McQUARRIE: That is where the iniquity of the thing comes in. It seems to me that it is all wrong in principle. It is hypocritical for the pressmen to speak about the indemnities and perquisites that the representatives of parliament receive, when it is a fact that we do not get any privilege that the members of the gallery are not receiving. If they are receiving free passes on the railways, contrary to the act, then I say that there should be an investigation, and that kind of thing should be stopped.

Mr. DUNNING: That is right, if it is true.

Mr. McQUARRIE: It should be stopped. I asked the minister if particulars could be obtained of the transportation issued to newspaper reporters, and others connected with the newspapers, and he said, "Yes." When I said, "Can you give the details?" he said, "Oh, I do not think so." A general statement in regard to the issuance of transportation is not good enough; we need the details. I submit, in all seriousness, that the member for Toronto Northwest (Mr. Church) has raised an important matter, and one which should be fully investigated.

Mr. DUNNING: If the hon. member will give me anything to investigate, I shall be very glad to do so. With regard to the general situation, I will assure myself that the situation is as I outlined it a little while ago.

Hon. J. L. RALSTON (Minister of National Defence): I want to say just a word or two with regard to what has been said by the hon. member for one of the Torontos. He intimates that he is surprised to find that, under the Maritime Freight Rates Act of last year, the deficit on the eastern lines is estimated for and paid out of the funds of Canada rather than out of the funds of the Canadian National Railways. I only want to say that I am sure my hon. friend was in attendance last year, and he should not be surprised. I have before me the Maritime Freight Rates Act—

Mr. HARRIS: I rise to a point of order; is the hon. gentleman referring to the member for Toronto-Scarborough? I want to say that I was not surprised.

Mr. RALSTON: I am glad if my hon. friend was not surprised. I thought my hon. friend at least expressed dissent from the principle which we laid down, and which I understood him to say he did not understand was laid down last year. If my hon. friend did not understand it, and dissents from it, I should think he would be surprised to find that that principle was laid down. In the Maritime Freight Rates Act the principle was laid down just as clearly as it possibly could be that the deficit on the eastern lines would be estimated for by the Department of Railways and Canals. That was a recognition by this parliament, as those from the maritime provinces claimed, of the principles of the confederation pact, whereby it was provided that the Intercolonial railway was to be built. I am a little surprised to find the gentleman on the other side of the house now taking exception to that principle.

Mr. BENNETT: He did not.

Mr. RALSTON: He says he dissented from it.

Mr. HARRIS: No exception was taken to the principle. The only exception was that it was not found in the consolidated accounts of the Canadian National Railways. I agreed with the principle.

Mr. RALSTON: I only want to say that I think some other hon. members in this house got the idea that the hon. member was not favourable to the principle which had been laid down in the Maritime Freight Rates Act.

Mr. BENNETT: He said distinctly that he desired to support it. He said that in his main speech.

Mr. RALSTON: I just want to take this opportunity to make it clear so that everyone else will understand, that the principle laid down in the act was put there because of the recognition by the whole of Canada of the rights of the maritime provinces with regard to the Intercolonial railway. Due to certain considerations of a national character, it cost a good deal of money, which resulted in some deficiency on the road. It was felt that there should be a distinct recognition of the obligation of the Dominion of Canada in that regard and therefore section 6 of the act was passed. It provides:

For accounting purposes, but without affecting the management and operation of any of the eastern lines, the revenues and expenses of the eastern lines, including the reductions herein authorized which shall be borne by the eastern lines, shall be kept separately from all other accounts respecting the construction, operation or management of the Canadian National Railways.

2. In the event of any deficit occurring in any railway fiscal year in respect of the eastern lines the amount of such deficit shall be included in a separate item in the estimates submitted to parliament for or on behalf of the Canadian National Railways at the first session of parliament following the close of such fiscal year.

Mr. GEARY: That has not been done.

Mr. RALSTON: That act was passed on the recommendation of the maritime claims commission. And the following appears on pages 20 and 21 of their report:

We think, however, that a balanced study of the events and pronouncements prior to confederation, and at its consummation, confirms the representations submitted to us on behalf of the maritime governments, in regard to the ultimate construction of the railway, viz:—

(a) That leading Canadian statesmen in urging the adherence of the maritime provinces to confederation defined the purposes of the railroad to be

(i) A means of affording to Canadian merchandise, and to Canada herself in times of national and imperial need, an outlet and inlet on the Atlantic ocean—available all the year round—and

(ii) To afford to maritime merchants, traders and manufacturers, a market of several millions of people instead of their being restricted to the small and scattered populations of the maritimes themselves, particularly in the light of the disturbance with which their trade was threatened as the result of the discontinuance by the United States of the reciprocal arrangements that had prevailed.

(b) That stategic considerations determined the actual course of the line—making it many miles (estimated by Sir Sandford Fleming at 250 miles) longer than was necessary—if the only consideration had been "to connect the cities of the maritime provinces with those of the St. Lawrence."

(c) That to the extent that commercial considerations were subordinate to national, imperial and strategic considerations, the cost would be borne by the Dominion and not by the traffic that might pass over the line.

Mr. McGIBBON: May I ask the minister a question? Did the Minister of Railways and the Prime Minister not ridicule that principle two years ago?

Mr. DUNNING: Mr. Speaker, I must object, and I ask my hon. friend to withdraw that statement. On no occasion did I ridicule anything of the sort.

Mr. McGIBBON: The principle of taking money out of the treasury to pay for the reductions.

Mr. DUNNING: I did not ridicule it.

Mr. RALSTON: I am glad to pay tribute to my hon. friend the Minister of Railways. He was the one who carried this bill through the house, and who gave to the house reasons why the Dominion of Canada should adopt this principle and why the reductions in freight rates should be borne by the Dominion of Canada as a whole.

Mr. McGIBBON: Not in his election speeches.

Mr. RALSTON: I did not follow my hon. friend in his election speeches, but, from what I have heard of him I think he is able to take care of himself.

I want to say that the deficits were incurred as a result of the operation of the road, operating, as it was, not simply as a commercial proposition but from the point of view of national and strategic considerations. Lower freight rates were charged on that road than in the rest of the Dominion of Canada. In 1912 there came a drive to increase the rates on that road, in an endeavour, apparently, to make the people of the maritime provinces pay the deficit. Those rates were increased by a considerably greater

percentage than the rates in other parts of the Dominion of Canada. What the Maritime Freight Rates Act did was this: First, it reduced the freight rates to the proportion which they bore previous to 1912 to the other freight rates in the Dominion of Canada. It said: The people of the maritime provinces shall not be required to pay a greater percentage of increase than the people of the rest of Canada. It did not restore to the people of the maritime provinces the excess rates which they had paid from 1912 up to the time of the Maritime Freight Rates Act, but it said that from 1927, when the act was passed, the rate should be reduced by 20 per cent.

It went one step further and it laid down as a principle of the statute, a principle recognised by parliament and by the Canadian people, that because of the national and strategic conditions under which the road was built the deficit on this road above the amounts which were properly collected as rates which the traffic would bear, should be paid by the people of the whole Dominion of Canada. That principle was assented to by parliament. I thought I heard from my hon. friend that he dissented from that. I am glad to hear I was wrong. I have heard of it in some other quarters, and so far as I am concerned I want to make it abundantly clear that that was the principle on which the act was passed and that it was a recognition of that principle by the people of the whole of Canada which led to the insertion of section 6 whereby to-day the Minister of Railways, when he is bringing down his estimates in regard to the Canadian National Railways, estimates the whole deficit on the eastern lines.

Mr. G. R. GEARY (South Toronto): I should like to say a word with reference to the speech of the Minister of National Defence (Mr. Ralston) who has just sat down. I see no point to his speech. I do not see any object in what he has been at such great pains to repeat. He is only repeating what everybody in the house and the country knows. The whole of his speech seems to be an effort to indicate that on this side of the house we are renouncing the principle upon which we insisted in order to have the Maritime Freight Rates Act passed last year. My hon. friend knows that we on this side were as insistent as they on the other in passing that act. He should know further that it was the insistence of members from the maritime provinces sitting on this side that procured the issuance of the Duncan report. The hon. member for Toronto-Scarborough (Mr. Harris) said nothing to draw from a member of the government such remarks as the hon. member has just made. He said nothing whatever to indicate that he did not understand the principle upon which we were paying these deficits and nothing at all to justify the remark of the minister as he sat down that he was afraid that he saw on this side of the house symptoms of a failure to understand the principle upon which the Maritime Freight Rates Act was passed, and moreover that there was objection on this side to the payments required under that act. As a member of the house who does not come from the maritime provinces, but who is fully aware of the feeling on this side, I desire to say that it seems to me the minister's remarks were directed not to the question at issue, not to the point of trying to convince anybody in the house about anything, but to people outside of the house who, he hopes, may read or hear of his statement.

Motion agreed to on division.

BUSINESS OF THE HOUSE

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Under the order of motions, in accordance with a resolution of which I gave notice on April 25, I beg to move, seconded by Mr. Kennedy:

> That the resolution passed by this house, on Friday, the 23rd of March, 1928, providing that on and after Monday, 16th April, 1928, and all subsequent Mondays and Wednesdays until the end of the session, government notices of motions and government orders shall have precedence over all other business except questions and notices of motions for the production of papers, be rescinded.

I think the last few private members' days have made it quite clear that there is not sufficient opportunity for the adequate discussion of private members' legislation. On the one hand we have had blocking tactics and on the other an attempt to railroad through certain legislation. It seems to me that the only possible way in which we can conduct the business of the house with some dignity is that we should have sufficient time for the consideration of each of these measures on its merits.

Mr. SPEAKER: I have grave doubts as to this motion being in order. Any motion relating to the business of the house must be moved by a member of the government. May, at page 250, 13th edition, states:

Motions relating to business of the house which must stand in the name of a minister of the crown, are placed first, and a motion for a vote of thanks, when moved by a minister of the crown, is placed among these motions.

This motion can be moved only by a minister of the crown, not by a private member, because it relates to the business of the house. In my judgment the motion is out of order and I so rule.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMMIGRANT KIRZAK

Mr. HANSON:

1. Did an immigrant by the name of Kirzak land at Saint John, New Brunswick, on or about April 13, 1928?
2. If so, from what port did he sail?
3. Was he examined by a Canadian medical officer at port of embarkation, and was he examined by a medical officer at Saint John, New Brunswick?
4. Is it a fact that the immigrant was picked up on the main street of Yorkton, Saskatchewan on or about the 23rd of April, 1928, and subsequently adjudged insane and ordered committed to the asylum at North Battleford, and does the department intend to deport Kirzak?

Mr. FORKE:

1. Yes.
2. Danzig.
3. Yes, at Danzig; and passed by medical officer at St. John, N.B., on production of evidence establishing his medical examination at Danzig.
4. Only information available is that alien was committed to Battleford mental hospital on April 24, 1928. Order will be issued for his examination and investigation of the facts in accordance with section 42 of the Immigration Act.

PRINCE ALBERT DOMINION LANDS OFFICE—EMPLOYEES

Mr. WILSON (Wentworth):

1. Who are the present employees of the Dominion Lands office at Prince Albert?
2. What was the date of their several appointments?
3. What are their several salaries?
4. Have any employees of the Dominion Lands office at Prince Albert been dismissed since 1921?
5. If so, who?
6. When were they dismissed and for what reason?

Mr. STEWART (Edmonton):

1, 2 and 3:

Name—Date of appointment—Present salary

Patterson, L. C., May 17th, 1910, $2,880.
Agnew, H. L. M., August 20th, 1917, $2,400.
Spencer, W. J., December 23rd, 1912, $2,160
Anderson, J. H., September 25th, 1916, $2,100
Paterson, A. V., October 6th, 1915, $1,620.
Burton, R. H., June 10th, 1912, $1,680.
McGinnis, F. P., July 31st, 1919, $1,620.
McEwen, R. S., July 19th, 1920, $1,620.
Furnis, H., September 11th, 1919, $1,620.
Collins, F., July 14th, 1920, $1,620.
Simpson, F. W., January 27th, 1912, $1,500.
Pickering, W. J., November 24th, 1924, $1,380.
Brandon, Mrs. M. E., September, 22nd, 1910, $1,380.
Pechey, D. R., May 12th, 1926, $1,140.
Conklin, W. J., May 30th, 1927, $1,080.
Noble, Miss E. R., February 2nd, 1927, $720.
Eagle, Miss M., September 1st, 1927, $720.
McLaren, I. C., October 10th, 1927, $720.
Lacroix, W. C., November 14th, 1927, $720.
How, Mrs. E. B., December 5th, 1921, $1,380.
Haldenby, Miss B., June 16th, 1919, $1,380.
Smith, Miss M. I., September 24th, 1924, $1,080.
McArthur, Miss M. M., September 20th, 1927, $720.
Carrier, Miss J., July 12th, 1927, $720.
Smyth, A., April 16th, 1912, $1,920.
Mosses, A. E., February 21st, 1913, $1,920.
Taylor, S., October 15th, 1919, $1,920.
Webb-Bowen, E. H. E., May 31st, 1920, $1,920.
Whelan, W., June 5th, 1920, $1,920.
Brown, H., May 8th, 1912, $1,920.
McKenzie, F., May 26th, 1913, $1,920.

4. No.
5. Answered by No. 4.
6. Answered by No. 4.

CHICOUTIMI HARBOUR COMMISSIONERS

Mr. SENN:

1. Who are the harbour commissioners for the port of Chicoutimi?
2. When were they appointed?
3. What salary does each commissioner receive?
4. Who is the chief engineer of the harbour commission of the port of Chicoutimi?
5. (a) When was he appointed, (b) at what salary?
6. What money has been expended on the port to date?
7. Have bonds or debentures of the harbour commission been lodged with the government?
8. Has interest been deducted by the government on any advances made to the harbour commission?

Mr. CARDIN:

1. Vincent Dubuc, president; Adjutor Bouliane, commissioner; Adelard Tremblay, commissioner.
2. 24th June, 1927.
3. No salary authorized.
4. There is no chief engineer.

5. (a) Answered by No. 4. (b) Answered by No. 4.
6. To March 31, $39,367.07.
7. No.
8. No advances have yet been made.

INVERNESS COUNTY PICKLED FISH INSPECTORS

Mr. MACDOUGALL:

1. How many inspectors of pickled fish are there in Inverness county?
2. What are their names?
3. What is the salary of each?

Mr. CARDIN:

1. One seasonal inspector employed about eight months each year.
2. J. D. Aucoin.
3. At the rate of $1,500 per annum.

INVERNESS COUNTY PREVENTIVE OFFICERS

Mr. MACDOUGALL:

1. How many preventive officers are there in Inverness county?
2. What are their names?
3. What is the salary of each?
4. How many seizures, if any, have been made by each officer?

Mr. EULER:

1. 5.

2 and 3.

	Per annum.
John C. Bourinot	$ 1,920
Archibald J. Campbell	1,320
Ronald D. McDonald	1,200
John Sydney McLean	1,200
Arsene Burns	1,200

4.

	Customs	Excise
John C. Bourinot	3	1
Archibald J. Campbell	5	14
Ronald D. McDonald	-	1
John Sydney McLean	3	1
Arsene Burns	4	5

TRANS-PROVINCIAL HIGHWAY

Mr. KENNEDY:

1. Has the Dominion government been requested to co-operate with the government of British Columbia in the construction of a highway through Glacier national park as part of what is known as the trans-provincial highway between Revelstoke and Golden, British Columbia?
2. If so, it is the government's intention to meet the request of the British Columbia government?
3. If the government does not intend to meet such request does it intend to co-operate by financial assistance toward the construction of a highway around the Big Bend of the Columbia river between Revelstoke and Golden?
4. Does the government intend to construct, or contribute toward the construction of a highway from a point on the Big Bend highway to Jasper Park, or other points in the Peace river district?
5. Has the government advised or intimated to the British Columbia government the amount of money it is disposed to contribute toward this work?
6. If so, what is the amount?
7. How much will be spent by the federal government this year on this work?

Mr. STEWART (Edmonton):

1. The matter is under discussion.
2. The policy of the government will be announced later.
3. Answered by No. 2.
4. Answered by No. 2.
5. Answered by No. 2.
6. Answered by No. 2.
7. Answered by No. 2.

CANADIAN NATIONAL RAILWAYS—SHERBROOKE-PORTLAND BRANCH LINE

Mr. MacLAREN:

1. Are the Canadian National railway branch lines extending from Sherbrooke, Quebec, to Portland, Maine, and the Canadian National railway dock at Portland, Maine, being taken over by the Canadian Pacific railway?
2. If so, upon what terms and conditions?

Mr. DUNNING:

1. No.
2. Answered by No. 1.

HARROW EXPERIMENTAL FARM

Mr. GOTT:

1. What was the total cost of operating the Harrow, Ontario, experimental farm for the year 1927?
2. What returns did the farm make?
3. Who is the superintendent of the farm?
4. What salary is he paid?

Mr. MOTHERWELL:

1. $24,716.32.
2. $12,348.75.
3. The position is vacant at present.
4. Answered by No. 3.

QUESTION PASSED AS ORDER FOR RETURN

GOVERNMENT COUNSEL IN TORONTO

Mr. CHURCH:

1. Have any lawyers or law firms been employed by the Dominion government, or any departments thereof, in the city of Toronto during the fiscal year 1926-27?
2. If so: (a) by what departments; (b) who are those lawyers or firms; (c) what were the nature and extent of the services rendered; (d) what remuneration was paid in each case?

UNOPPOSED MOTIONS FOR PAPERS

DEPARTMENT OF THE INTERIOR—INVESTIGATION OF ALEXANDER SMITH, K.C.

Mr. SPENCER:

For a return of exhibits containing the forty reports and documents bearing the signature

of Richard A. McClymont, which were given to Mr. Alexander Smith, K.C., royal commissioner, by the Department of the Interior for investigation.

Mr. SPENCER:

For a copy of the evidence, exhibits and correspondence in connection with the investigation held recently before Mr. Alexander Smith, K.C., royal commissioner, appointed to enquire into certain charges made by one Richard A. McClymont, with regard to the Department of the Interior.

AMHERSTBURG PUBLIC BUILDING—CARETAKER

Mr. GOTT:

For a copy of all correspondence, telegrams and communications of any kind, relating to the vacancy of caretaker of the government building at Amherstburg, Ontario, and the appointment by the civil service commission of a successor. Also a copy of all papers and documents preceding and subsequent to the supposed appointment, and subsequent correspondence and recommendation by any one, of any other person for the position, whether under the civil service or another department of state.

VALIDATION OF ORDERS IN COUNCIL

Hon. CHARLES STEWART (Minister of the Interior) moved:

That the following orders in council, laid on the table on the twenty-seventh day of January, 1928, be approved:—

Orders in council which have been published in the Canada Gazette between 11th November, 1926, and 20th December, 1927, in accordance with the provisions of section 77 of the Dominion Lands Act, chapter 20, 1908;

Orders in council which have been published in the Canada Gazette between the 11th November, 1926, and the 20th December, 1927, in accordance with the provisions of the Dominion Forest Reserves and Parks Act, section 19, chapter 10, 1911;

Orders in council which have been published in the Canada Gazette and in the British Columbia Gazette between the 11th November, 1926, and the 20th December, 1927, in accordance with the provisions of subsection (d) of section 38 of the regulations for the survey, administration, disposal and management of Dominion lands within the 40-mile railway belt in the province of British Columbia.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I cannot think it was ever the purpose of parliament, when enacting the statutes to which reference has been made, that this house should merely give approval to orders in council about which it knows nothing. The orders in council should either be in a schedule to be approved, or the orders in council themselves should be available beyond merely laying them on the table at the beginning of the session. But leaving that aside for the moment, I direct the attention of the minister to the fact that this parliament should not under any circumstances be asked to give approval to an order in council that appears in the British Columbia Gazette. I think the Minister of Justice (Mr. Lapointe) will agree with me that the practice is not only bad, but highly improper that this government should be asked to give approval to an order in council from the British Columbia Gazette without at least having the order in council before us in order that we may deal with it.

Mr. STEWART (Edmonton): They are in both Gazettes.

Mr. BENNETT: Yes, but it says:

Orders in council which have been published in the Canada Gazette and in the British Columbia Gazette between the 11th November, 1926, and the 20th December, 1927, in accordance with the provisions of subsection (d) of section 38 of the regulations.

There is nothing here to indicate what these orders in council were except that they referred to the administration of what is known as the railway belt, and under those circumstances, the orders in council in the British Columbia Gazette not being before us—

Mr. STEWART (Edmonton): They were placed on the table.

Mr. BENNETT: The ones published in our Gazette were placed on the table, but the orders in council published in the British Columbia Gazette were not.

Mr. STEWART (Edmonton): They are the same.

Mr. BENNETT: It does not make any difference. We are being asked to approve something that appeared in the British Columbia Gazette, over which we have no control, and which Gazette is not laid upon this table. It is the form of the resolution that I am pointing out is wrong, and I suggest that it stand and be modified to meet what I conceive to be the correct constitutional practice, namely, that this parliament should not endeavour to approve any order in council issued by any authority other than the authority that speaks in the right of the crown of the Dominion. That is the constitutional practice.

Mr. STEWART (Edmonton): It is done merely to notify the people of British Columbia. The lands in question and the administration of these acts are under the jurisdiction of the federal government, and the orders in council are published in the Canada Gazette, but in order that the people of British Columbia may have an opportunity of seeing what is being done, they are also published in the British Columbia Gazette.

Mr. BENNETT: The minister surely realizes that you do not say, in dealing with orders in council that affect Alberta or Saskatchewan—at all events you have not done it heretofore—

Mr. STEWART (Edmonton): No, for the very good reason that we have only a very small portion of the lands of British Columbia, the railway belt and the Peace River block.

Mr. BENNETT: And you should have only a very small portion in Alberta.

Mr. STEWART (Edmonton): Be that as it may, we have them all now. May I say to my hon. friend that this is merely to close out the year, and what I propose doing next year, if I am here, is to introduce legislation to make compulsory the publication of these orders in council in the Gazette, and to discontinue the practice of having parliament approve of a resolution in order to validate the orders in council.

Mr. BENNETT: Continuing my observations, I only desire to point out that I assume that what was done was that the order in council was passed here and was published in the Canada Gazette and also published in the British Columbia Gazette, but we have no control over the matter of its publication in the British Columbia Gazette except the sending of it down there, and why we should make it appear that we are approving of an order in council that is published in some other publication than the official publication of this country, I cannot for the moment understand. Why mention the British Columbia Gazette at all? Why not strike out those words?

Mr. STEWART (Edmonton): I am perfectly willing to do that. I move, Mr. Speaker, to strike out in the second line of the last paragraph of the resolution the words "and in the British Columbia Gazette."

Amendment agreed to.

Motion as amended agreed to.

ASCENSION DAY—VICTORIA DAY ADJOURNMENTS

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

That when this house adjourns on Wednesday the 16th instant, it stand adjourned until Friday, the 18th instant.

That when this House adjourns on Wednesday, the 23rd instant, it stand adjourned until Friday, the 25th instant.

He said: The house understands that the 17th of the month is Ascension day, and that it has been customary for the house not to sit on that day, it being a holy day. The 24th of May is Victoria day, and on that day also it has not been customary for the house to be in session.

Mr. BENNETT: Although we have sat on Dominion day.

Mr. MACKENZIE KING: And there have been occasions when we have sat on the 24th of May.

Mr. BENNETT: Some of our friends are greatly exercised over two holidays following in those two weeks. If they leave for home on Wednesday night to come back here on Friday morning in both instances, it will be very difficult for some of them. I do not know how the matter might be dealt with, for I have not yet had an opportunity to discuss it, but on one of the days it might be well for the house to adjourn until the succeeding Monday.

Mr. MACKENZIE KING: I was going to make a suggestion, which possibly would meet with the approval of the house, and might facilitate bringing the session to a close within a reasonable time; that is, that we should sit on Saturday of each of those weeks.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: If the house will agree to it unanimously I should like to move:

That on Saturday, May 19th instant and every Saturday thereafter until the end of the session, the house shall meet at three o'clock in the afternoon, and that the order of business and procedure shall be the same as on Fridays.

It means that if this motion should carry the house will not sit on Thursday either of next week or the week following, but will sit on Saturday of next week and, if the house is still in session, on Saturday of the week following. I think it might facilitate the passing of the motion later, Mr. Speaker, if it were allowed to stand until to-morrow. The three motions could be considered together then, unless there is unanimous consent to its adoption now.

Mr. SPEAKER: Is it the desire of the house that the three motions stand until to-morrow?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: The three motions stand until to-morrow.

CIVIL SERVICE

RECLASSIFICATION OF OFFICIALS IN POSTAL SERVICE

On the orders of the day:

Hon. P. J. VENIOT (Postmaster General): Mr. Speaker, yesterday the hon. member for Vancouver South (Mr. Ladner) asked if I would produce the correspondence in connection with the recommendations made to the Civil Service Commission for increased salaries of postal clerks and other employees. I promised that I would endeavour to do so to-day. I now desire to lay the correspondence on the table.

HOME BANK DEPOSITORS

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, may I ask the Minister of Finance if the government has come to any conclusion with regard to further payments to the Home Bank depositors?

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, some few days ago I made a statement regarding the Home Bank depositors. If my hon. friend will contain his soul in patience until the supplementary estimates are brought down, he will there find what we propose doing for the Home Bank depositors.

DANGER TO BORDER RESIDENTS

On the orders of the day:

Mr. T. L. CHURCH (Northwest Toronto): Mr. Speaker, I desire to ask the Prime Minister (Mr. Mackenzie King) what will be done to protect Canadian citizens and Canadian interests at Port Colborne from the invasion of several armed American cruisers, as set out in articles in yesterday's Mail and Empire and the Toronto Star. One man was shot at. There is a heavy tourist traffic in this district at the opening of the season, and it is important that the necessary protective measures should be taken.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the hon. member has raised a very large question when he speaks of an "invasion". I should like to see the articles to which he refers in order that I may consider them and give him a reply later.

[Mr. Speaker.]

TOBACCO GROWING INDUSTRY

On the orders of the day:

Mr. E. J. GOTT (South Essex): Mr. Speaker, I should like to say to the Minister of Agriculture (Mr. Motherwell) that the people of western Ontario have been anxiously and patiently—

Some hon. MEMBERS: Order.

Mr. GOTT: Will the minister state when we may look for the report of the commission appointed by the house to inquire into the tobacco situation in western Ontario, in view of the fact that he promised some time ago to lay it on the table?

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker, I expect to table it some day this week.

ROYAL COMMISSION ON FISHERIES

On the orders of the day:

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, may I ask the Minister of Marine and Fisheries (Mr. Cardin) if the fisheries report is being printed for distribution amongst the members of the house. While I am on my feet I wish to draw attention to the fact that a synopsis of the report was published in La Presse of Montreal on Monday preceding its tabling in the house.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): Mr. Speaker, the report is being printed, and I think it will be ready for distribution to-morrow. As to the synopsis which appeared in La Presse, I think certain information was given out by the members of the commission themselves, subject to an understanding which, I am told, was not observed. I disclaim any responsibility for what happened.

Hon. R. B. BENNETT (Leader of the Opposition): The other day, Mr. Speaker, I directed the attention of the right hon. Prime Minister to what had happened in connection with another report. It would appear to me that the proper way to deal with members of a commission who give to the public the contents of a document that should be in the hands of the administration before it appears in the newspapers, would be neither to pay their expenses, nor to allow any sum by way of compensation for services. The hon. Minister of Marine and Fisheries has,

I think, taken the correct view, but something should be done to prevent this premature publication. This is the second time it has occurred this session.

Mr. LAPOINTE: Withhold their salaries.

Mr. BENNETT: Exactly.

NATURALIZATION ACT AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved:

That Bill No. 19 to amend the Naturalization Act be now read a third time.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I beg to move, seconded by Mr. Guthrie:

That the word "now" be left out, and the words "this day six months" be added to the end of the question.

It is not my intention, Mr. Speaker, to address to the chamber any extended remarks in connection with this matter. We have considered the bill very fully in committee and also upon second reading. The fact is that in 1914 we enacted legislation with respect to naturalization, which legislation might be devided into two parts. The first part deals with the conditions under which applicants for naturalization may obtain British citizenship—no longer Canadian citizenship, but British citizenship. The second part deals with the procedure under which the Secretary of State satisfies himself that the conditions imposed with respect to qualifications have been observed by the applicant. The conditions under which applications are to be dealt with are: that the applicant should have resided in Canada for five years, should have a good character, should possess an adequate knowledge of English or French, and should have the intention of residing in the British dominions or remaining in the service of the crown. If those conditions are satisfied, and the Secretary of State is seized of sufficient information that those conditions have been complied with, the applicant is entitled, not as of right, but in the discretion of the Secretary of State, to British citizenship.

We differ with respect to the question of procedure. Heretofore in this country the procedure has been to leave the matter to the judges of the country. There is a provision in the present statute that unless there be grave reasons why it should not be so, the applicant should appear before a judge and satisfy him of his having complied with the conditions to which I have referred. These conditions with respect to procedure are now being swept away, and hereafter two persons, who are natural-born British subjects, and a justice of the peace, who may not be, will certify to the Secretary of State that there has been compliance with the conditions under which citizenship could be obtained.

We object to these changes for two reasons. First, because no evidence has been adduced of any sufficient weight indicating that there has been any difficulty that should be considered sufficient by this parliament in the administration of the act as it now stands. In other words, there has been no crying grievance for which a remedy should be provided. Secondly, the minister himself, as well as the only judicial opinion to which he referred in the course of the debate on this matter, has made it abundantly clear that the department desired uniformity or, as Chief Justice Meredith said, the "even administration of the law." There being no evidence of any crying grievance on the part of anyone that could not be remedied by existing legislation, the first ground disappears.

With respect to the second, the method now proposed not only does not make for uniformity or convenience in the administration of the law, but permits a variation in the administration of the law, within an area of five miles, in dealing with two applicants. Entirely different standards are observed. That not only makes for inconvenience in the administration of the law and lack of uniformity, but it puts a premium on laxity in administration. For these reasons, without going into the details that have been traversed in committee, we deem it incumbent upon us to move that this bill do not receive the sanction of parliament and be enacted into law, but that it disappear from the order paper.

If there were any crying grievance in the law as it now stands, if the law were inadequate to deal with the difficulties that have been referred to, if it were shown that a new method would conduce to convenience and to uniformity in the administration of the law, or that the safeguards which should surround naturalization of aliens were any better than those that now exist, there would be no difficulty in acceding to the proposals now being advanced by the administration. But as the matter now stands we are asked to substitute, for the traditional fairness and discretion of the judiciary of this country, the discretion of two persons, perhaps illiterate, who may reside near the intending applicant, together with a justice of the peace who might not himself be able to speak the English language or to understand whether the applicant's knowledge of it was adequate or inadequate. For the discretion of the judiciary

we are asked to substitute a discretion such as that. Against that we protest, and for that reason we move the six months' hoist with respect to this legislation.

Hon. FERNAND RINFRET (Secretary of State): I do not desire to offer any extended remarks at this stage; I agree with the leader of the opposition (Mr. Bennett) that the matter has been thoroughly discussed at one stage or another, either on the second reading or in committee. I merely wish to summarize now the main reasons for the changes we have proposed.

In 1911 at the imperial conference an agreement was reached between the representatives of the British government and those of the government of the dominions on certain enactments with relation to the granting of British citizenship throughout the empire. As has been pointed out during this discussion, it was required that an applicant should have resided five years within the British Empire and one year in that part of the empire wherein the application was filed; that he should be of good character; that he should possess a knowledge of one of the official languages of the dominion wherein the application was made; and that he should indicate his intention to reside within the British Empire in the future. These were the requirements that were made compulsory with respect to the granting of naturalization within any part of the empire. But the local regulations were left to the various legislatures or governments within the empire. The principle was laid down, however—and this is not disputed now—that absolute discretion should rest with the government in every dominion as to allowing or disallowing the granting of a certificate. The local procedure, as I have just said, was a matter for the individual government to determine.

In this country prior to 1914, when the present act was put on the statutes, applications for naturalization were filed and presented to the courts of the land, and I believe that in the act of 1914 that feature was retained in our legislation rather as a remnant of the past than as a new enactment. Since then it has been found—and the claim has been pressed upon the Department of the Secretary of State—that for a number of years there has been great inconvenience in the less settled parts of the country on the part of applicants desiring to be naturalized. They have found it difficult to appear in person before the judge. This difficulty has been amply illustrated in the debate that has taken place on this bill. We have tried to show that leaving it to the discretion of the individual judge to pass upon the requirements as to character or adequacy of knowledge does not make for uniformity in decision but tends rather to serious discrepancies.

I would point out that in no other dominion of the empire does the applicant appear before a judge. This is a provision that exists only in Canada. And, I repeat, it was carried into legislation in 1914 not so much as a new provision but rather as a remnant of the practice in the past in the granting of naturalization. During this debate we have been asked what would be substituted for the present procedure requiring appearance before the court and the decision of a judge. I have indicated what the regulations will be On this point some hon. members have expressed the opinion that there would be a greater safeguard and a greater guarantee if the regulations, instead of being merely departmental, were made statutory. The government at once yielded to that opinion, deeming it proper and just. We accepted it because we were very anxious to demonstrate to the house and to the country that we had not the least unworthy motive in the matter. For no consideration did we desire either to make naturalization something that could be obtained without a proper guarantee or, as some hon. members have suggested, to make use of it for any political or electoral purpose. For these reasons we at once yielded to the demand that the regulations be made statutory, and that is why we have embodied in the bill, now proposed for third reading, the provision regarding the posting of a copy of the application in the nearest post office, retaining as well the period of ninety days which is now in the act. We are providing that a copy of the application shall be printed in the nearest newspaper and we have also made statutory the provision that the application shall be accompanied by a certificate signed by two native-born British householders and by one justice of the peace. And after all these statutory safeguards and guarantees have been properly observed the department will, as it has done in the past, inquire into every case brought to its attention through the Royal Canadian Mounted Police. This body, I may point out here, is no longer local or territorial in character; it is now a national institution operating throughout the country and giving magnificent results.

I do not think I need stress these points any longer. I have spoken on many occasions in the course of this debate and have done my best to explain the policy of the government and to indicate the intentions of the depart-

ment in the matter, and I ask the house to pass the third reading of the bill, which will vest in the government the power of allowing or disallowing the granting of a certificate of naturalization, which we claim is a matter of policy and not a matter of a judicial nature. This legislation will bring our act into perfect conformity with the statutes in other parts of the empire. We make our regulations statutory, following the practice which exists in other dominions, and by doing away with the inconvenience to the applicants of appearing in person before the courts, after which they must wait for a period of months before receiving their certificate, the government will be enabled within a reasonable time and under perfect guarantees and safeguards to grant certificates of naturalization to immigrants who have legally entered this country and have resided here in a peaceful and law-abiding way for five years. I think every hon. member will agree that if we want to build up this country and if we want to make Canada prosperous and progressive it will not suffice to invite immigrants from all parts of the world to settle in this country; it will not be sufficient to open our doors to these immigrants. After they have lived here for a number of years, after they have shown themselves to be of good character and have learned one of our official languages we should bind them to this country by making it possible for every one of them to receive the priceless gift of British citizenship.

The house divided on the amendment (Mr. Bennett) which was negatived on the following division:

YEAS

Messrs:

Arthurs,
Barber,
Bell (Hamilton West),
Bell (St. Antoine),
Bennett,
Black (Yukon),
Black (Halifax),
Bowen,
Boys,
Brady,
Cahan,
Campbell,
Cantley,
Casselman,
Chaplin,
Charters,
Church,
Clark,
Coote,
Cotnam,
Cowan,
Dickie,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Ernst,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Carleton),
Gott,
Grimmer,
Guthrie,
Harris,
Hocken,
Hodgins,
Irvine,
Johnstone (Cape Breton North-Victoria),
Kaiser,
Kellner,
Kennedy,
Lucas,
Luchkovich,
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
MacNutt,
Macphail (Miss),
McGregor,
McQuarrie,
Peck,
Perley (Sir George),
Pettit,
Quinn,
Rennie,
Robinson,
Ross (Kingston City),
Ryckman,
Senn,
Short,
Sinclair (Wellington North),
Smoke,
Speakman,
Spence,
Spencer,
Stevens,
Stewart (Leeds),
Stirling,
Thompson,
Tolmie,
Tummon,
White (London),
Young (Toronto Northeast).—74.

NAYS

Messrs:

Adshead,
Allan,
Auger,
Baldwin,
Beaubien,
Benoit,
Bettez,
Bird,
Blanchard,
Bock,
Boivin,
Bouchard,
Boucher,
Boulanger,
Bourgeois,
Bowman,
Bradette,
Brown,
Cannon,
Cardin,
Casgrain,
Cayley,
Chevrier,
Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Dionne,
Donnelly,
Dubuc,
Dunning,
Dussault,
Elliott,
Fafard,
Forke,
Gershaw,
Gervais,
Girouard,
Glen,
Goulet,
Hall,
Heaps,
Heenan,
Howard,
Howden,
Ilsley,
Jacobs,
Jelliff,
Jenkins,
Johnston (Long Lake),
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Laflamme,
Lanctôt,
Langlois,
Lang,
Lapointe,
Lavigueur,
Letellier,
Macdonald (Glengarry),
MacLean (Prince),
McDiarmid,
McIntosh,
McKenzie,
McPhee,
Malcolm,
Marcil,
Mercier (St. Henri),
Millar,
Milne,
Morin (Bagot),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Odette,
Parent,
Perras,
Power,
Ralston,
Raymond,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
Rutherford,
Sanderson,
Séguin,
Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Telford,
Thorson,
Tobin,
Totzke,
Vallance,
Ward,
Woodsworth,
Young (Weyburn).—104.

PAIRS

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

Messrs:

White (Mount Royal),	Wilson (Vaudreuil-Soulanges),
Anderson (Halton),	Prévost,
Simpson,	Cahill,
McGibbon,	Young (Saskatoon),
Preston,	Edwards (Ottawa),
Lennox,	Pouliot,
Maloney,	Guérin,
Ladner,	McPherson,
Geary,	Mercier (Laurier-Outremont),
Rowe,	Lacroix,
Bell (St. John-Albert),	Foster,
Anderson (Toronto),	Fontaine,
Smith (Cumberland),	Duff,
Spotton,	Hepburn,
Ryerson,	Taylor,
Price,	Verville,
Hanson,	Veniot,
Stinson,	Goodison,
Manion,	Euler,
Matthews,	McMillan,
Maybee,	St-Père,
MacLaren,	Fiset,
Macdougall,	McLean (Melfort),
Garland (Bow River),	Bancroft,
Embury,	Bothwell,
McRae,	Blatchford,
Jones,	Sinclair (Queens),
Wilson (Wentworth),	Kay,
MacDonald (Cape Breton South),	Bissett,
Hubbs,	Hay.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted I would have voted for the amendment.

Mr. LADNER: I was paired with the hon. member for Portage la Prairie (Mr. McPherson). Had I voted I would have voted for the amendment.

Mr. SIMPSON: I was paired with the hon. member for Pontiac (Mr. Cahill): Had I voted I would have voted for the amendment.

Sir EUGENE FISET: I was paired with the hon. member for St. John-Albert (Mr. MacLaren). Had I voted I would have voted against the amendment.

Mr. McLEAN (Melfort): I was paired with the hon. member for Inverness (Mr. Macdougall). Had I voted I would have voted against the amendment.

Mr. BANCROFT: I was paired with the hon. member for Bow River (Mr. Garland). Had I voted I would have voted against the amendment.

[Mr. Rinfret.]

Mr. BOTHWELL: I was paired with the hon. member for Ontario (Mr. Kaiser). Had I voted I would have voted against the amendment.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted I would have voted for the amendment.

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted I would have supported the amendment.

(Owing to the impossibility of recording several statements of pairs simultaneously announced, the list of stated pairs is incomplete.)

Motion agreed to, on same division reversed, and bill read the third time and passed.

DEPARTMENT OF PENSIONS AND NATIONAL HEALTH

Hon. J. H. KING (Minister of Health) moved the third reading of Bill No. 205, respecting the Department of Health and Soldiers' Civil Re-establishment.

Motion agreed to and bill read the third time and passed.

FERTILIZER ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of and concurrence in amendments made by the senate to Bill No. 72, to amend the Fertilizer Act.

Mr. GARDINER: Will the minister explain the nature of these amendments?

Mr. MOTHERWELL: The amendments made by the senate are for the purpose of clarifying the meaning of the term "agent in Canada," in section 2 and have it mean agents domiciled and resident in Canada. Three further lines are also added to section 2, providing that unless such agency or a like agency be so maintained registered, the applicant shall cease to have the right to import, sell or offer or hold for sale any fertilizer in Canada.

Motion agreed to; amendments read the second time and concurred in.

RETURNED SOLDIERS' INSURANCE ACT AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 290, to amend the Returned Soldiers' Insurance Act.

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

On section 1—Payments in case of disability not due to war.

Mr. BENNETT: Is this bill wholly in accordance with the recommendations of the committee? Some of those who are not members of the committee are desirous of knowing what it means.

Mr. ROBB: The explanations are all on the right hand side. The act has already expired. Under section 2 it is now reopened and the time is extended to 1933. Section 3 removes the right to insure from those whose expectation of life is very doubtful. That is about all there is to the measure.

Section agreed to.

Sections 2 and 3 agreed to.

Bill reported, read the third time and passed.

PENSION ACT AMENDMENT

Hon. J. H. KING (Minister of Health) moved the second reading of Bill No. 289, to amend the Pension Act.

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

On section 1—Pensions and National Health in place of Soldiers' Civil Re-establishment.

Mr. BENNETT: Do I understand that this bill represents the legislation founded upon the unanimous report of the committee to which the question of pension was referred at the beginning of the session?

Mr. KING (Kootenay): That is true. There are other sections but they are of a departmental nature and have been agreed upon.

Mr. BENNETT: It would be well to state in the committee those sections unanimously agreed upon by the special committee and those that are departmental.

Section agreed to.

Section 2 agreed to.

Section 3—Definitions.

Mr. KING (Kootenay): This is departmental.

Section agreed to.

Section 4 agreed to.

On section 5—Commission attached to department.

Mr. KING (Kootenay): This is departmental.

Mr. BENNETT: Was this section agreed to in its entirety by the special committee?

Mr. POWER: This is a section of the department.

Mr. BENNETT: I should like some time to consider it.

Mr. KING (Kootenay): The section might stand.

Section stands.

On section 6—Regulations.

Mr. KING (Kootenay): This is departmental.

Section stands.

Sections 7, 8 and 9 agreed to.

On section 10—Pension suspended on imprisonment or paid to dependent.

Mr. KING (Kootenay): This is departmental.

Mr. BENNETT: Some time ago a letter came to me from a friend in England, saying that the widow of a member of the forces who had been killed in action had been deprived of her pension because she had been charged with improper conduct. I see that by this section we continue the pension even in the event of the imprisonment of one of the dependents. Would a case such as I mention be met by this legislation?

Mr. KING (Kootenay): No.

Mr. BENNETT: I presented the case to the pension board, because it struck me as one of extremely great hardship.

Mr. KING (Kootenay): Under the new section there will be an opportunity to appeal on misconduct.

Mr. BENNETT: There is no doubt about the misconduct.

Mr. KING (Kootenay): They never had that privilege before.

Mr. BENNETT: The misconduct is admitted; that is the point I make. In the case before us there is imprisonment, and still the pension is continued; in the case I mention there was improper conduct. One was a crime against the laws of the country and the other was a crime against good morals—it did not happen to be a crime against the laws of the country. It struck me at the time that it was a case of tremendous hardship, because the frailities of human kind, both men and women, are well known. I took the case up with the pension board, but nothing apparently could be done because the woman in question would not make a declaration that she had not been guilty of misconduct. But she was endeavouring to reform, and the very fact that she did not get the pension drove her into a worse and worse condition. This friend of mine who had investigated the matter thought that we were treating her rather harshly, having regard to the well known frailties of human nature.

Mr. POWER: The case to which my hon. friend calls attention is the case, I assume, of a dependent—

Mr. BENNETT: She was the widow of a member of the forces.

Mr. POWER: The act provides for the suspension or the taking away altogether of the pension—

Mr. BENNETT: They did take it away.

Mr. POWER: —of a widow of a member of the forces who has been guilty of immorality. At one time the act was much wider than it is at the present time, and the pension could be taken away for practically any offence. The matter was argued in the committee, and there has to be distinct immorality of a flagrant kind—

Mr. BENNETT: This was not flagrant.

Mr. POWER: She has to be openly living with another man or living as a prostitute before the commission can suspend the pension. I do not think it was thought well to go beyond that. I have not the section before me at the moment.

Mr. BENNETT: The difficulty is a very real one. My information is that the cancelling of the pension when the lapse from proper conduct was discovered has driven the woman into a life of shame, because she has nothing to live on at all and is incapable of doing work. She appealed to them to give her a chance to start anew, and they said they had no authority to do it. My information came some months ago, and I do not know whether she is now living, but it struck me at the time that that is not the sort of case in which we should deprive the woman of a chance in life. She was deceived by this particular individual, and that is all there was to it.

Section stands.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

ST. JOHN RIVER STORAGE COMPANY

Sir EUGENE FISET (Rimouski) moved the third reading of Bill 17 respecting the St. John River Storage Company.

Mr. J. F. POULIOT (Temiscouata): Mr. Speaker, I move seconded by Mr. Woodsworth:

That the said bill be not now read a third time, but that the subject matter thereof be referred to the Supreme Court of Canada, in accordance with the Revised Statutes of Canada 1927, chapter 35, section 56, in order that the constitutional question therein involved may be given a legal interpretation.

This bill involves several most important questions of law, and to elucidate those questions I think it well to state some matters of fact. I would draw the attention of the house to page 5 of the bill, where will be found the preamble of chapter 100 of the statutes of Quebec, 1927, which we are called upon to adopt and confirm by this bill. The first paragraph reads thus:

Whereas the New Brunswick Electric Power Commission Company has, by its petition, represented:—

That it was incorporated by the Act 15 George V, chapter 117, for the purpose of regulating the flow of the waters in the Madawaska and St. Francis rivers, constructing certain dams for the storage of water, and other incidental powers required for the purpose of carrying on the development of the water-power at Grand Falls, in the province of New Brunswick.

It will be observed that this paragraph recites that the act of 15 George V, chapter 117, was passed to enable certain dams for the storage of water to be constructed. This I will deal with later on. The work was to be

undertaken by the New Brunswick Electric Power Commission Company. The second paragraph of the preamble is as follows:

That arrangements have now been made whereby the development of the water-power at Grand Falls is to be undertaken and carried out by the Saint John River Power Company, a company incorporated by the Act 16 George V, chapter 45, of the acts of the legislature of the province of New Brunswick.

The third paragraph is in these words:

That the lieutenant-governor in council of New Brunswick and the New Brunswick Electric Power Commission, with the approval of the said lieutenant-governor in council, were, by the terms of the said act, authorized to transfer or otherwise render available to the Saint John River Power Company all property, rights, powers and privileges vested in the province or in the New Brunswick Electric Power Commission—

The same concern.

—which the company might deem necessary or useful for or in connection with the development and generation of hydro-electric power or energy at Grand Falls and pondage and storage thereof in New Brunswick or beyond its borders,—

"Beyond its borders" is most important.

—and, without limitation of the generality of the foregoing, all rights, powers and privileges of the province of the New Brunswick Electric Power Commission under or by virtue of the Act 15, George V, chapter 117, incorporating the company petitioner, and any and all other property and rights acquired for the development of storage in the province of Quebec.

To sum up, Mr. Speaker, the province of New Brunswick decided to embark on two big undertakings. The first had to do with the development of hydro-electric power at Grand Falls on the St. John river; the second was for the purpose of constructing certain works in the province of Quebec to regulate the flow of the Madawaska and St. Francis rivers in connection with the water-power development at Grand Falls. It will be noted that the new Brunswick Electric Power Commission Company, although incorporated by the province of Quebec and also by the province of New Brunswick, forms one single body, acting for and on behalf of the province of New Brunswick. Projected as a public ownership undertaking, after a change of government the legislature of New Brunswick empowered the new government to sell to a private company all the rights belonging to the New Brunswick Electric Power Commission. It ceased to be a public utility concern and became a private company. What sort of company? It is a branch of the International Paper Company, and if hon. members will look at page 258 of the New Brunswick statutes of 1926 they will see the name of that well known financier, Mr. Archibald Graustein, manufacturer of Framingham, Massachusetts, who is the head of the International Paper Company. But a distinction must be made between the province of New Brunswick on the one hand and that gentleman on the other. When the province of New Brunswick sold its rights to a private individual there was a transfer, according to the preamble of the act, of all rights, powers and privileges vested in the province or in the New Brunswick Electric Power Commission:

Which the company might deem necessary or useful for or in connection with the development and generation of hydro-electric power or energy at Grand Falls and pondage and storage thereof in New Brunswick or beyond its borders, and, without limitation of the generality of the foregoing, all rights, powers and privileges of the province and of the New Brunswick Electric Power Commission under or by virtue of the Act 15, George V, chapter 117.

The acts which we are now called upon to confirm contradict themselves. In the preamble to the second act we see that the province of New Brunswick has no longer any rights. I say that as a lawyer and without prejudice, because I am not now discussing the legal aspect of the question. My first wish is to make a statement of the facts according to this official document which we have in our hands. The moment the second Quebec bill was passed in 1927 the New Brunswick Electric Power Commission ceased to have any rights. The province of New Brunswick no longer had rights either in the power or in the storage; those rights were all transferred in virtue of the act of the New Brunswick legislature.

Another paragraph of the preamble to which I wish to direct the attention of the house is the following:

That in order to make fully effective such change of enjoyment of the benefits of the act incorporating the petitioner and to render the same effective for the purpose intended, and to change the name of the company, it is necessary that the said act be amended.

It was two years after the first act was passed, and one year after the transfer of the rights of the province of New Brunswick and of the New Brunswick Electric Power Commission to a private company, that another Quebec act was passed, "to make fully effective such change of enjoyment of the benefits of the act". I believe the deed of sale was completed, but the St. John River Storage Company was not a party to the sale. What I find strange is this. After the province of New Brunswick had sold all its rights to a private company there were no more rights

that could be enjoyed, no more rights from which there were benefits; yet an act was passed in Quebec "to make fully effective such change". At that moment the former directors of the New Brunswick Power Commission, incorporated by the Quebec act, ceased to act for the province of New Brunswick. A change of government had taken place; they were no longer representing the province. And, I may add, they had not been incorporated alone; their successors also had been incorporated under the same name of the New Brunswick Electric Power Commission. And their successors, according to the Quebec act, were to be replaced by the lieutenant governor of the province of New Brunswick. The first three directors of the company, incorporated by the first act, were incorporated not in their private capacity but in their official capacity as representatives of the executive of New Brunswick. I am ready to believe that they had no personal interest in the matter; and it could not be otherwise, because everyone in this house knows that no member of the executive can have any personal interest with the executive. Such persons can act only in their public capacity. If therefore they had had a private interest—which I cannot believe—it would have been strictly illegal and against the general principles of government, not only in Canada but in every other democratic country.

After that change of government, when the three gentlemen were defeated who are named in section 1 of the first act, chapter 117 of the Quebec statutes of 1925, those gentlemen no longer had any right to speak for the executive of the province of New Brunswick. The only three gentlemen who are named in this bill—named in both acts, according to schedule A—are:

> The Hon. Pierre J. Veniot, of the town of Bathurst, in the county of Gloucester, in the province of New Brunswick, premier of the province of New Brunswick, the Hon. Ernest A. Smith, of the town of Shediac, in the county of Westmorland, in the province of New Brunswick, chairman of the New Brunswick Electric Power Commission, and the Hon. Joseph Enoil Michaud, of the town of Edmundston, in the county of Madawaska, in the province of New Brunswick, member of the executive council of the said province of New Brunswick, and a commissioner of the New Brunswick Electric Power Commission.

They are the three gentlemen mentioned in section 1 of the first Quebec act; and according to section 4, to which I alluded a moment ago, the persons named in section 1 of the act shall be the first directors and shall remain in office as such until replaced by the lieutenant governor in council of the province of New Brunswick. That section has been changed in the second bill, and now reads as follows:

> The persons named in section 1 of this act shall be the first members and directors, and their successors in office at the date of this amendment shall remain in office as such until the election of their successors in accordance with the provisions of the Quebec Companies Act.

When the second bill was passed at Quebec the gentlemen who were mentioned in the first bill were no longer acting for the province of New Brunswick, and even if there had been no change after the general election they would have had no power to act for that province because at that moment New Brunswick had sold all its rights in the New Brunswick Electric Power Commission to a private company. The same thing cannot be sold twice, or to two different people; they had sold their rights and had nothing left.

Now, Mr. Speaker, I come to a very delicate question. I have the greatest regard for the Postmaster General (Mr. Veniot); I believe he is an honest man; I believe in his sincerity and integrity, and because I so believe I cannot think he has any interest in the matter. If he had an interest in it I would say that I have no more confidence in him, and I believe the people of the country would say the same. If the Postmaster General has no private interest in this matter I will appeal to my friends on this side of the house to divide equally, in order not to displease my friend from Rimouski (Sir Eugene Fiset); I will ask the support of my hon. friends opposite, and that will give me a nice majority. At any rate, I have explained the facts as shortly as possible in order to acquaint the house with the question now before it.

Here we have two Quebec bills coming before us for approval and adoption. Are they legal? Are they intra vires? Or on the other hand are they illegal and ultra vires? If they are illegal can we make them any better by adopting and confirming them? This is not only a matter of interest to the county of Temiscouata which I have the honour to represent in this house and in which this proposed storage plant will be built, involving the flooding of about forty square miles of farm land, as a lawyer for one of the companies interested in this matter told me on Sunday last; this is not only a matter of interest to that county but it is a matter of interest to the country at large.

We should know the jurisdiction of this parliament and of the provincial legislatures in order that we may not exceed that jurisdiction, and before any measure is passed we should ascertain whether or not we have sufficient authority to so deal with it. In connection with this matter I represent my county under a special power of attorney, contained in a resolution passed by the county council of Temiscouata some time ago. I do not wish to hurt the feelings of anyone; I think this matter should be considered from a broad point of view; it should be considered without favouritism and without any suggestion of friendship or enmity. If it is good this house should pass it, and I am sure that if the house finds it to be bad the amendment will be adopted and the matter referred to the supreme court for interpretation.

Section 1 of this bill reads as follows:

In so far as the parliament of Canada has authority so to do the two acts of the legislature of the province of Quebec, set forth in schedule "A" to this act, are hereby adopted and confirmed, to the same extent as if re-enacted herein.

That reminds me of the labels we sometimes see, bearing the words, "Glass. Fragile. Handle with care." This section clearly shows that the promoters of the bill know it is illegal. Under the British North America Act the imperial parliament delegated authority to the Dominion parliament and provincial legislatures of Canada to enact laws, and duly fixed the limits of their respective jurisdictions. Such is the constitution of this country, drafted by those statesmen who are rightly called the fathers of confederation, and later adopted by the Imperial parliament. As it now stands, that act cannot be changed by the Dominion or Imperial parliaments except by and with the unanimous consent of the provinces, who were a party to that agreement. Moreover, the rights and powers conferred upon the Dominion parliament by the Imperial parliament cannot be delegated to the provincial legislatures, or vice versa. The Dominion parliament is bound to act within the limits of its own jurisdiction as defined and determined by the British North America Act, and those limits may not and cannot be exceeded. The same rule undoubtedly applies to the provincial legislatures, and when the Dominion parliament or any provincial legislature exceeds in its enactments the limits fixed by the British North America Act, such enactments are ultra vires and null and void, because of the lack of authority possessed by the legislative body. These are fundamental and elementary rules of constitutional law.

To sum up, no legislative body can confer upon anyone rights or privileges which it does not possess. Part VI of the British North America Act, entitled "Distribution of legislative powers", contains the following disposition under the subtitle "Exclusive Powers of Provincial Legislatures." Section 92 of the act reads thus:

In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say,—

10. Local works and undertakings, other than such as are of the following classes:—

(a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province;

11. The incorporation of companies with provincial objects.

Both the above-mentioned provisions shall be construed with the last paragraph of section 91, which enumerates the powers of parliament, and which reads as follows:

And any matter coming within any of the classes of subjects enumerated in this section shall not be deemed to come within the class of matters of a local or private nature comprised in the enumeration of the classes of subjects by this act assigned exclusively to the legislatures of the provinces.

Such are the limits fixed by the imperial parliament for the respective jurisdiction of this parliament and of the provincial legislatures with regard to incorporation of companies. One should note that the words "exclusive" and "exclusively" have been intentionally repeated to clear any possible doubt on the legislator's intent and also to remove all conflicts of jurisdiction. What interpretation has been given by the fathers of confederation to that part of our constitution? In the legislative assembly on February 6, 1865, the Attorney General, Sir John A. Macdonald said:

Any hon. member on examining the list of different subjects which are to be assigned to the general and local legislatures respectively, will see that all the great questions which affect the general interests of the confederacy as a whole, are confided to the federal parliament, while the local interests and local laws of each section are preserved intact, and entrusted to the care of the local bodies.

It will be seen that the local legislatures have the control of all local works; and it is a matter of great importance, and one of the chief advantages of the federal union and of local legislatures, that each province will have the power and means of developing its own resources and aiding its own progress after its own fashion and in its own way. Therefore all the local improvements, all local enterprises or undertakings of any kind, have been left to

the care and management of the local legislatures of each province. It is provided that all "lines of steam or other ships, railways, canals and other works, connecting any two or more of the provinces together or extending beyond the limits of any province," shall belong to the general government and be under the control of the general legislature. . .

Besides all the powers that are specifically given in the thirty-seventh and last item of this portion of the constitution, confers on the general legislature the general mass of sovereign legislation, the power to legislate on "all matters of a general character, not specially and exclusively reserved for the local governments and legislatures" . . . It is in itself a wise and necessary provision. We thereby strengthen the central parliament, and make the confederation one people and one government, instead or five peoples and five governments, with merely a point of authority connecting us to a limited and insufficient extent. . .

There are numerous subjects which belong, of right, both to the local and the general parliaments. In all these cases, it is provided, in order to prevent a conflict of authority, that where there is concurrent jurisdiction in the general and local parliaments, the same rule shall apply as now applies in cases where there is concurrent jurisdiction in the imperial and in the provincial parliaments, and that when the legislation of the one is adverse to or contradictory of the legislation of the other, in all such cases the action of the general parliament must overrule, exnecessitate, the action of the local legislature.

On February 20, 1865, Sir Etienne Pascal Tache said:

The 29th section says: "The general parliament shall have power to make laws for the peace, welfare and good government of the federated provinces, (saving the sovereignty of England), and especially laws respecting the following subjects."

Then follows a list of all the subjects committed to the general government. But the resolution does not finish there. There is something that comes after all that, and it is this:

"And generally respecting all matters of a general character, not specially and exclusively reserved for the local governments and legislatures."

On February 9, 1865, Hon. Thomas D'Arcy McGee had already said:

It is a principle eminently favourable to liberty, because local affairs are left to be dealt with by local bodies and cannot be interfered with by those who have no local interest in them, while matters of a general character are left exclusively to a general government.

The Secretary for the Colonies, the Earl of Carnarvon, in introducing the bill to the House of Lords on February 19, 1867, said:

The real object which we have in view is to give to the central government those high functions and almost sovereign powers by which general principles and uniformity of legislation may be secured in those questions that are of common import to all the provinces; and, at the same time, to retain for each province so ample a measure of municipal liberty and self-government as will allow and indeed compel them to exercise these local powers which they can exercise with great advantage to the community.

[Mr. Pouliot.]

Mr. Adderly, M.P., on the second reading of the bill in the Commons, on February 28, 1867, said:

The power of the provincial legislatures, in reference to legislation, will be confined to a certain number of specified subjects.

He was supported by Mr. Cardwell, M.P., who also said:

It is necessary that for municipal and local purposes there should be large powers of legislation in the provinces there.

If the provincial legislatures enjoy complete autonomy within their spheres of action, it is only fair to claim the same rights for the Dominion parliament. Is the object of a company local or provincial? It comes under the sole jurisdiction of the province. Consequently, if the object of a company is to connect the province with any other or others of the provinces, or to extend beyond the limits of the province, it comes under the sole jurisdiction of the Dominion. No company can come under both jurisdictions. As there are no concurring rights in that respect, there would be only conflicting rights in contravention with the spirit and letter of the British North America Act.

Bill No. 17 is a most extraordinary measure. This parliament is called to give retroactive power to provincial enactments by adopting and confirming them. There are doubts expressed in the bill itself about the authority or jurisdiction of this parliament. If we have authority, the provincial legislatures have none; if on the contrary the provincial legislatures have authority, we have none, and it is absolutely impossible for us not only to adopt and confirm, but even to consider such provincial enactments. If they are ultra vires, they cannot be confirmed; if they are intra vires, we are deprived of jurisdiction or authority in the matter. A distinction is to be made between enactments which are ultra vires per se and those which are ultra vires per accidens tantum. The former are radically null and void and essentially non-existent. There is no remedy for them; the latter are partially null and void and they can be remedied.

The only precedent that has been timidly quoted before the private bills committee is an act incorporating the United Church of Canada, 14-15 George V, chapter 100. After that bill was adopted by parliament it was submitted to the legislature of the province of Quebec, (Quebec, 16 George V, chapter 97) for, as the preamble states, the matters concerning the said corporation "are or may be of exclusive provincial jurisdiction". A

shrewd lawyer said that the same course has been followed in connection with Bill 17, except that it was the "reverse", while anyone can see that it is absolutely the contrary.

Some hon. MEMBERS: Time.

Mr. POULIOT: I apologize to the house for referring closely to my notes, but I wish to make my remarks as brief as possible and this is the only way in which I can do so, as this is a technical case; otherwise, I would speak just as long as I did in the private bills committee.

Was the legislature of the province of Quebec empowered with jurisdiction or authority to incorporate by section 1 of chapter 117 of the statutes of Quebec the first members and directors of the New Brunswick Electric Power Commission Company in their official capacity as representatives of the executive of another province? The three members and directors or promoters of the company are thus designated in section 1:

(a) The first one, as premier of the province of New Brunswick.

(b) The second one, as chairman of the New Brunswick Electric Power Commission.

(c) The third one as member of the executive council of the province of New Brunswick, and a commissioner of the New Brunswick Electric Power Commission.

Their private occupation is nowhere mentioned in the act, and as I have stated before, it was not possible for them to act for the province both in their private capacity and as members of the executive of the province. According to section 4 they shall be the first—

Mr. SPEAKER: Order.

Hon. P. J. VENIOT (Postmaster General): Mr. Speaker, in rising to speak to this amendment I may say that it is not my intention to deal with the legal aspect of it, but may I call the attention of the committee to this fact, that the Quebec legislature passed two acts touching the franchise which was granted to New Brunswick and later to the company in question? One act was passed in 1925 and the other in 1927, and if either of those acts were considered by my hon. friend ultra vires of the province of Quebec, there has been sufficient time to apply to the Dominion government for a veto. No such application has been made.

I wish at this point to give a history of the question so that hon. members may be seized of all the facts and be placed in a position to vote intelligently upon the amendment. In 1925, the province of New Brunswick, of which I had the honour at that time of being premier, adopted a policy of hydro development by public ownership. An act incorporating myself as premier, the chairman of the New Brunswick hydro commission and one of the commissioners was passed by the province of New Brunswick. An application was then made to the province of Quebec to incorporate the company so that they could hold property and franchises in the name of one province, namely, New Brunswick, in another province, namely, Quebec. The reason for that was this. The development was to take place and the dam to be built at Grand Falls on the river St. John which, at a point two and a half miles above this site, forms the international boundary between the province of New Brunswick and the state of Maine. The water flowing in the international river was not sufficient to warrant the expenditure of a large sum of money at Grand Falls to develop 50,000 or 60,000 horse-power, without privileges being obtained either in the state of Maine on the Fish river or in Quebec at the Temiscouata lake. The matter was brought before the International Joint Commission and after that question was settled and the International Joint Commission reached a decision on all matters pertaining to the international waters, we made application to the authorities of the state of Maine for the privilege of damming what is known as the Fraser river and its ten lakes emptying into that river. That privilege we did not obtain.

We then applied to the province of Quebec for the privilege of damming the Temiscouata lake where it empties into the river whose waters flow into the St. John river at Edmundston. That privilege was granted on certain conditions, one of them being that the province of New Brunswick was to reserve for the use of the province of Quebec 5,000 horse-power to be delivered at the boundary between the two provinces at the will and call of the government of Quebec, they to do what they liked with it after it was delivered at the boundary. We entered into that agreement and the province of Quebec passed the first act in 1925. It is true, as my hon. friend says, that the government which had propounded the policy of public ownership was defeated, but I cannot admit with him that the government was defeated on that question alone. After the new government came into power and after considerable deliberation on their part, they decided to change the policy, and pass the franchise

to a company. Those rights were never sold as he wished the house to infer they were. They passed the franchise to this company for the development of Grand Falls under certain conditions. Among other conditions there was this, that they would enter into a contract with Frasers, Limited, for 13,000 dependable horse-power and 7,000 seasonal horse-power to be used by Frasers, Limited, for the establishment of a new pulp and paper mill on the north shore at or near Campbellton, a distance of 110 miles from Grand Falls across the province. The company to which was transferred this franchise by the local government also undertook as their part of the bargain to establish a new pulp mill on the north shore of New Brunswick either at Campbellton or at Dalhousie. It was also a condition of obtaining the franchise that the company should reserve six thousand horse-power for the absolute use of the New Brunswick hydro commission, which was then operating at Musquash. Those are the conditions under which the government coming into power in 1926 changed its policy of public ownership. This company under those conditions, under the franchise granted, began construction operations at Grand Falls in 1927, and to-day those operations have been completed, and they are prepared to distribute 50,000 horse-power throughout certain sections of the province of New Brunswick, but they cannot distribute that 50,000 horse-power unless the power as conferred upon them under the franchise granted by the government of the province of Quebec shall be left intact. That being so, they will go on with the construction of a dam at the foot of Temiscouata lake. The construction of that dam will not overflow 40,000 acres of land, as my hon. friend says. He is getting his information from somebody who does not know what he is talking about. The survey of Temiscouata lake and of all that country was made under the direction of myself, then Premier of New Brunswick and Minister of Public Works for the province. The construction of that dam will raise the level of the lakes seven and one-half feet. It will not, according to engineering reports, cause any undue damage to land under cultivation in that country, but should such be the case the owners of that land are protected under the act, and damages, of course, will have to be paid.

My friend in his remarks said that he did not wish to hurt the feelings of anybody, and that he hoped he would not be hurting my feelings, because he felt that I had no personal interest in this matter. With the stand which the hon. gentleman has taken on this question I have no fault to find. He represents the county of Temiscouata, and he has a perfect right to stand up for what he considers to be the rights of the people he represents, and nobody has any right to criticize him for that, but I want to say to him that I have an interest in this matter. I have a very deep interest in it, not simply as an individual, but as a resident of the province of New Brunswick, to see that no barrier shall be placed in the way of the development of the industries of that province. While I did not, now and perhaps never will, agree with the principle of private ownership in the development of hydro, now that that policy has been adopted by the government of New Brunswick there is nothing else I can do in the interest of my province, and in the interests of the industries of the province, but to accept the situation as I find it, and do all I can to encourage the development of the industries of that province, be it under private or public ownership. That is the interest that I have in this bill.

As to the legal aspects of it, as I said before I do not intend and, in fact, I am not capable of discussing them. I am not a lawyer, and I cannot deal with technical legal questions, and therefore I shall not attempt to touch the legal aspects of the case. But I do say this, that this bill was before the private bills committee, where my hon. friend from Temiscouata (Mr. Pouliot) took one hour and forty minutes of the two hours of that commitee to discuss the question in its legal and other aspects, and the committee after hearing him decided unanimously to report this bill without any amendments. I do hope, in the interests of the province of New Brunswick, in the interests of a province that is looking today for industrial development, a province that is rich in natural resources but has not the cheap power to develop them as they should be developed, that this amendment will not carry.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I merely want to lay emphasis upon what I brought to your attention last night when this bill was railroaded through the committee. It is surely evident to the house now that this is a very contentious bill, but we are now not even permitted to ask a question nor to have the sponsor give an explanation as could have been done in committee of the whole last night, and the house is in practically total ignorance of the merits of this question. It does seem to me, in view of the sudden railroading of the bill through committee last night, that the sponsor of the bill must have some fears lest there be some weight in the opposition to the bill. That is about the only conclusion I can come

to, judging from the action that was taken last night, and I should like to suggest to some able lawyer of the house that he meet the argument of the hon. member for Temiscouata, who has taken exception to the bill. We who are laymen wish to vote intelligently on this question, and if his charges are not completely answered by those who are capable of doing so, although I am in favour of public ownership, and this is a public ownership proposition, as I understand it, nevertheless I would feel inclined to oppose the bill.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I was asked to second this amendment, and I did so solely on the character of the bill itself. I am not a lawyer, but I do not think that even a layman can read this bill without recognizing that it is most peculiar in its framing. I know nothing of the details of the situation in Quebec and New Brunswick other than what has been given to us by the mover of this amendment and by the Postmaster General (Mr. Veniot), but I must say that the explanation given by the Postmaster General has not made me feel that I made any mistake in seconding an amendment of this character.

As I have listened to the presentation of the argument in support of the amendment, it has struck me that the object of the bill is really to secure succession rights for an illegitimate still-born child. I am trying to put into ordinary phraseology what my hon. friend from Temiscouata (Mr. Pouliot) has conveyed in a very exhaustive and elaborate and learned discourse. I say a still-born child because the original company really never came into existence, never had life given to it. It was a public commission, and the effort is to try to give whatever rights it had to somebody else—to a private company. I would say that the child is illegitimate because evidently, if these rights were firmly established, the promoters of this bill would not be coming to us to-night. Apparently this is an elaborate, if somewhat clumsy, scheme by which, through collusion, the purposes of the British North America Act may be defeated.

I am not going into the question of public ownership versus private. Some of us believe in public ownership, but I do not think we need discuss that matter to-night. The Postmaster General has outlined the general background of the bill. Evidently an attempt was made by the province of Quebec to pass legislation incorporating the company. That legislation apparently is not intra vires. If it is, we would not have this bill presented here.

Now, let me very briefly call attention to two clauses of the bill. They are very simple. I am leaving out the preamble. It may very well be made out from the legal standpoint that the present company seeking incorporation is not the original company, but I suppose that is a matter between the two provinces concerned, and I do not know whether we ought to ask the Dominion authorities to interfere with that aspect of the case. Section 1 reads:

1. In so far as the parliament of Canada has authority so to do the two acts of the legislature of the province of Quebec, set forth in schedule "A" to this act, are hereby adopted and confirmed, to the same extent as if re-enacted herein.

It does strike me, Mr. Speaker, that that is most peculiar phraseology. The bill contains two schedules. We have no right whatever to amend these schedules; we can only accept or reject them. So a bill is presented to us which really we have no right to amend. I think there was very good reason for pushing this bill through the committee stage last night, since the committee could not have changed a single clause. In dealing with this matter we are simply passing a piece of enabling legislation. The opening phrase of the section which I have quoted is very strange:

In so far as the parliament of Canada has authority so to do—

I do not like to be a party to passing legislation of that kind. Either we have authority or we have not, and we ought not to act in this conditional fashion. Then the second clause:

Notwithstanding the provisions of section one of this act,—

Which we were supposed just now to pass.

—the company shall be governed by the applicable provisions of the Quebec Companies Act,—

Evidently the legislature of Quebec had not the power to pass the legislation which it enacted, and now the promoters come to this parliament to legitimize their offspring. The scheme is that once we have legitimized the offspring, we are to turn it back to the province of Quebec, which will then exercise jurisdiction over it. Let me repeat, either we have jurisdiction or we have not. Either the province of Quebec has jurisdiction or it has not. I take it that had it full jurisdiction this bill would not be before us. If we have jurisdiction, we have no right to resign our powers of administration to somebody else.

I think of the closely parallel case in my own province in which the province of Ontario was concerned. We have water powers in the Winnipeg river, the head waters of which and of the English river are in the province

of Ontario. Several years ago an effort was made to establish storage dams at Lac Seul in the province of Ontario in order that the flow of water might be regulated and increased for the benefit of Manitoba. What was done? The right thing. Mr. Meighen, then Prime Minister, introduced legislation in this house which declared the works in Ontario to be for the general advantage of Canada, and as such they came under the federal jurisdiction, and they have been under that jurisdiction ever since, notwithstanding some attempt to repeal the legislation. Then the water-powers were developed under the Dominion authority. Now it strikes me the proper thing in this instance would have been for the province of New Brunswick to have come to the federal authorities and asked that the works in Quebec be declared to be for the general advantage of Canada. Had that course been taken we would have been able to make suitable provision.

Mr. VENIOT: Was not that part of the water flowing through Manitoba under the jurisdiction of the federal government? It was not owned or controlled by the government of Manitoba.

Mr. WOODSWORTH: That may have been one reason,—

Mr. VENIOT: The two cases are entirely different.

Mr. WOODSWORTH: —but that does not affect my argument, because clearly under the British North America Act any such work an this may be declared to be for the general advantage of Canada. Suppose that in Manitoba we had control of our own natural resources, and suppose we made a bargain with regard to Boundary falls, we will say, situated within the province of Ontario, can you imagine the Ontario authorities remaining quiescent? Not at all. Undoubtedly if we have the right to legislate in this case, it is because we control navigable streams, and I submit the proper course would have been to declare this work to be for the general advantage of Canada. Then it would have been carried out under the jurisdiction of the federal authority. Section 2 seeks to put the company back under the control of the province of Quebec. Again I submit that that is not in keeping with the spirit of the British North America Act.

Since this is an exceedingly complicated question, involving as it does the jurisdiction of the province of New Brunswick in which the works are actually situated, the jurisdiction of the province of Quebec in which the storage basin is located, and the jurisdiction of the Dominion in so far as these are navigable streams, and as this work might well be declared for the general advantage of Canada, it seems to me that under these circumstances, and in order to remove all the constitutional difficulties, we might well have the matter referred to the supreme court for decision. This would cause a few months delay, but it would straighten out the tangle, and would not create the precedent that might be created by the passage of this bill.

Mr. T. L. CHURCH (Northwest Toronto): Mr. Speaker, it is of vital importance to preserve the water powers of this country for the people. That part of the province of Quebec bordering on the province of New Brunswick is rich in water-powers. Those water-powers should not be alienated by parliament without good reason. The great principle of public ownership is involved in this bill. If the principle of this bill, which it is sought to apply to New Brunswick and to Quebec, had been applied to Ontario, there would have been no hydro-electric movement in this province, and instead of the two-cent unit we would now have a ten or twelve-cent unit. This particular company is nothing but a subsidiary of the International Paper Company, which is tied up more or less with some fifteen or twenty corporations in Ontario and Quebec and in the United States, all parts of the great electrical merger, which is one of the most powerful trusts across the line.

This is a most dangerous bill, for many reasons. It is a most extraordinary bill, for it is proposed to make it retroactive, which is something that has never been done before by this parliament. Bill No. 17 is a most extraordinary measure. This parliament is called upon to give retroactive power to privincial enactments by adopting and confirming them. There are doubts expressed in the bill itself about the authority or jurisdiction of this parliament. If we have authority, the provincial legislatures have none; if, on the contrary, the provincial legislatures have authority we have none, and it is absolutely impossible for us not only to adopt and confirm but even to consider such provincial enactments. If they are ultra vires they cannot be confirmed; if they are intra vires we are deprived of jurisdiction or authority in the matter.

I do not care what political party takes up this question of water-power, whether it be the Liberal party or the Conservative party: I submit that it has no right to commit this country to private ownership. We must remember what was the condition of affairs in Ontario around 1900 and 1905. It was pretty much the same in Ontario at that time as it

is in Quebec, New Brunswick and Nova Scotia to-day. The Ross government had given away al the water-powers of the Niagara river to private ownership and there remained about 10,000-horse-power. In 1905 Sir James Whitney was returned to power and he cancelled the last orders in council with the result that the hydro-electric was instituted in Ontario.

The rights of various private companies were taken over on a fair basis, and the province was given a chance to develop its own water-power. The result is that to-day we have cheap light and power in Ontario. That was a lesson to the people of New Brunswick, but it does not seem to have been taken to heart. I have read reports of surveys made in the province of New Brunswick and the province is admirably adapted to cheap electrical power. Unfortunately however that province has given away all its resources to private ownership, just as the province of Nova Scotia has done. The Liberal party in that province, in power for thirty-four years, handed over to private ownership the magnificent resources of the province including water-powers, fisheries, timber and mines. What was the result? The province became stagnant and lost its population. There was no industrial growth, for the simple reason that he who has the key to the development of the water-powers of any country has the key to the future industrial development of that country.

I say therefore that the principle of this bill is wrong. It is unsound from a legal standpoint. But on grounds of public policy it is outrageous. We have no power to amend an act of the Quebec legislature and to hand over a public utility to private ownership. The gentlemen named in the bill as directors were appointed to act in an official capacity on behalf of the province of New Brunswick, so that the Postmaster General Mr. Veniot) and those associated with him in that capacity could have no individual interest in the matter. The gentlemen named in the bill are, first, the premier of the province, secondly, the chairman of the New Brunswick Electric Power Commission, and, thirdly, a member of the executive council of the province of New Brunswick, a commissioner of the New Brunswick Electric Power Commission.

Mr. VENIOT: And their successors.

Mr. CHURCH: In Ontario the chairman of the commission was a member of the provincial cabinet, Sir Adam Beck, and the two other commissioners were nominated by the executive council; and they were appointed to act not in any private capacity but as public officials in order to preserve the water-powers of the province so as to provide the people with that boon of cheap light and power.

I regret very much indeed that the Conservative party has not seen fit to emulate the noble and inspiring example of Sir James Whitney in Ontario. At the coming election it would do that party a great deal of good if the policy followed in Ontario in regard to water-powers were adopted not only in New Brunswick and Nova Scotia but also in British Columbia, a province which gives great promise for the future. That province, if given a chance, will go ahead by leaps and bounds. Everyone is proud of its growth and, I repeat, it would be an excellent thing for British Columbia and for the maritime provinces as well if the Conservatives would only follow the policy adopted in Ontario. If they did so they would reap a greater advantage in one day than they have been able to derive in all these years under private ownership.

I desire to quote some prophetic words of the late President Roosevelt in regard to a similar situation which arose in his own country when he was in power. In regard to the waste of water-power in the United States he predicted that the day was not far distant when that country would run out of coal and other natural resources, particularly petroleum and gas. He said:

> The people of our country are threatened by a monopoly more powerful than has been ever seen, as it affects very closely their domestic and industrial life. Our next generation will witness a shortage of those natural resources, petroleum and gas. The price of coal will be such that hydraulic power turned into electrical energy will, owing to its cost, become the prevailing factor for transport, for manufacturers, for lighting and heating our towns. Our hydraulic power alone, entirely and judiciously employed, would be adequate for the present needs of transport, industries, municipalities, and private individuals. The major portion of these powers is not developed and remains the national property. It would be madness to part, without conditions, with one of our greatest resources. If we become guilty of this crime, our children will be bound to pay an annual royalty on a capitalization fixed at the highest price that the trade will stand for. They will see themselves struggling with powerful sweaters entrenched behind the doctrine of discharged rights strengthened by all means of protection that money can buy and the cunning of corporations defended by legal men. These ogres of finance will have succeeded long before then to monopolize those resources so as to be able to dictate to the people the management of their affairs and their way of existence. Public opinion will be their least worry.

These were the words of a prophetic statesman. In conclusion I have to say: American capitalists have found Canada a happy hunting ground. In the maritime provinces, in Quebec, Northern Ontario and the northwest, they have seized the water-powers which should be developed under public control. We find Mr. Backus getting control of the water-

powers in the northern section of new Ontario, and in addition to these magnificent rights and privileges he is given what virtually is a principality of timber as well. It will be a sorry day for the province of New Brunswick when they hand over their resources to any private monopoly. The province of Ontario spent a good deal of money for cheap light and power, but if we obtained that light and power from private companies it would have cost us many millions more to pay for the over-capitalization of these companies. When you pay for hydro power to-day you pay the actual cost of generating and distributing that power, but when you buy bread, milk, and many other things you have to pay a price which will return a profit on the millions of dollars invested of split common stock of no par value. I hope this legislation will not pass, and I intend to oppose it; I think we are on dangerous legal ground. I think we should not change this act of 1925 which incorporated certain gentlemen in their official capacities to operate a great public utility on the border of these two provinces for the public good rather than for private gain.

Mr. A. J. ANDERSON (Toronto-High Park): I wish to offer just a few remarks on the question now before the house, and I am sorry I must differ with the hon. member for Toronto Northwest (Mr. Church). We are both supporters of public ownership in the province of Ontario, but this bill affects the provinces of New Brunswick and Quebec, and it must not be forgotten that the province of Quebec has always supported private ownership. That province has seen fit to legislate in regard to this matter at the instance of the province of New Brunswick, and I take it that when this proposition was first started the province of New Brunswick intended to establish a public ownership enterprise under the direction of the present Postmaster General of this government, who was then premier of that province. To-day someone else holds power there, and they have seen fit to change the position of the matter, apparently preferring private ownership. That is a matter quite within the rights of the province of New Brunswick, and I do not see why we should interfere in any way. These two provinces undertook to pass legislation of this kind in connection with their natural resources, and it would appear now that there is some doubt as to the validity of that legislation since these waters are interprovincial.

[Mr. Church.]

The hon. member for Winnipeg North Centre (Mr. Woodsworth) referred to a case involving the provinces of Manitoba and Ontario, but these two provinces are in a very different position. Ontario is in possession of its own natural resources while Manitoba is not, so the jurisdiction of this parliament must prevail. That is why that legislation was passed in this house. This legislation does not imply that the province of Quebec or the province of New Brunswick have not power to deal with this matter; the fact is that there may be some feature in connection with the fact that these are interprovincial waters which may require the consent of this parliament, and as I understand it we are asked to deal with it on that basis. I do not know of any reason why we should not allow the province of New Brunswick look after its own industries according to its own ideas. I would not wish to force my opinion or those prevailing in Ontario on the people of New Brunswick; this is within their jurisdiction and they should be left free to exercise their judgment in the matter. In my opinion this legislation is drawn very carefully, with all due respect to the member for Winnipeg North Centre. We simply grant such power as we possess in order to make this legislation more effective.

Mr. POULIOT: Might I ask my hon. friend a question? Has he read the bill of 1927 which appears in schedule A?

Mr. ANDERSON (Toronto): I have just read the material before me.

Mr. POULIOT: Des my hon. friend know who are the present directors of the St. John River Storage Company, and if so, are they acting in their private capacity or for the province of New Brunswick?

Mr. ANDERSON (Toronto): I am not very much interested in that. The province of Quebec has seen fit to continue its legislation and to pass an order in council consenting to the transfer of whatever rights are affected by this legislation. I think the government and the legal advisers of the province of Quebec are quite capable of looking after their own interests.

Mr. POULIOT: Is that order in council mentioned in the schedule?

Mr. ANDERSON (Toronto): It is referred to in the bill. I have never seen the order in council but it is referred to in this bill, and I am satisfied that no government would pass such an order in council unless it were satisfied it had the power to do so.

Mr. POULIOT: In what part of the schedule is that order in council mentioned as approving the transfer of the rights of the New Brunswick Electric Power Commission to a private company?

Mr. ANDERSON (Toronto): I can only refer to what is in the bill before the house. One has only to read it, and if I have misunderstood it my hon. friend will correct me. It seems quite clear that the province of Quebec did consent to that transfer, and we are only asked to grant whatever power we may have in that regard in order to make this legislation more effective. This will help out the province of New Brunswick and I propose to do so if I can.

The house divided on the amendement (Mr. Pouliot), which was negatived on the following division:

YEAS

Messrs:

Bell (Hamilton West), Campbell, Carmichael, Chaplin, Church, Evans, Fansher (Last Mountain), Gardiner, Heaps, Irvine, Kennedy, Lucas, McGregor, Pouliot, Ryerson, Senn, Spence, Spencer, Stinson, Woodsworth, Young (Toronto Northeast).—21.

NAYS

Messrs:

Anderson (Toronto-High Park), Arthurs, Bancroft, Barber, Beaubien, Bell (St. John-Albert), Benoit, Black (Yukon), Blanchard, Blatchford, Bock, Boivin, Boucher, Boulanger, Bourgeois, Bowen, Boys, Bradette, Brady, Brown, Cahan, Cannon, Cantley, Cardin, Casgrain, Cayley, Charters, Delisle, Denis (St. Denis), Denis (Joliette), Desaulniers, Descoteaux, Dickie, Dionne, Donnelly, Dussault, Edwards (Frontenac-Addington), Euler, Fafard, Fansher (Lambton East), Fiset (Sir Eugene), Forke, Fraser, Gershaw, Gervais, Girouard, Glen, Goodison, Hall, Hay, Heenan, Hepburn, Howden, Jacobs, Jenkins, Johnstone (Cape Breton North-Victoria), Kaiser, King (Kootenay East), Lacombe, Ladner, Laflamme, Lanctôt, Lang, Lapierre, Lavigueur, Letellier, Macdonald (Glengarry), Macdonald (Kings), Macdonald (Richmond-West Cape Breton), MacLean (Prince), McLean (Melfort), McGibbon, McIntosh, McKenzie, McMillan, McPhee, McQuarrie, Malcolm, Mercier (St. Henri), Millar, Morin (St. Hyacinthe-Rouville), Morrissy, Motherwell, Neill, Parent, Perras, Pettit, Power, Quinn, Ralston, Rinfret, Roberge, Robinson, Robitaille, Ross (Moose Jaw), Short, Smith (Stormont), Smoke, Spotton, Steedsman, Stevens, Stewart (Leeds), Sylvestre, Taylor, Telford, Thompson, Tobin, Tolmie, Totzke, Veniot, Ward, White (London), Young (Saskatoon).—113.

Mr. POULIOT: Mr. Speaker—

Mr. SPEAKER: The hon. gentleman cannot speak, because, by moving his amendment he has spoken on the main question. It has just come to my mind that the same question arose on the budget debate, when the hon. member for St. Lawrence-St. George (Mr. Cahan) was debarred from speaking. By moving or seconding an amendment, a member, if he utters only a few words, actually speaks on the main motion. It is only after the amendment has been put by the speaker that it is considered a new question.

Motion agreed to, bill read the third time and passed.

NIAGARA FALLS MEMORIAL BRIDGE COMPANY

Mr. G. H. PETTIT (Welland) moved the third reading of Bill No. 14, to incorporate the Niagara Falls Memorial Bridge Company.

Mr. GEORGE SPOTTON (North Huron): I move that this question be now put.

Mr. SPEAKER: Mr. Spotton moves, seconded by Mr. Garland (Carleton), that this question be now put. This is the previous question.

Mr. CHAPLIN: I should like to have your ruling on this point, Mr. Speaker. There are already on the order paper five different amendments, proposed by me in the regular course, to be added to this bill. I should like to know what Your Honour has to say regarding that.

Mr. SPEAKER: There is a notice on the order paper of some amendments concerning

this bill, but they have not been moved before the house and therefore the previous question precludes any amendment to the main question. If the previous question is defeated, the bill is also defeated. The question is whether or not this question shall now be put.

The house divided on the motion (Mr Spotton) which was agreed to on the following division:

YEAS

Messrs:

Allan,
Anderson (Toronto-High Park),
Baldwin,
Bancroft,
Barber,
Beaubien,
Bell (Hamilton West),
Bell (St. John-Albert),
Benoit,
Blanchard,
Blatchford,
Bock,
Bouchard,
Boucher,
Boulanger,
Bourgeois,
Bowen,
Bowman,
Bradette,
Brady,
Cannon,
Cardin,
Casgrain,
Cayley,
Cowan,
Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Dickie,
Dionne,
Donnelly,
Fafard,
Fiset (Sir Eugene),
Forke,
Garland (Carleton),
Geary,
Gervais,
Girouard,
Glen,
Goodison,
Harris,
Hay,
Heenan,
Hepburn,
Howden,
Hubbs,
Jacobs,
Jenkins,
Johnstone (Cape Breton North-Victoria),
Kaiser,
King (Kootenay East),
Lacombe,
Ladner,
Laflamme,
Lanctôt,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Letellier,
Macdonald (Glengarry),
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
MacLean (Prince),
McLean (Melfort),
McGregor,
McIntosh,
McKenzie,
McMillan,
McPhee,
Mercier (St. Henri),
Millar,
Milne,
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Parent,
Perras,
Pettit,
Quinn,
Ralston,
Rhéaume,
Rinfret,
Roberge,
Robinson,
Robitaille,
Ryerson,
Sanderson,
Short,
Smith (Stormont),
Smoke,
Spence,
Spotton,
Steedsman,
Stinson,
Sylvestre,
Taylor,
Telford,
Thompson,
Tobin,
Totzke,
Veniot,
Ward,
White (Mount Royal),
Young (Saskatoon).—109.

NAYS

Messrs:

Anderson (Halton),
Black (Yukon),
Brown,
Campbell,
Carmichael,
Chaplin,
Charters,
Edwards (Frontenac-Addington),
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Heaps,
Irvine,
Kennedy,
Lucas,
McGibbon,
McQuarrie,
Spencer,
Stewart (Leeds),
Woodsworth,
Young (Toronto Northeast).—23.

Mr. SPEAKER: Mr. Petit moves, seconded by Mr. Garland (Carleton) that bill No. 14, to incorporate the Niagara Falls Memorial Bridge Company, be now read a third time. Is it the pleasure of the house to adopt the motion?

Mr. EDWARDS (Frontenac): Do I understand, Mr. Speaker, that a debate under these circumstances is not permissible on the motion for the third reading?

Mr. SPEAKER: No. That is the effect of the previous question. Bourinot says, at pages 326 and 327:

> The "previous question" means the question whether the main issue shall be voted or not at once. The previous question prevents an amendment to the main question and thus forces a direct vote on the main question. If the previous question be carried, the Speaker will immediately put the question, without further debate.

Mr. EDWARDS (Frontenac): Thank you.

Motion agreed to on division and bill read the third time and passed.

THE FEDERAL LOAN COMPANY

The house resumed, from May 8, consideration in committee of Bill No. 59, to incorporate the Federal Loan Company (as amended, and recommending that the title be changed to "An Act to incorporate the Federal Lending Company")—Mr. Lang—Mr. Johnston in the chair.

The CHAIRMAN: When the bill was last before the committee, all sections had been adopted with the exception of section 5.

On section 5—Objects.

Mr. SPENCER: When this bill was before the committee the other night the mover was not present. When clause 5 came up, a question was asked with regard to paragraph (b) which reads:

> Notwithstanding anything contained in the Interest Act, and the Money Lenders Act, and in section 63 (c) of the Loan Companies Act.

Information was requested why this company should be exempted from those acts. I should like to ask the mover of the bill for an explanation.

Mr. LANG: The company proposes to lend, mainly on personal security, but also on mortgages, its own capital only. The bill prohibits the taking of deposits or the issue of debentures. The company in lending money on personal security will impose a loan charge in addition to a stipulated rate of interest and, in the case of small loans, the combined interest will exceed the limitations imposed by the Interest Act and the Money Lenders Act. These acts are therefore overridden by this bill. The section respecting interest which is overridden, and in regard to which a question was asked by my hon. friend a moment ago, reads:

> Except as to mortgages on real estate, whenever any interest is, by the terms of any written or printed contract, whether under seal or not, made payable at a rate of percentage per day, week, month, or at any rate or percentage for any period less than a year, no interest exceeding the rate or percentage of five per centum per annum shall be chargeable, payable or recoverable on any part of the principal money unless the contract contains an express statement of the yearly rate or percentage of interest to which such other rate or percentage is equivalent.

That section is done away with by this bill, because the loan is going to be made on personal security mainly, but also on second mortgages or securities such as would not be accepted by the banks or loan companies. Therefore, in order to take care of the further risk, they are being withdrawn from the operation of these provisions. Then certain provisions have been incorporated in the bill from the Loan Companies Act. I may say that all these provisions have been gone into thoroughly by the Superintendent of Insurance and have his approval. We believe that this bill will result in a great deal of good in different parts of Canada in allowing men and women who sometimes find it necessary to raise money quickly upon securities that the banks and loan companies will not accept to get assistance without going to sharks and money leaders who will charge extortionate rates of interest. Believing that the bill is a good one, we confidently ask for the support of the house in passing it.

Mr. CAMPBELL: Does the exemption of this company from the operation of these acts mean that they will be allowed to charge just as high rates of interest as they can get?

Mr. LANG: No. They are allowed to charge a 6 per cent discount interest in making the loan, and also after the loan is made a small charge, an investigation charge, which is regulated by the bill and depends upon the size of the loan, so that altogether the interest and charges may run up to as high as twelve or fourteen per cent, but that gets them by where they could not get by if they applied to a bank or loan company for a loan.

Mr. GARDINER: Is that the only charge they are permitted to make?

Mr. LANG: Yes, that and the 6 per cent discount, which is paid weekly or monthly according to the provisions of the note itself.

Mr. HAY: I might add a word of explanation in regard to this bill, which was gone into very thoroughly by the committee in view of the fact that the bill embodied a new principle so far as we in Canada are concerned. This bill follows very closely along the lines of the Morris system which has been operated successfully in the United States.

Mr. GARDINER: Successfully for the borrower or the lender?

Mr. HAY: For both. They have found it to work very satisfactorily for a number of years. I believe that this bill will fill a want particularly in the larger centres of population. This company, however, is debarred from taking deposits or selling debentures; they are lending simply their own money. The committee has added certain provisions at the suggestion of the superintendent of loan companies. I might add that the whole proposition has been agreed to by the secretary of the loan association in Canada, and there is no objection from any quarter to this bill becoming law, the general desire being to prevent men and women from falling into the hands of loan sharks, who exact very high rates of interest and show very little mercy on the maturing of the debt. I make this explanation only because the sponsor of the bill was not a member of the committee. I repeat, the committee gave very careful consideration to this bill because it embodied a new departure in this country.

Mr. JACOBS: What did Mr. Finlayson have to say about it?

Mr. LANG: He is quite in accord with the provisions of this bill, having gone into them all very carefully.

Mr. CAHAN: Did any official of the Finance department appear before the committee?

Mr. HAY: The Superintendent of Insurance appeared before the committee, as well as the representative of the loan companies, and everything was agreed to by all the parties interested.

Section agreed to.

Bill reported, read the third time and passed.

PATENT OF WILLIAM H. MILLSPAUGH

Mr. S. W. JACOBS (Cartier) moved the second reading of and concurrence in amendments made by the senate to Bill No. 15, respecting certain patent application of William H. Millspaugh.

Mr. GARDINER: What is the nature of the amendments proposed by the senate?

Hon. FERNAND RINFRET (Secretary of State): If my hon. friend will allow me, I have the bill as amended by the senate, and although not the sponsor of the bill, as the minister in charge of the patent branch I wish to say that there is no objection to the amendments which have been made by the senate.

After the words "Patent Act" in line 5 of the preamble, the senate has added the words "then in force, chapter twenty-three of the statutes of 1923." In the twenty-second line they specify the Patent Act, which means chapter 150 of the revised statutes, 1927. This is merely a clerical change. Besides that the senate has added as clause 2 of the bill the usual clause:

> If, as provided by section one of this act, the said forfeited application is restored and a patent is granted for any invention therein described, any person who between the nineteenth day of May, 1925, and the twelfth day of November, 1927, has commenced in Canada the manufacture, use or sale of that invention, may continue such manufacture, use or sale in as full and ample a manner as if this act had not been passed.

That is the usual precautionary clause, but it had not been incorporated in the bill. So the amendments made by the senate improve the bill.

Motion agreed to; amendments read the second time and concurred in.

DOUGLAS J. MARTIN PATENT

The house in committee on Bill No. 66, respecting a certain patent of Douglas J. Martin—Mr. Clark—Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Rights saved.

Mr. SPENCER: As one of those not a member of the private bills committee, I should be glad to have the bill explained.

Mr. LADNER: Mr. Chairman, this is merely a renewal of patent rights. The wording of the bill is quite clear. If the hon. gentleman desires I can go over the section with respect to the rights saved, but I think it would save the time of the committee not to engage in an extended explanation.

Section agreed to.

Bill reported, read the third time and passed.

THE SISTERS OF CHARITY OF THE NORTH WEST TERRITORIES

The house in committee on Bill No. 219, respecting the Sisters of Charity of the North West Territories—Mr. Marcil—Mr. Johnston in the chair.

On section 1—Increase of real estate that may be held.

Mr. GARDINER: I should like to have an explanation of this section, particularly with regard to the amount of real estate to be held by this organization.

Mr. PARENT: I may be permitted to give an explanation to the hon. gentleman. Not longer than a year ago we gave the Sisters of Charity of the city of Ottawa power to own property to the extent of five million dollars. That congregation is of far less importance than the one concerned in this bill. The Sisters are asking for power to have money or hold property to the extent of six million dollars, if I remember correctly.

Mr. CAHAN: That is right.

Mr PARENT: Compared with what has been done in the past it appeared to the members of the committee that the request was very reasonable. The representative of the sisters stated to the committee that they were the owners of four or five large hospitals, and that the capital value of those buildings would represent at least half of the six million dollars. Under the circumstances the committee recommended that six million dollars be considered fair.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

GREAT LAKES AND ATLANTIC CANAL AND POWER COMPANY, LIMITED

Mr. J. J. DENIS (Joliette) moved the second reading of Bill No. 152, respecting the Great Lakes and Atlantic Canal and Power Company, Limited.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, personally I have no desire to object to the second reading, but in consenting to it I should like to say that I am not agreeing with the principle of the bill. May I ask one question: Is this bill to be referred to the committee on railways and canals?

Hon. ERNEST LAPOINTE (Minister of Justice): I take the same stand as my hon. friend.

Hon. LUCIEN CANNON (Solicitor General): That is the rule with private bills.

Mr. DENIS (Joliette): I do not want to take up the time of the house, but it is perfectly understood and agreed that no member is committed to this bill by the mere fact that it gets its second reading. We simply want to send it to the committee to have it examined.

Mr. T. L. CHURCH (Northwest Toronto): I do not think that this bill should be read the second time. The leader of the opposition (Mr. Bennett) is not here, and it is questionable whether the bill comes within the four corners of the jurisdiction of this parliament. It covers territory starting at Cornwall and going all the way into Quebec. The points presented in the bill have been sent by the cabinet to the supreme court for consideration and the question is to be heard within a few days. The bill involves a division of authority between the federal parliament and the provinces regarding international streams. This question was discussed a few years ago in relation to the Morrisburg dam, and the matter of provincial rights then came under review. We have a series of documents and papers exchanged between the governments of the United States and of the Dominion of Canada touching the very points involved in this bill, and the moment we give the bill the second reading we automatically approve the principle of it. This, I submit, we have no right to do under the circumstances, especially in view of the statement made by the Prime Minister (Mr. Mackenzie King) some time ago that an opportunity would be afforded later on to discuss the whole question.

Mr. DENIS (Joliette): Let me assure my hon. friend, as I said in answer to the hon. member for Vancouver Centre (Mr. Stevens), that no hon. member is by any means committed to the principle of the bill in voting for the second reading of it. The sole purpose is to have the bill sent to the railway committee. I would not ask my hon. friend to commit himself to the principle of the bill. Indeed I am not committed to it myself, if it can be proved that it is unsound.

Mr. GARDINER: Why do you not explain it?

Mr. CHURCH: So far as I am concerned, I am opposed to sending the bill to any committee because it is altogether out of order in view of the fact that provincial rights in the matter of water power are involved, and that this question has been referred to the supreme court. There is too much of this sort of thing in this house. Under the rules, the second reading of a bill approves the principle of it. This is in accordance with all the authorities—Bourinot, Beauchesne, May and others. This is a contentious stage of the bill, and especially a bill of this description.

I understand that a measure similar to this has passed the provincial legislature and this bill is now before parliament; we are asked to adopt concurrent legislation. And now the point is raised: What are the rights of the provinces and of the Dominion respectively in regard to the diversion from the river of water needed for navigation purposes? This question is among those referred to the supreme court, and it should not be discussed now, nor should the bill be sent to a committee of the house. This house has already dealt with questions similar to those involved in the bill. Such questions appear on the order paper, and it is not competent for us to forestall the action of parliament in the matter. The announcement has also been made that irrespective of the decision that will be rendered by the supreme court there is to be an appeal to the Privy Council on these various questions involved in the St. Lawrence waterway. This matter was under discussion the other day and the question came up in that connection as to whether these private bills should be passed. On April 10 the question was under consideration, and the very matters involved in the bill now before us were covered in the debate that then took place. That debate lasted one afternoon and the Prime Minister rose in his place and proposed an adjournment.

I would remind the house that the correspondence between the United States and the Dominion of Canda in regard to the St. Lawrence has been printed—500 copies in English and 200 in French. Various questions arise in these documents: What are the rights of the state of New York? What

are the rights of the province of Quebec in regard to the St. Lawrence, in so far as it lies exclusively in that province? What are the rights of the province of Ontario in relation to waters passing by its doors on their way to the St. Lawrence? And what are the international rights and the rights of this Dominion in respect of surplus water? There is a statute in this country known as The Navigable Waters Protection Act, which provides that before an application can be brought to parliament it shall be sent to the Minister of Public Works. Before any erection can be made on an international stream it must conform to the provisions of the Navigable Waters Protection Act. Now, the preamble to this bill contains certain provisions which are hardly within the powers of this parliament, and it also raises the question of jurisdiction, which, I contend, is sub judice. Mr. Speaker has ruled upon this point; a similar question arose last session and, having been considered, the ruling was given.

I submit that this bill is out of order for the reasons I have indicated. I have here opinions from counsel for the Hydro Electric Power Commission of Ontario of a few years ago, with regard to this particular question, and there is no doubt that the control of navigable water lies with the Dominion government. If it is desired to carry on any construction which will affect navigable waters application must be made to the Minister of Public Works, who holds a hearing and reports to the governor in council. These questions are now before the supreme court; counsel are acting for the Dominion government and for the provinces of Ontario and Quebec; the pleadings are all in and a day has been named for the hearing. In view of that situation, how can we pass this bill?

Let us look at the preamble, which states:

> Whereas a petition has been presented by the Great Lakes and Atlantic Canal and Power Company, Limited . . . . praying that it may be authorized to construct and operate a deep waterway from the western end of lake St. Francis at or near the town of Cornwall in the county of Stormont, in the province of Ontario to Hungry bay in the county of Beauharnois in the province of Quebec, and to build a canal from said Hungry bay to a point at or near Melocheville, in the said county at lake St. Louis, and a deep waterway through lake St. Louis to a point at or near Caughnawaga in the county of La Prairie—

They are not satisfied with that; they even name an alternative route. The canal system of this country, as I understand it, has been under the control of the Dominion government since about 1854, and since that time we have spent over $200,000,000 on that system. To-day we are spending large sums of money on the Welland canal, so I say we should not give a private company power to construct a canal of this kind. Here we have a canal to be built near the great port of Montreal, where we have spent so much money; we have the United States requesting permission to divert a great quantity of water to the Mississippi river through the Chicago drainage canal; they propose another canal from Ogdensburg to Albany, and if this sort of thing goes on there will not be a drop of water left in the port of Montreal. If this were purely a power company I would have no great objection to it; in Quebec they have a progressive premier who is always looking out for his province, but this is not such a company.

This bill gives this particular company the power to build a canal in the counties named, to the head of navigation, in and near the city of Montreal. It says:

> —so as to make and complete throughout the entire distance from Cornwall aforesaid to the harbour of Montreal as aforesaid, a navigable canal or canals.

This bill gives this particular company the power to build a private canal, because that is all it is going to be. It is going to be a private canal, and it is changing the whole canal policy of this country by handing it over to a private company, incorporated as it is in the province of Quebec, and giving this company powers in this province. You are going to upset the whole policy of canals in this country.

In 1854 the jurisdiction over these waters was in the Montreal harbour commission. They transferred the whole jurisdiction, in order to build a ship canal in 1854, from the port of Montreal to Quebec. The country spent $54,000,000 to dig that waterway. To hand over to this particular company the power to build this private canal, a private undertaking, as this preamble sets out, I must say is an entirely wrong principle.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, May 10, 1928

The house met at three o'clock.

REPORTS OF COMMITTEES

Eighth report of select standing committee on miscellaneous private bills.—Mr. Parent.

Third report of joint committee on the printing of parliament—Mr. Marcil.

BANKING AND COMMERCE

MOTION FOR CONCURRENCE IN REPORT

Mr. F. W. HAY (North Perth) moved:

That the sixth report of the select standing committee on banking and commerce, presented on April 27 last, be concurred in.

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS

Mr. GEORGE S. PARENT (Quebec West) moved:

That, in accordance with the recommendation contained in the eighth report of the select standing committee on miscellaneous private bills, the said committee be given leave to sit while the house is in session.

Motion agreed to.

BRITISH EMPIRE STEEL CORPORATION

PROPOSED AGREEMENT WITH MINERS

Hon. PETER HEENAN (Minister of Labour): In reply to the request from the hon. member for East Calgary (Mr. Adshead), made a few days ago, I promised to lay on the table the agreement between the Nova Scotia miners and the operators. I wish to lay that agreement on the table now.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

HUNTER INQUIRY—COUNSEL FEES PAID TO MR. ALEX. MCGREGOR

Mr. MAYBEE:

1. Did Alex. McGregor of Toronto act as counsel representing the government in the Hunter inquiry?
2. If so, what amount was he paid in fees, expenses, or otherwise?
3. How much has been paid the said McGregor by the government or by any department of the government in the years 1922, 1923, 1924, 1925, 1926, and 1927?
4. Has any money been paid the said McGregor in 1928, and is any money now due him from the government or any department thereof?
5. Is the said McGregor at the present time acting for the government or any department thereof in any litigation or otherwise?

Mr. RINFRET:

Department of Soldiers' Civil Re-establishment:

1. Yes.
2. No account has been received by the Department of Soldiers' Civil Re-establishment from Mr. McGregor for his services with Hunter commission.
3. Nil.
4. Answered by No. 2.
5. No information.

Department of Justice:

1 and 2. No information.

3. As statute revision commissioner:

	Salary	Expenses
1924-25..	$ 1,525.53	$ 80
1925-26..	1,384.39	220
1926-27..	2,409.72	300
1927-28..	1,458.31	120

4. Nothing paid in 1928-29; amount still due, $152.78.

5. No information.

Department of National Revenue

Customs and Excise Division:

1 and 2. No information.

3. 1922, nil; 1923, nil; 1924, $20.81; 1925, $656.21; 1926, 37.11; 1927, nil.

4. (a) Yes, $20.68; (b) Nil.

5. Yes.

Income tax division:

1 and 2. No information.

3, 4 and 5. Nil.

HUDSON BAY RAILWAY—SUPPLIES

Mr. BLACK (Halifax):

1. What was the total expenditure at Halifax last year on the supplies for Hudson bay?
2. What firms supplied the goods?
3. Were the goods supplied by tender, and, if so, what are the names of firms who tendered and prices quoted by each?
4. How many men from Halifax were engaged in construction work? Who engaged them, and on what basis?
5. What was the total amount paid for construction and the name of the contractor?
6. Was construction work done by tender, and, if so, what are the names of parties tendering and amount of each tender?

Mr. DUNNING:

1. By the Department of Railways and Canals, on account of the work at Churchill, $30,336.96.

2. Consumers Cordage Co. Ltd., Halifax; Department of Vendors, Halifax; S. Cunard & Co., Ltd., Halifax; John W. Gabriel, Halifax; Howards, Limited, Halifax; Hillis & Sons, Ltd., Halifax; Imperial Oils, Ltd., Halifax; Fred C. Manning Co., Ltd., Halifax; Nickerson & Crease, Ltd., Halifax; National Drug and Chemical Co., Halifax; Wm. Robertson & Son, Halifax; Smith & Proctor, Ltd., Halifax; John Simon, Halifax.

3. Tenders were called for 400 tons anthracite stove coal, in bags, and the prices tendered are as follows: S. Cunard & Co., Ltd., Halifax, $20.45 net ton; Dartmouth Coal & Supply Co., Dartmouth, $18.00 net ton; Geo. R. Robertson, N. Sydney, unable to tender. The order was placed with S. Cunard & Co., Ltd., who were able to give immediate delivery.

4. None.

5. The Department of Railways and Canals expended $849,513.39 in 1927 at Churchill on labour, equipment, materials, supplies and transportation. These expenditures were made by the department direct and not through contractors.

6. Answered by No. 5.

HUNTER BUILDING

Mr. STEVENS:

1. What was the total cost of the Hunter building: (a) amount paid for land; (b) amount paid for building; (c) amount paid for furnishings?

2. What amount has been paid each year for: (a) lighting; (b) heating; (c) annual upkeep and repairs; (d) cleaners and cleaners' supplies?

3. What is the total floor space of the said building?

4. What proportion of the said floor space is occupied by offices?

Mr. ELLIOTT: Question stands.

Mr. STEVENS: This is not a difficult question, and the information is required for the consideration of the Public Works estimates. The information is of no use to me if I cannot get it for that purpose.

Mr. ELLIOTT: I might say to my hon friend that they are working on the answer, but have not been able to devote their time exclusively to that particular question. The staff has had a number of other questions to work on, but I hope to have the answer to this one by Monday.

Mr. STEVENS: I am not asking the staff to work on this one exclusively, but I am simply drawing attention to the simplicity of the question.

Mr. ELLIOTT: They tell me that it will take some time.

Mr. STEVENS: If you get your estimates through to-day, there will be no need for it.

SCUDDER, ONT., WHARF

Mr. GOTT:

1. Who has or had charge of repair work at the wharf at Scudder, Ontario?

2. What wages did he receive?

3. How much was spent for repairs at Scudder during the years 1926-27-28 to April 30th?

4. How many men were employed on the work?

5. Who were they?

6. How were they paid, and by whom?

7. How much did each receive?

8. What qualifications are required to secure employment on such repair work?

9. From whom was the lumber and materials purchased?

10. By whom was the lumber used in repairs on docks or wharves in Essex county supplied?

[Mr. Dunning.]

Mr. ELLIOTT:

1. Henry Rahn.

2. $290.

3. $3,103.09.

4 to 7. Hubert Taylor, $9; Ruben Jacques, $19.20; Bert Hoare, $88; Wilfrid Guirdian, $34.40; John Rahn, $68.40; William Lidwill, $12; Arthur Godwin, $9.60; Ernie Callow, $24; Albert Stoltz, $131.20; Garnet Wall, $40; Arthur Goodburn, $40; William Nye, $68.80; Edward Renaud, $12.80; William Carter, $21.60; Bob Carter, $17.60; Orton Quick, $4; M. T. Scratch, $23.20; Judson Scratch, $15. (All paid by individual cheques).

8. It is the practice of the department to employ men in the locality who have the necessary qualifications in the class of work to be undertaken.

9. Claude Quick, Pelee island, Ont., lumber; John McCormick, Pelee island, Ont., lumber; Orton Quick, Pelee island, Ont., lumber; The S. Hadley Lumber Co., Chatham, Ont., lumber; London Bolts & Hinge Works, London, Ont., hardware; Ralph Harris Lumber Company, Pelee island, Ont., lumber; Henry Rahn, Pelee island, Ont., hardware; Hobbs-Hardware Company, London, Ont., hardware; Lendon Hardware Co., Leamington, Ont., hardware.

10. P. G. Piggott Lumber Co., Chatham, Ont.; L. Johnson, Straffordville, Ont.; Laidlaw Belting Lumber Co., Sarnia, Ont.; The S. Hadley Lumber Co., Chatham, Ont.; John McGarvin, Chatham, Ont.; The O'Brien Lumber Co., Chatham, Ont.; Ralph Harris, Pelee island, Ont.; John McCormick, Pelee island, Ont.; Orton Quick, Pelee island, Ont.; Claude Quick, Pelee island, Ont.

PELEE ISLAND WHARF

Mr. GOTT:

1. Who has or had charge of repair work recently done at the wharf at Pelee island, Ontario?

2. What wages did he receive?

3. How much was spent for repairs at Pelee island during the years 1926-1927-1928 to April 30th?

4. How many men were employed on the work?

5. Who were they?

6. How were they paid, and by whom?

7. How much did each receive?

8. What qualifications are required to secure employment?

9. Who hires the men?

10. Is there a timekeeper on the job?

11. If so, who is he?

12. How does he check up the time of the workmen?

13. Is his time book retained by him or the department?

14. Have there been any complaints made to the department by residents of Pelee island that inexperienced people had been used on the job?

15. Is the work under the patronage system?

Mr. ELLIOTT:

1. Dan Gow.

2. $340.

3. $1,704.16.

4 to 7. Wilbert Feltz, $2; Lloyd Gow, $12; Carl Anderson, $78.40; Donald Gow, $10.40; Edward Garneau, $9.60; John Lidwell, $62; Robert McCormick, $63.60; Gordon Thompson, $75.20; John Holley, $11.20; John Pulford, $10; Stafford Bolton, $11.60. (All paid by individual cheques).

8. It is the practice of the department to employ men in the locality who have the necessary qualifications on the class of work to be undertaken.

9. The foreman.

10. No. The foreman acted as timekeeper.

11. Answered by No. 10.

12. By actual observation.

13. By the department.

14. No.

15. No.

COTTAM, ONT., POST OFFICE

Mr. GOTT:

1. Does the government own the post office at Cottam, Ontario?

2. How many rural routes are served from the Cottam post office?

3. What returns did the said office show for the years 1924-1925-1926-1927?

4. Has representation to the government been made by the people of Cottam or Gosfield North, for a new post office at Cottam?

5. If the government rents the said post office, what rent is paid, and to whom?

6. Has the government had under consideration, or have they now under consideration, the building of a post office on their own property at Cottam?

7. Have negotiations been made for the purchase of a site for a post office at Cottam?

8. Does the government own a suitable site for a post office in Cottam?

9. If so, from whom was same purchased, and when?

10. What was the price paid?

11. Is there a site available at present for a post office at Cottam?

12. Has the government an offer of a site?

13. If so, from whom, where located and at what price?

Mr. RINFRET (for Mr. Veniot):

1. No.

2. Two.

3. Revenue: 1924, $1,851.76; 1925, $1,876.86; 1926, $1,667.92; 1927, $1,454.86.

4. No.

5. Space for postal purposes provided by postmaster who is paid $100 a year rent allowance by the Post Office department.

6 to 13. No information.

LEAMINGTON, ONT., HARBOUR IMPROVEMENTS

Mr. GOTT:

1. Has the government under consideration the expenditure of any moneys for harbours, or pier construction, or breakwater construction at the port of Leamington, Ontario?

2. Has the department abandoned former plans for the construction of pier and harbour improvement at Leamington?

3. Did a vote pass the house for improvement of harbour at Leamington, other than those for repairs to wharf, etc.?

4. If so, how much was the vote?

5. When did it pass?

6. Why was the work not proceeded with?

7. How much did it cost the country for preliminary engineering reports, etc.?

8. Is the government willing to revive former consideration for the project at an early date?

9. Do the records show the proposed expenditure of former plans?

10. If so, what was the amount?

11. Has the government had any recent representation from citizens of Leamington to proceed with the work as soon as possible?

12. Is the department in receipt of communications from a citizen or citizens of Leamington or community requesting resuscitation of old plans?

13. Will the department make a survey of the surroundings at the port during the summer season of 1928 with a view to proceed with former plans, or new ones?

14. Does the government consider Leamington an important port?

Mr. ELLIOTT:

1. Yes.

2. No.

3, 4 and 5. 1914-15, $10,000; 1915-16, $10,000; 1916-17, $10,000; 1925-26, $10,000.

6. Appropriation voted too late to allow work being proceeded with in 1925-26. No action taken on former votes for breakwater due to war conditions.

7. Approximately $500.

8. Yes, when conditions demand.

9. Yes.

10. Approximately $300,000.

11. No.

12. No.

13. If deemed advisable.

14. Yes.

LEAMINGTON, ONT., WHARF

Mr. GOTT:

1. Who has or had charge of repair work at the wharf at Leamington, Ontario?

2. What wages did he receive?

3. How many men were employed?

4. Who were they?

5. How were they paid, and by whom?

6. How much did each draw?

7. From whom was the lumber and materials purchased?

Mr. ELLIOTT:

1. C. B. Elllis.

2 to 6. C. B. Ellis, $135; R. Howe, $96; M. Girarden, $84; L. Howe, $82; E. J. Johnson, $16; H. Malott, $9; G. Robson, $15. (All paid in individual cheques.)

7. P. G. Piggott Lumber Co., Chatham, Ont., lumber. Hobbs-Hardware Co., Ltd., London, Ont., hardware. London Bolt & Hinge Works, London, Ont., hardware. Conover & Pilsworth, Leamington, Ont., hardware.

KINGSVILLE, ONT., POST OFFICE

Mr. GOTT:

1. Does the government own the post office at Kingsville, Ontario?
2. How many rural routes are served from the Kingsville post office?
3. What returns did this office show for the years 1923-1924-1925-1926-1927?
4. Has representation been made by the people of Kingsville for a new post office?
5. Has the government under deliberation the building of a new post office at Kingsville, Ontario?
6. If the government rents the post office at Kingsville, what rent is paid, and to whom?
7. Does the government own a suitable site for a new post office in Kingsville?

Mr. RINFRET (for Mr. Veniot):

1. No.

2. Two.

3. Revenue: 1923, $9,758.70; 1924, $10,619.09; 1925, $10,066.97; 1926, $10,716.80; 1927, $9,338.65.

4. Yes (1910).

5. No.

6. Space for postal purposes provided by postmaster who is paid $550 a year rent allowance by the Post Office department.

7. Yes.

KINGSVILLE, ONT.—SITE FOR PUBLIC BUILDING

Mr. GOTT:

1. Does the government own the vacant lot on the four corners in the town of Kingsville, Ontario?
2. If so, from whom was same acquired, and when?
3. What was paid for same?
4. For what purpose was it purchased?
5. Has the government the intention of occupying this in the near future?
6. If so, for what purpose?

Mr. ELLIOTT:

1. Yes (northeast corner of Main and Division streets).

2. (a) The Windsor & Essex Lake Shore Rapid Railway Company. (b) 1912.

3. $2,000.

4. Site for public building.

5 and 6. No decision at present with reference to this site.

[Mr. Gott.]

PELEE ISLAND CABLE

Mr. GOTT:

1. How many days was the Pelee island cable, Leamington to Pelee island, out of order during December, 1927, January, February, and March, 1928?
2. How many days was the Pelee island cable, Kingsville to Pelee island, out of order during December, 1927, January, February, and March, 1928?
3. When was cable completed from Kingsville to Pelee island?
4. What was total cost of same?
5. How was contract for laying same made?
6. Under whose supervision was the cable installed?
7. Who had the contract for laying same?

Mr. ELLIOTT:

1. 31, 31, 29, 31.

2. 12, 10, 29, 31.

3. October 12, 1927.

4. $4,303.13.

5. No contract.

6. Assistant general superintendent, government telegraph service.

7. Answered by No. 5.

WHEATLEY, ONT., WHARF

Mr. GOTT:

1. Who has or had charge of repair work at the wharf of Wheatley, Ontario?
2. What wages did he receive?
3. How many men were employed?
4. Who were they?
5. How were they paid and by whom?
6. How much did each receive?
7. From whom was the lumber and materials purchased?

Mr. ELLIOTT:

1. Oliver Lamarsh.

2 to 6. Oliver Lamarsh, $80; Harvey Hickson, $184; Robert Plant, $198; James M. Chute, $22; George D. Smith, $198.

(All paid by individual cheques.)

7. John McGarvin, Chatham, Ont., lumber. Laidlaw, Belton Lumber Co., Ltd., Sarnia, Ont., lumber. The S. Hadley Lumber Co., Chatham, Ont., lumber. The O'Brien Lumber Co., Ltd., Chatham, Ont., lumber. Allan Lynn, Wheatley, Ont, hardware. Hobbs-Hardware Company, London, Ont., hardware. London Bolt & Hinge Works, London, Ont., hardware. Leamington Hardware Company, Leamington, Ont., hardware. David R. Coleman, Wheatley, Ont., hardware. The Wheatley Garage, Wheatley, Ont., gasoline.

KINGSVILLE, ONT. WHARF

Mr. GOTT:

1. Who has or had charge of repair work at the wharf at Kingsville, Ontario?
2. What wages did he receive?
3. How many men were employed?
4. Who were they?

5. How were they paid and by whom?
6. How much did each receive?
7. From whom was the lumber and materials purchased?

Mr. ELLIOTT:

1. Judson Scratch.

2 to 6. Judson Scratch, $355.50; John Pulford, $258; Staford Bottom, $154; Frank Bottom, $124; Alex. McRae, $10; Allen Pearsall, $4; R. H. Scratch, $14; Alex. Cascaden, $105.40; Ed. Townsend, $86.40; M. Scratch, $9.60; Morley Sanford, $8; C. Ellis, $105; Geo. Taylor, $154.50. (All paid by individual cheques).

7. P. G. Piggott, Chatham, Ont., lumber. L. Johnson, Straffordville, Ont., timber. London Bolt & Hinge Works, London, Ont., hardware. Kenneth Rae, Kingsville, Ont., hardware. Hobbs-Hardware Co., Ltd., London, Ont., hardware. J. H. Sweet & Son, Kingsville, Ont., hardware. Harris Bros., Kingsville, Ont., hardware. Co-Operative Supply Company, Kingsville, Ont., soft coal.

UKRAINIANS UNDER SENTENCE OF DEATH

Mr. LUCHKOVICH:

1. Have any representations been made to the Prime Minister by any citizens and residents of Canada, of Ukrainian descent, protesting against the sentence to death of Wasyl Atamanchuk and Iwan Werbyckyj, and demanding a new trial by a jury composed of Ukrainian members in proportion to the Ukrainian population in eastern Galicia and Volhynia?
2. Has the Prime Minister taken any action?
3. If not, will he do so in respect of this matter?

Mr. MACKENZIE KING:

1. Representations have been received from a number of Ukrainian societies in Canada and from persons of Ukrainian descent now resident in Canada.

2. These representations were noted and replies were sent pointing out that no evidence had been submitted which would establish that there was in this case a denial of justice or that the trial was not fairly instituted. It was also pointed out that an appeal had been lodged with the Supreme Court of Poland and that the course prescribed by law was being followed.

3. Answered by above.

BUSINESS OF THE HOUSE

ASCENSION DAY—VICTORIA DAY ADJOURNMENTS

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to move, in accordance with notice given:

That when this house adjourns on Wednesday, the 16th instant, it stand adjourned until Friday, the 18th instant;

That when this house adjourns on Wednesday, the 23rd instant, it stand adjourned until Friday, the 25th instant.

Motion agreed to.

SATURDAY SITTINGS

Mr. MACKENZIE KING: I ask the consent of the house to move the following, of which I gave notice yesterday:

That on Saturday, May 19th instant and every Saturday thereafter, until the end of the session, the house shall meet at three o'clock in the afternoon, and that the order of business and procedure shall be the same as on Fridays.

That is virtually substituting Saturday for Thursday.

Mr. GARDINER: I desire to ask the Prime Minister whether it is intended to sit on Saturday evenings?

Mr. MACKENZIE KING: That will depend on the progress we make. It may be found that it is unnecessary to sit on Saturday evenings. On the other hand, if it will help to bring the session to a speedy conclusion, it may be advisable.

Mr. GARDINER: Does that motion require the unanimous consent of the house?

Mr. MACKENZIE KING: I think it does. I gave notice yesterday, but two days' notice is required.

Mr. CLARK: May I ask the Prime Minister why we do not sit in the morning? The committees are pretty well cleaned up, and we could do that.

Mr. MACKENZIE KING: We are sitting afternoons and evenings, and that is going some, as they say. My hon. friend will recollect that the government may have to consider a good many matters during the concluding part of the session, and a part of the day is required for that purpose.

Mr. CHURCH: If this motion is to be passed for the purpose of expediting the work of the session, why not suspend the eleven o'clock rule, and sit in the mornings as well?

Mr. CAHAN: Mr. Speaker, does this require the unanimous consent of the house?

Mr. SPEAKER: A notice of motion was given yesterday, and the house seems to be unanimous that it will serve as notice for today.

Mr. CANTLEY: I do not think the house is unanimous in regard to sitting on Friday, the 25th, and I understood the Prime Minister to say—

Mr. SPEAKER: Saturday.

Mr. CANTLEY: I am referring to Friday, the 25th. A good many of us from the maritime provinces and the western provinces desire to have the opportunity of going home. I would point out the inequality of the position occupied by the members from the eastern section and the western section of the Dominion, as compared with the members from Ontario and Quebec. The latter are able to get home practically every week end; we are not. I spent six months and two days continuously here two years ago, and last year I was here for over four months. We do not have the opportunity of going home at all as have those of the central provinces. I would ask the Prime Minister that when we adjourn on the 24th, the house do not meet again until the following Monday.

Mr. CLARK: We need ten days to go home and get back again.

Mr. MACKENZIE KING: The government naturally is anxious to consult the convenience of the house generally, and I think the feeling of the house, taking it in a general way, is that it is now desirable to try and get through the session as speedily as possible. I believe that sitting on Saturdays will help to effect that result. I do not think it would be wise to adjourn over Friday and thus have three days on which we would not be sitting in that week when two of those three particular days might serve to conclude the business of the session.

Mr. CANTLEY: I will tell the Prime Minister that he will not get through on the Saturday.

Mr. MACKENZIE KING: That may be.

Mr. ROBERT GARDINER (Acadia): I would suggest that the Prime Minister do not press the motion to-day so that the members may have a little more time to consider the question of sitting on Saturday nights. I would remind the house of the situation that was created in former parliaments where the last few days of the session saw much important business rushed through without adequate consideration. If we sit on Saturday nights members will not have a minute's time to consider the questions before them. I suggest that we should have some time to consider them.

Mr. MACKENZIE KING: Ordinarily we would be sitting five days a week. This motion means simply that we shall be sitting five days a week the same as before because two Thursdays happen to come in as holidays. This is to substitute Saturdays for Thursdays. It will enable us to get along further with the business of the session but it will not create any undue haste.

[Mr. Speaker.]

Mr. GARDINER: While what the Prime Minister says is quite true as regards the first two weeks, when we come to the third week we shall be sitting six days a week.

Sir GEORGE PERLEY (Argenteuil): This motion, as Your Honour has said, requires unanimous consent because sufficient notice has not been given. As it has been suggested that it be not considered to-day, I would ask the Prime Minister, as our leader is away and will be away until Monday, whether he will be good enough to put this proposal on the order paper and bring it up on Monday.

Mr. MACKENZIE KING: I shall be very glad to do that. I hope on Monday all will be prepared to accept the motion.

Mr. W. G. ERNST (Queens-Lunenburg): Would the Prime Minister consider having the house meet at two o'clock instead of three in the afternoon and suspending the eleven o'clock rule for the rest of the session?

Mr. G. G. COOTE (Macleod): I should like to take this opportunity of protesting against the suggestion of suspending the eleven o'clock rule. Speaking simply for myself I am willing to come here early in the morning and work all day up to eleven o'clock. I think the country would approve our sustaining the eleven o'clock rule.

Motion stands.

OLD AGE PENSIONS

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I wish to direct the attention of the Minister of Labour to an article in the press which says, in connection with the old age pensions, that provincial appointments are in large measure under the control of the Minister of Labour and that the Minister of Labour would see to it that supporters of the Liberal party were placed in positions. Are such provincial appointments under his control or not?

Hon. PETER HEENAN (Minister of Labour): Would the hon. member tell me who made that statement and where he is reading from?

Mr. ADSHEAD: I am reading from the Ottawa Journal of the ninth instant.

Mr. HEENAN: I assume the hon. member is reading from one of the local papers, quoting what a member of the Ontario legislature is reported as having said, namely, that the

reason he was against the old age pension plan was because the Minister of Labour had all the appointments under his authority. Conditions are just the reverse. Under this scheme the provincial government has full control over the administration and it makes all the appointments. The only thing the federal government does is to pay half the bill; we are glad to do that and we hope the member will acquaint himself with the legislation.

NEW EDINBURGH MILLS PROPERTY

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): Will the government lay on the table any orders in council and other documents referring to the acquisition of the property known as the New Edinburgh mills, so that when we come to discuss the matter we may have complete information before us? The information required will be the order in council, the agreement to purchase, and any other papers of that character pertaining to the acquisition of the property.

Hon. J. C. ELLIOTT (Minister of Public Works): I shall be glad to lay on the table the order in council, the agreement providing for the purchase of the property and any other information in the possession the department.

Mr. STEVENS: The valuation?

Mr. ELLIOTT: Yes.

SPEAKER'S RULING—CORRECTION

On the orders of the day:

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, at your convenience would you look at page 2858 of Hansard of last evening, where in giving a decision you are reported, I think incorrectly, as saying:

> If the previous question is defeated, the bill is also defeated.

I would ask Your Honour to consider whether that should not have read:

> If the previous question is defeated, the bill is superseded for the time being.

Mr. SPEAKER: The hon. gentleman is right. I used possibly a wrong expression. I meant that when the previous question is defeated, the bill is superseded, but it may be revived later on by a motion.

Mr. CAHAN: That is what I understood.

Mr. SPEAKER: But when the previous question is adopted the house must proceed without any further debate. I used the word "defeated" where I should have used the word "superseded," which has another meaning.

Mr. G. R. GEARY (South Toronto): I did not understand Your Honour to rule that there is no debate on the motion that the question be now put. It might have been debated.

Mr. SPEAKER: It might have been debated, but after the motion is adopted there is no debate. When the motion is made to the house that the question be now put, it may be debated. There was no debate yesterday evening.

OUTBREAK OF RABIES IN ONTARIO

On the orders of the day:

Mr. J. H. EDWARDS (Frontenac-Addington): On Tuesday last I submitted to the government a question which in the absence of the Minister of Agriculture was answered by the Minister of Health who assured me that he would place the matter before the Minister of Agriculture and that I might expect an answer yesterday. I presume that has not been done. My question to the minister was this. There has been a very severe outbreak of rabies in the county of Frontenac. Several cattle and sheep have become affected and have had to be destroyed. The question is: Under those circumstances is the government prepared to give a certain amount of recompense to the farmers for the losses they have sustained in carrying out the order for the destruction of such animals?

Hon. W. R. MOTHERWELL (Minister of Agriculture): I regret to report that there is no provision that I know of in any of our statutes whereby owners of live stock, when their animals are bitten by rabid dogs, can secure any compensation. The situation is regrettable but there is no provision in regard to the matter.

Mr. A. E. ROSS (Kingston city): May I ask the Minister of Agriculture or the Minister of Health under what regulations are animals destroyed in an outbreak of rabies?

Mr. MOTHERWELL: Under the authority given to the Health of Animals Branch to destroy dogs that have been proven to be affected with rabies. If the dog is only on suspicion through coming into contact with another dog that is affected with the disease, it is quarantined.

Mr. ROSS (Kingston): The minister has hardly answered my point. I asked under what regulations was this done, under regulations issued by the Department of Agriculture, or provincial regulations.

Mr. MOTHERWELL: Under the Health of Animals Act itself, or under regulations issued in conformity with that act. It is a federal matter.

CIVIL SERVICE

RECLASSIFICATION OF POSTAL SERVICE EMPLOYEES

On the orders of the day:

Mr. G. R. GEARY (South Toronto): May I ask the Postmaster General if he will acquaint the house with the grounds upon which the Civil Service Commission justified its refusal to accede to the recommendation of the minister for reclassification of salaries of the postal clerks, letters carriers and so on?

Hon. P. J. VENIOT (Postmaster General): In reply to the hon. gentleman I may say that I am the last one in the world that the Civil Service Commission would take into their confidence. They gave no reasons whatever in justification of their refusal to consider the recommendation made by the Postmaster General for increases or the reclassification of the mail carriers, postal clerks and the other officers mentioned.

Mr. GEARY: No further communications?

Mr. VENIOT: No. I laid all the correspondence on the table yesterday, so that it might be seen.

ROYAL COMMISSION ON FISHERIES

On the orders of the day:

Mr. H. B. SHORT (Digby-Annapolis): I should like to ask the Minister of Marine and Fisheries (Mr. Cardin) whether instructions have yet been given to have the report of the Royal Commission on Fisheries printed, if so, when copies will be available to members of the house.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): In reply to a similar question yesterday I said that the report was being printed and that I expected it would be ready to-day. Unfortunately I have not as yet been informed that it is ready. I hope it will be available soon.

Mr. STEVENS: Has it been laid on the table?

Mr. CARDIN: Yes.

DANGER TO BORDER RESIDENTS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Toronto Northwest (Mr. Church) yesterday asked this question:

[Mr. A. E. Ross.]

I desire to ask the Prime Minister (Mr. Mackenzie King) what will be done to protect Canadian citizens and Canadian interests at Port Colborne from the invasion of several armed American cruisers, as set out in articles in yesterday's Mail and Empire and the Toronto Star. One man was shot at. There is a heavy tourist traffic in this district at the opening of the season, and it is important that the necessary protective measures should be taken.

I asked to see the articles that I might give my hon. friend a reply to-day. Having seen them, I would say that the assumption that steps will be necessary to protect Canadian citizens and Canadian interests at Port Colborne from an invasion of several armed American cruisers is not borne out either by the newspaper articles to which the member for Toronto Northwest refers, or by other sources of information. The shooting by coast-guards to which reference is made, was on the United States side of the border. There is no ground for believing that United States revenue vessels will endeavour to operate in any way on the Canadian side of the boundary.

SUPPLY—PROCEDURE

RESUMING ON THURSDAY OR FRIDAY DEBATE ON AMENDMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Order No. 5.

The CLERK ASSISTANT:

Resuming the adjourned debate on the motion of the Minister of Finance, that Mr. Speaker do now leave the chair for the house to go again into committee of supply, and on the proposed amendment thereto of Mr. Tolmie.

Mr. SPEAKER: The house should go into supply without question put on a Thursday, unless the rule is suspended. Otherwise I will leave the chair and no debate can go on.

Mr. MACKENZIE KING: That is the only order on the paper relating to supply which can be called, Mr. Speaker.

Hon. J. W. EDWARDS (Frontenac-Addington): Rising to a point of order, Mr. Speaker, I have always understood that following the British precedents and British practice going back for a very long time, when an amendment was moved to the motion for going into supply it has always been considered that the complaint which was embodied in the amendment, if we may call it a complaint, should be redressed before supply was given. That has always been the right of the House of Commons, and I would ask your ruling, Mr. Speaker, whether supply should be given and further business taken up before this complaint, to call it such, has been redressed and there has been a full discussion.

Mr. SPEAKER: Standing order 28 reads:

On Thursdays and Fridays when the order of the day is called for the house to go into committee of supply, or of ways and means, Mr. Speaker shall leave the chair without putting any question.

That is the case to-day. And if the house will bear with me, I will read also paragraph 233 of Beauchesne's Parliamentary Rules and Forms, which is a reproduction from May:

The adjournment of a debate on an amendment to the motion for the Speaker's leaving the chair—

We have the amendment of the hon. member for Victoria (Mr. Tolmie).

—may create an exceptional result, owing to the direction contained in standing order 28 that on Thursdays and Fridays when the order of the day is called for the house to go into committee of supply or of ways and means, Mr. Speaker shall leave the chair without putting any question, provided that, except with the consent of the house, the estimates of each department shall be first taken on a day other than Thursday or Friday. If an adjourned debate on such an amendment is standing upon the order paper when supply, for consideration of which in committee it is not necessary to propose the question for the Speaker's leaving the chair, is to be taken, the order of the day for resuming the adjourned debate is removed, and procedure on the amendment lapses, in order that the Speaker, in obedience to standing order 28 may leave the chair without question put.

Sir GEORGE PERLEY: Before you give your decision, Mr. Speaker, may I be allowed to say a word or two? I read over these clauses carefully this morning, and I submit that the action taken by the Prime Minister does not bring this clause into force. The Prime Minister called, "Order No. 5," and thereupon the assistant clerk read out:

Resuming the adjourned debate on the motion of the Minister of Finance, that Mr. Speaker do now leave the chair for the house to go again into committee of supply, and on the proposed amendment thereto of Mr. Tolmie.

As I understand it, it might have been possible for the Prime Minister, had he so chosen, to have called, "Supply", and thereupon Your Honour might have been able under this rule to leave the chair without question being put.

Mr. DUNNING: Which item would that be on the order paper?

Sir GEORGE PERLEY: Simply "Supply"; no item at all. But the Prime Minister has called, "Order No. 5," and I thought that the Prime Minister had done this intentionally. If the Prime Minister wished to go on with the adjourned debate, which I think we ought to do at the very first opportunity, he could have taken no other action than to call Order No. 5. According to the rule which Your Honour has cited, the Prime Minister could have taken advantage of it to go into supply without question being put. But he did not choose to take that position. Quite properly, I think, he called item No. 5, thereby implying that the government were willing to have this amendment disposed of. I submit for your consideration, Mr. Speaker, that by the mere calling of item No. 5 the government proposed to proceed with the discussion on the amendment in order that it might be disposed of and the business of the house expedited. Whether intentionally or not, the Prime Minister took the course necessary to resume the adjourned debate on the amendment, and, having done so, he must now go on with that adjourned debate as it was called by the Clerk Assistant.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend will recognize at once that the government cannot call an item which is not on the order paper. With respect to the item that was called, the government is restricted to those subjects that are on the order paper. Last night before the house adjourned it was announced that the government wished to proceed with supply to-day. The only number on the order paper which relates at all to supply is No. 5, and accordingly I moved that No. 5 be called. Whether as a consequence of going into supply to-day some amendment that is already before the house lapses, is entirely a matter governed by the rules, to which members of the government, like all other members, are subject. I believe it is a fact that the rules have been so drafted as to make it possible, notwithstanding what amendments there may be to the motion to go into supply, for the government to go into supply on Thursdays and Fridays. My hon. friend will see at once that unless there were some such rules a situation might be created whereby the government would never get into supply. But the rules provide that with respect to estimates that already have been under consideration on Thursdays and Fridays the government may get into supply by the Speaker leaving the chair without any question being put. Therefore the government is simply following the procedure applicable in such a case.

Mr. W. A. BOYS (North Simcoe): Mr. Speaker, I should like to endorse what has been said by the hon. member for Argenteuil. It seems to me that no motion to go into

supply, has of necessity to be made to-day under the rules, and that ordinarily, had it not been for the debate on the amendment to the motion to go into supply having been adjourned on Tuesday night, the Prime Minister would call what he wanted and that being supply you, sir, would automatically leave the chair and the committee would then be in supply. Being in supply, the Prime Minister would have the right to call for any departmental estimates he liked providing they had already been dealt with, and as far as I know the only two departments he could call would be Public Works and Agriculture, none other having been dealt with as yet. The Prime Minister called order No. 5, which is as follows—

> Resuming the adjourned debate on the motion of the Minister of Finance, that Mr. Speaker do now leave the chair for the house to go again into committee of supply, and on the proposed amendment thereto of Mr. Tolmie.

—is it pretended that the debate which was carried on with you, sir, in the chair, could be carried on to-day with the house in committee? It seems to me that the proposition is preposterous. If the debate is to be resumed it can be resumed only in one way—with you in the chair. I am ready to concede at once that the Prime Minister can to-day, irrespective of the order mentioned, make a motion that we do proceed to supply, and thereupon another amendment could be moved. But the rules certainly provide that on Thursdays and Fridays you automatically leave the chair, and then the Prime Minister calls whatever is in order in committee of supply, and, as I have already said, the only two estimates open to him would be those of Public Works and Agriculture. I cannot see how it can be contended that the debate on the amendment is to be terminated by this procedure; or, on the other hand, that it could proceed in committee when it commenced in the house, where it must be concluded.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the result which my hon. friend claims would be preposterous has been foreseen not only in this house in the words which Your Honour has quoted from Beauchesne, but even in the British house. I find at page 527 of May, 13th edition, the following:

> The adjournment of the debate on an amendment proposed to the question for the Speaker's leaving the chair may create an exceptional result,—

[Mr. Boys.]

It is exceptional.

> —owing to the direction contained in standing order No. 17, that except on first going into committee of supply on the annual estimates or on a vote of credit, the Speaker shall leave the chair without putting any question. If an adjourned debate on that question is standing upon the notice paper when supply, for the consideration of which in committee it is not necessary to propose the question for the Speaker's leaving the chair, is to be taken, the order of the day for resuming the adjourned debate is removed, and procedure on the amendment lapses, in order that the Speaker, in obedience to the standing order, may leave the chair without question put.

As May says, it is an exceptional result, and it is the same as is worked out in this house by our rules, which provide that on Thursdays and Fridays the Speaker must leave the chair automatically when supply is to be taken. Of course, if it could be taken as my hon. friend from Argenteuil (Sir George Perley) suggests, merely by saying "supply" without reading the orders of the day, then this exceptional result would not happen either in the British house or here. But this is the first time I have heard it suggested that the house can take up any order of the day without specifying the number of it on the order paper.

Sir GEORGE PERLEY: Mr. Speaker, let us admit that the government had the right to call for supply on Thursday and Friday without the question being put. There were two courses open to the government in this instance. The Minister of Justice will not contend that the government had not the right to go on with the item on the order paper for resuming the adjourned debate on the motion and the amendment.

Mr. LAPOINTE: Yes; it would be against the letter and the spirit of standing order 28.

Sir GEORGE PERLEY: I beg my hon. friend's pardon. He will not contend that the government had no power to propose going on with the item for resuming the adjourned debate. They had it in their power, according to his own argument. It was optional with them whether they would go on with the adjourned debate or would move the house into supply under the other rule, without question being put. I submit the Prime Minister has chosen the alternative of going on with this item. To argue otherwise, Mr. Speaker, reduces the procedure to an absurdity. How did the government lose the right of calling item No. 5 and proceeding with it? I submit, Mr. Speaker, that they had that power, and exercised it, and therefore they should go on with the adjourned debate.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, before the Conservative govern-

ment came into power in 1911 a motion to go into supply could be made on every government day, and amendments disposed of and grievances remedied before the house went into supply. But after 1911, for the purpose of expediting the business of the house, the Borden administration had the rules changed so that on two days of the week, Thursdays and Fridays, the house would go automatically into supply without question put. The government has to abide by that rule; it is a standing order of the house. Unless therefore there is consent to waive the rule I do not see how the house can proceed with the motion and the amendment thereto, proposed by the hon. member for Victoria (Mr. Tolmie).

Sir GEORGE PERLEY: The Prime Minister called order No. 5. Will the hon. gentleman be good enough to read order No. 5.

Mr. MARCIL: But the rule of the house lays it down that the Speaker shall leave the chair on Thursday and Friday without question put, unless the house consents to suspend that rule.

Mr. CANNON: My hon. friend's argument is that the government could call order No. 5—

Sir GEORGE PERLEY: And did call it.

Mr. CANNON: —or any other order. Now what is the rule we are discussing? The rule in question is standing order 28, which provides:

> On Thursdays and Fridays when the order of the day is called for the house to go into committee of supply or of ways and means, Mr. Speaker shall leave the chair without putting any question.

The rule does not say "may leave;" it says "shall leave the chair." It is imperative and no one has any discretion to alter the rule.

Mr. BOYS: That is the argument I am making. The moment the Prime Minister calls supply, without any further discussion Mr. Speaker leaves the chair and the house goes into committee of supply. That is one procedure that could be followed. Another course the Prime Minister might adopt, if he saw fit, would be to call order No. 5, which of necessity would require the house to proceed with the debate begun the other day, and which would be a debate with Mr. Speaker in the chair, and not with the house in committee. That is the point we are contending for. If the other view is taken, what is the result? I do not suppose for a moment that this is a trick, nor do I think that the Prime Minister is trying to use it as a trick to avoid the motion and the amendment thereto, moved by the hon. member for Victoria, being disposed of by the house. If however that course is persisted in it can be nothing but a trick; and judging from the way matters have been going in the last two or three days, my hon. friends should be the last to talk about free speech. There is not very much free speech; we are not given opportunities to move or to discuss amendments. And this is only a further effort along that line, if such is the intention. I cannot believe that this is the intention; I do not think the Prime Minister would want to bring about such a result. Let me read the rule in its entirety—because I cannot see anything in it which has the effect my hon. friends contend for:

> On Thursdays and Fridays when the order of the day is called for the house to go into committee of supply or of ways and means, Mr. Speaker shall leave the chair without putting any question, provided that, except with the consent of the house, the estimates of each department shall be first taken on a day other than Thursday or Friday.

The Prime Minister had two courses open to him. He might have called supply, and rule 28 would have become effective. You, Mr. Speaker, would automatically have left the chair without any motion for the house to go into supply. The other course open to the Prime Minister was to do what as a matter of fact he did do—call order No. 5. That brings about a continuation of the debate upon the amendment which was moved the other night by the hon. member for Victoria. And surely, sir, that debate must continue with yourself in the chair; it must be resumed in the house, where it started. How could it be otherwise? Will anyone seriously contend that a debate, begun with the speaker in the chair, can by any rule be continued, and a vote taken upon the question at issue, with the house in committee? I think I am justified in describing such a proposition as preposterous.

Mr. LAPOINTE: It happens in the British parliament.

Mr. BOYS: I am not sufficiently well informed in that regard to say that it does not, but I can hardly imagine such a procedure being followed. Now is it necessary. If the desire of the government is to go into supply without continuing the debate already in progress, all they have to do is to call supply and under rule 28 Mr. Speaker leaves the chair, the only restriction being then that the committee may deal only with the estimates of the Department of Agriculture and Public Works. As a matter of fact I intended

asking the Prime Minister what the government had in mind if we did go into committee of supply. Will hon. gentlemen suggest that because of this situation they have a right to go into supply in connection with departments other than the two named?

Mr. LAPOINTE: No.

Mr. BOYS: I am glad to hear that. I have not much more to say. I appeal to the Prime Minister, in the absence of our leader (Mr. Bennett), to let the house go into supply without calling order No. 5. No one on this side of the house would, I think, object.

Sir GEORGE PERLEY: But he has called order No. 5.

Mr. MACKENZIE KING: My first duty is to see as far as may be possible that the rules of the house are observed. It is the duty of His Honour to decide what the rules are in the event of a difference of view. We have stated what we honestly believe to be the rules and have given authority from the rules, and we are quite prepared to abide by the decision of Mr. Speaker.

Mr. BOYS: One more observation and I am through. The Prime Minister called order No. 5, which is for the resumption of a debate which was adjourned with the Speaker in the chair. If that debate is continued it must continue with the Speaker in the chair, and standing order 28 is not invoked in the circumstances. The calling of order No. 5 is not affected by standing order 28. Mr. Speaker was in the chair when the debate was adjourned and the debate must continue in the house and not in committee.

Mr. LAPOINTE: May I ask you, Mr. Speaker, whether supply can be taken, as my hon. friend suggests, without order No. 5 being called?

Mr. SPEAKER: That is the government's business. If the government calls supply, either to-day or to-morrow, then automatically I leave the chair.

Mr. BOYS: But they did not say "supply".

Mr. LAPOINTE: Can the government say merely "supply" without referring to any order?

Mr. SPEAKER: I have heard "supply" called without reference to any order. The Minister of Finance says "supply".

Mr. LAPOINTE: But the clerk always says "No. 5" or "No. 6".

[Mr. Boys.]

Mr. BOYS: The Prime Minister did not call supply and therefore did not invoke the provisions of rule 28. He called order No. 5.

Mr. MACKENZIE KING: My hon. friend says I called No. 5. But that is the only order on the paper that relates to the house going into supply; it is the only order in order to get into supply that it is possible for the government to call. It is for His Honour to say whether, in accordance with the rules of the house, he can do otherwise than leave the chair and have the house go into supply.

Sir GEORGE PERLEY: If the Prime Minister desired to go on with this adjourned debate to-day, what motion would he make?

Mr. MACKENZIE KING: We should have to suspend the rules of the house.

Sir GEORGE PERLEY: Not at all. One word more. I do not want to inflict myself on the house, but I claim, as my hon. friend from North Simcoe (Mr. Boys) does, that standing order 28 has nothing at all to do with the question. I claim that the government, according to their own arguments,—supposing that they could call supply with this motion on the order paper—could, if they so wished, call supply and have the Speaker automatically leave the chair, under standing order 28. The government had a perfect right to go on with the adjourned debate if they saw fit, or they could have had the Speaker leave the chair for the house to go into committee of supply without any motion being put.

Mr. CANNON: Will my hon. friend allow me a question? Should his contention be right, and should we resume the adjourned debate, then the house would be called upon to discuss the question whether Mr. Speaker shall leave the chair, notwithstanding that the rule lays it down distinctly that on this very day, Thursday, he shall leave the chair without any motion being put. The house would therefore—if my hon. friend's contention is correct—be discussing a procedure which according to the standing order in question Mr. Speaker shall—not may—follow without any motion. My hon. friend from North Simcoe has advanced an argument which I would acknowledge had the Prime Minister said, for example, "No. 8" instead of No. 5. But the moment he called order No. 5 he called an order relating to supply; and under standing order 28, on Thursdays and Fridays, Mr. Speaker is bound to leave the chair without any question being put.

Mr. McGIBBON: I would direct attention to the fact that there is before the house a

motion of want of confidence, made so by the Prime Minister himself, and this government are not entitled to supply or anything else until this house has decided upon that motion.

Mr. EDWARDS (Frontenac): In our business to-day we have reached what are called the orders of the day; those are government orders. This program was prepared for the house by the government, and while the Prime Minister says he had to call order No. 5 because there was no other order he could call to get into supply, I would suggest that if there has been any neglect or oversight it has been on the part of the government in not preparing the order paper so that they could call an order that would get them into supply. The government prepared these orders; the Prime Minister has called order No. 5, so we cannot stop until we finish with that order. How can you call order No. 5 and stop short of everything included in that order?

Mr. MACKENZIE KING: My hon. friend is mistaken when he says the government prepared the orders of the day; that is a part of the duties of the officers of the house, and the government has no control over it.

Mr. EDWARDS (Frontenac): Does the Prime Minister seriously state that officials of this house go ahead and prepare anything that suits them?

Mr. MACKENZIE KING: I say it would be absolutely wrong for the government to insert any orders on the order paper other than those which come in the regular course of procedure, in accordance with the rules.

Mr. EDWARDS (Frontenac): Then I would say that the government have the responsibility of instructing their officials to prepare the order paper in such a way as will enable them to get on with their business. We have before us a program; order No. 5 has been called and that order must carry with it a continuance of the debate on the amendment. If that is not done I should like to know what becomes of this amendment.

Mr. C. H. CAHAN (St. Lawrence-St. George): I submit for Your Honour's consideration that when the Prime Minister called order No. 5 he was entirely out of order, because by calling that order he insisted that we consider a formal motion that the Speaker do now leave the chair for the house to go into committee of supply, which carries with it a proposed amendment. The rules of the house provide that on Thursdays and Fridays Mr. Speaker shall leave the chair without putting any question; therefore there is no question before the house. When supply is called no formal motion may be made and no formal question may be put to the house for decision; therefore I think the Prime Minister was out of order. It is only necessary now for the Speaker to decide that on this day, Thursday, we go into committee of supply without a formal motion. Nevertheless, the adjourned debate on another motion stands on the order paper, and at the proper time, on a Monday, Tuesday or Wednesday, the Speaker may be called upon to decide as to whether that motion and that amendment are still subsisting. They are not before the house to-day.

Mr. LAPOINTE: Would that not be a question to discuss later, when the time comes?

Mr. CAHAN: Certainly, but the time is not come. On this day there is no motion before the house, and there can be no decision by the Speaker on any motion to go into supply, because there is no motion. There can be no question put on this day, and therefore there is now nothing for the Speaker to decide, except that we now go into committee of supply by the Speaker leaving the chair, and on a future date His Honour may decide whether that formal motion No. 5 may take its regular place on the order paper.

Mr. J. A. CLARK (Vancouver-Burrard): With all due respect to my hon. friend from St. Lawrence-St. George, I believe it is quite clear the government had open to them two courses: First, they might have determined to go into committee of supply automatically, in those departments which have had their estimates before the house previously. On the other hand, the government might have decided to move the house into supply of a department whose estimates have not been before us. I do not think there can be any dispute about that.

Some hon. MEMBERS: You cannot do it.

Mr. CLARK: The Prime Minister or any member of the government to-day or tomorrow could move to go into supply of a department whose estimates have not been up already. That course was open to the government and the Prime Minister has made that motion. He has elected to move the house into supply, taking up a department which has not been in supply before, and in order to proceed with that business order No. 5 had to be called. To that order there is an amendment, and the Prime Minister has elected to continue the adjourned

debate by calling that particular order. Otherwise, what would be the result? This would provide a very convenient way for the Prime Minister and the government to avoid the discussion of a want of confidence motion; it would be simply necessary for the government to go on with government orders day by day and on Thursdays and Fridays go into committee of supply automatically, thus avoiding discussion of the want of confidence motion. Such a course would be preposterous, but that is exactly what the government propose to do to avoid continuing a very important debate which concerns the country at large.

Mr. GEARY: With all due reference to the Solicitor General, I think he was wrong in his presentation of the case. Standing order 17 provides:

> Whenever government business has precedence, government orders may be called in such sequence as the government may think fit.

We have before us the government orders, and order No. 5 includes the adjourned debate. My friend the Solicitor General says it would be useless to proceed with that debate, because its termination may decide that the house should go into supply, which is absurd when the house does not need a motion to take up supply. That is an incidental result; it may happen that there may be a different ending to the discussion, but a motion having to do with the public business of the country is before the house as an amendment to the motion to take up supply and I submit that that should be discussed after having been called. If it should be an incidental result of that discussion that we decide to go into supply on a day when we do not need a motion to go into supply, I do not think that can make any possible difference to the precedence of that particular order of the day. I think this discussion should continue until the question is finally settled.

Mr. W. G. ERNST (Queens-Lunenburg): I would like to say just one word in reference to this particular motion. This amendment was moved on Tuesday evening; yesterday, being Wednesday, was a government day under the present rules, and the government proceeded with government orders. To-day, by the rules of the house, the government can go into supply automatically, but altogether apart from the question in dispute there is a question of policy involved, and when a similar question came up previously an illustrious predecessor of the present Prime Minister decided otherwise. In 1876 a question of this kind came before the house, when Sir John A. Macdonald moved his famous national policy as an amendment to the motion to go into supply. The Right Hon. Alexander Mackenzie, who was then leading the government, said that it was a motion of want of confidence, just as the right hon. the Prime Minister has said; but in this case he wanted that question resolved and determined by the house, and desired to take a private members' day in order to have it determined.

Mr. LAPOINTE: Is my hon. friend aware that the present rule governing Thursdays and Fridays was not in existence at that time?

Mr. ERNST: I am not talking of the present rule; I am referring to the way the Right Hon. Alexander Mackenzie treated the question. In both cases there was a motion of want of confidence before the house. In one case the government wanted to have it determined, but in this case the government is trying to side-step the issue, and does not want a vote.

Mr. SPEAKER: The Speaker is the servant of the house and the slave of the rule. Standing order No. 28 is a new rule, dating from 1913, and reads as follows:

> On Thursdays and Fridays when the order of the day is called for the house to go into committee of supply, or of ways and means, Mr. Speaker shall leave the chair without putting any question,—

A situation arises to-day, here in the Canadian parliament, as has already arisen in the British parliament. Members need only refer to what May says at page 476 (12th edition) where exactly the same question arose. It so happens that by automatically leaving the chair to-day, as I am forced to do, the debate which was adjourned the other evening in good faith, on the motion which was presented by the hon. member for Victoria, would lapse. Certainly I cannot do otherwise but leave the chair—standing order No. 28 is imperative—but I do not rule that this debate, on a motion presented in good faith, shall thereby lapse. The procedure lapses, but the question can be revived. Here is what May says:

> If an adjourned debate on such an amendment is standing upon the order paper when supply, for consideration of which in committee it is not necessary to propose the question for the Speaker's leaving the chair, is to be taken, the order of the day for resuming the adjourned debate is removed, and procedure on the amendment lapses, in order that the Speaker, in obedience to standing order 28 may leave the chair without question put.

I must give a liberal and broad interpretation of this dictum of May's. The procedure may lapse, but the question itself is not

lapsed, because there has been no judgment of the house on the question. It has simply been adjourned. When the time comes I will therefore allow that motion to be revived.

Mr. LAPOINTE: By way of a new motion?

Mr. SPEAKER: Certainly.

Mr. BOYS: Can we be sure that the government will accept the ruling at that time?

Mr. SPEAKER: That will be a matter for the house. When I am in the chair on Mondays or Tuesdays, when supply is called, any member can move any grievance that he may have.

Mr. BOYS: If the government would accept it, I am quite sure their followers would. And if they would accept it there would be no question, and the debate would continue at a future time. I feel sure that no one on this side of the house wants anything more.

Sir GEORGE PERLEY: Will Your Honour allow me to ask you one question? Does Your Honour rule that the government had no power to-day to call this order No. 5 in such a way that the adjourned debate on the motion to go into supply, and the proposed amendment thereto, might be proceeded with?

Mr. SPEAKER: By rule 28 I am forced automatically out of the chair. I must obey that rule. But, as I said a moment ago, on another day, when I am not automatically forced out the chair, a motion, similar to the one which was made the other evening, and which was adjourned by the hon. member for Halton (Mr. Anderson), can be made.

Mr. MACKENZIE KING: In answer to my hon. friend I would say that our desire is to follow the rules of the house, and, in every particular, the wishes of His Honour the Speaker. I do not think my hon. friend will find any difficulty in the question being revived at the right time.

Mr. BOYS: I hope that is an assurance.

Mr. MACKENZIE KING: It is.

Mr. EDWARDS (Frontenac): The amendment moved by my hon. friend, in the words of the right hon. Prime Minister, constitutes a motion of want of confidence. It is a desire to get from this house an expression of opinion as to whether or not this government has any right to get one dollar of supply. Now the proposition is that they be allowed to go ahead and get $100,000,000, or so, of supply, and later on, after they have got all the supply they want, the motion of want of confidence on going into supply may be brought in.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Saskatoon—public building, $150,000.

Mr. STEWART (Leeds): I wish to get some information from the minister regarding this item. We in Ontario are very much interested in the value of properties in Saskatoon. Years ago a number of our people bought lots out there, and I fancy that we could supply sites for post offices at very reasonable rates. I have no reason to doubt, if the information given to us is correct, that it is a very desirable location. I should like to ask the minister if the site for this building has been acquired?

Hon. J. C. ELLIOTT (Minister of Public Works): The site has been acquired, subject, of course, to the passing of this estimate by this house. It is a site having a frontage of 150 feet on First avenue and 140 feet on Twenty-second street. It has been purchased from Butler Byers Brothers, Limited, for the sum of $53,000.

Mr. STEVENS: From whom?

Mr. ELLIOTT: Butler Byers Brothers, Limited. That is apparently a limited company.

Mr. STEWART (Leeds): Would the minister give us some further information? Could he give us the numbers of the lots?

Mr. ELLIOTT: I think it would be better if I just sent a plan over to my hon. friend. The present post office is in a building on the corner of First avenue and 21st street. That site is 83 feet by 71 feet and it is a very desirable site. The department endeavoured to get land in the immediate vicinity of it and they were offered two pieces but the cost of them would be about $102,500. As these two pieces of property had on them buildings which were leased, if we attempted to make a contract without expropriation, the best contract we could get was $102,500 for the additional land required and in addition we would have to bear whatever the cost of settling with the lessees would be. A site approximately 250 feet north on exactly the same street, on the corner of First avenue and 22nd street, was obtainable at $53,000 and that is the site which we have purchased. I will send across to my hon. friend a plan which has been prepared showing exactly the location of the site.

Mr. STEWART (Leeds): Is the property that is being acquired vacant property.

Mr. ELLIOTT: Practically vacant.

Mr. STEWART (Leeds): Then we have a property, 150 feet on one street by 140 feet on another, practically vacant, costing $53,000.

Mr. ELLIOTT: Yes.

Mr. STEWART (Leeds): Can the minister give the committee any information as to the history of this property and the sales and purchases in connection with it shortly prior to its acquisition by the department; further, if any valuations had been made on behalf of the department before the agreement for the purchase was entered into?

Mr. ELLIOTT: I shall be glad to give my hon. friend the information which he requires as far as we have it. This property was, according to our report, obtained by a company with a view to placing upon it a theatre or moving picture building. I cannot give my hon. friend the cost to them. It was obtained, I understand, in various pieces, but the report from our resident architect is that he considered $68,000, which was the amount first asked by the owners, a reasonable price for the site. We asked three men to value it. One realtor, Mr. Angus McMillan, was of the same opinion. Mr. J. H. Cameron, of Saskatoon, places the approximate value at $50,000, and Messrs. Heddle, Thorburn and Spring, at $48,950.

Mr. STEVENS: What were the dates of those valuations?

Mr. ELLIOTT: They were immediately prior to the order in council obtaining it and the order in council was passed on the 26th March.

Mr. EVANS: I think the site secured for the new post office at Saskatoon is a very desirable location. While the price for the lot may seem high, it is not excessive according to values in that part of the city. I feel quite well pleased, and from all accounts I have received from Saskatoon I believe the people are well satisfied with the location for the new post office on the corner of 22nd street and First avenue.

Mr. STEWART (Leeds): How long has the department been considering the construction of a post office on this particular site, and how long before the date when the order in council was passed was it that the company acquired the property?

[Mr. Elliott.]

Mr. ELLIOTT: I cannot give the exact dates in connection with either of the questions that my hon. friend has asked, but the question of extending accommodation for the post office, customs and various other Dominion services in Saskatoon dates back a number of years. The government have been considering for at least five or six years the question of obtaining an additional site. The negotiations with regard to land in the immediate vicinity of the existing building have been going on for several years, but it was out of the question for the department to obtain that property at a price which they thought reasonable. The other land owned by the government was not considered at all suitable. If they could have secured for $53,000, or perhaps a larger amount, land in the immediate vicinity of the post office, they would have preferred that. But there were two objections to that. First of all our architect reported that the building did not lend itself to being transformed into a building giving additional accommodation for the services there. Of course, as my hon. friend knows, Saskatoon is a city that has grown very rapidly and in the last few years has been particularly active.

Mr. STEWART (Leeds): Did I understand the minister to say that he could or could not give the number of the lots? I understand there are three lots.

Mr. ELLIOTT: The order in council describes the property simply as property having a frontage of 150 feet on First avenue and a frontage of 140 feet on 22nd street.

Mr. STEVENS: The minister must have the lot numbers before him.

Mr. ELLIOTT: I do not have them here.

Mr. STEWART (Leeds): Could the minister say whether two of those lots had shortly before been sold by the city of Saskatoon for taxes?

Mr. ELLIOTT: I cannot say as to that; I have no information.

Mr. STEWART (Leeds): The Daylight Theatre Company who owned one of the lots recently, shortly before this purchase, apparently purchased it for a very small sum of money. Does the minister think he could obtain any information as to the earlier cost of these two lots?

Mr. ELLIOTT: I made very careful inquiries at the time, and my recollection is that while a small part of the property was

purchased, probably at the tax sale to which my hon. friend refers, at a smaller cost than the balance, yet my inquiries led me to believe that we were getting the property for very little more than it had been sold for. That is, some of the pieces had been purchased at a much higher price, but we were satisfied that the whole 150 feet was a valuable property and worth all that we were paying for it. We are also quite satisfied that it was wise to obtain it as we did, instead of taking expropriation proceedings.

Mr. EDWARDS (Frontenac): It is the first duty I presume of every hon. member to seek to express on the floor of this house the views and opinions of the constituency that he represents. To vote $150,000 for putting up a public building in Saskatoon may or may not be a proper proceeding. I have a great admiration for Saskatoon, and such a building may be necessary, but when we vote $150,000 for this or any other purpose, by the passing of that vote we express our confidence in the judgment that the government will apply to the expenditure of this money. I believe I am expressing the views of the people of the county of Frontenac when I say that they have no confidence in the judgment of this government in connection with an expenditure of $150,000 or even $50, and there are reasons for that. We have only to walk a short distance down the street here to see whole city blocks that have been pulled down, costing millions of dollars, to satisfy the temporary whim of somebody or his idea of the beautification of Ottawa.

But there is another reason why I believe the people of my constituency, or a part of them, would ask me to oppose this vote at this time. People who are suffering the loss of much money every day because of unjust legislation, or because of the lack of proper legislation, have through their representatives in this house asked that that injustice be removed so that they shall no longer be subjected to this loss. The people of my constituency are working without any profit at all; they are working at a loss and suffering daily injustice because of the dumping of fruits and vegetables into this country, and they have asked this parliament to redress that grievance. We have taken the stand that that grievance should be redressed before any further money is put into the hands of this government to expend. Voicing the opinions of the people of my county, I say that we have no confidence in this government and in their judgment in spending this amount or any other amount, nor can we have any confidence in their sense of justice and fair play, which is an indication of their lack of judgment so long as they refuse to rectify the wrongs and just grievances of our people before applying to parliament for the appropriation of further moneys. This simply drives home the fact that we are voting supply to a government to-day which has so manipulated things as to prevent this house from expressing its opinion as to whether they should be allowed to spend a five cent piece, let alone $150,000 or $1,000,000 or more. My judgment is that if the government had not prevented a discussion of the amendment, this house would have expressed such a vote upon it that my hon. friend the Minister of Public Works would have been relieved of the worry of getting through any estimates whatever.

Some hon. MEMBERS: Oh.

Mr. EDWARDS (Frontenac): Yes, I have a right to suppose that a vote of want of confidence would have carried, and that the government would have been obliged to resign.

Mr. ELLIOTT: Yesterday's vote did not look much like it.

Mr. EDWARDS (Frontenac): My opinion is just as good as that of the hon. gentleman until the vote is taken. I have no doubt what the result would have been.

Mr. DUNNING: On a point of order, Mr. Chairman, I refer you to standing order 58, subsection (2), which reads:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

I submit that the item under discussion is a vote of $150,000 for a post office at Saskatoon, and not the question which my hon. friend is discussing.

Mr. GEARY: But the money is to be spent by the government.

Mr. EDWARDS (Frontenac): I submit, Mr. Chairman, that I have a perfect right to give reasons why this government should not be voted $150,000 or any other amount to spend in any part of Canada, and I am giving my reasons why. Like every other hon. gentleman in this house, I appreciate the fact that even to be recognized for a moment by one so great as the Minister of Railways and Canals is far better than not to be recognized at all.

Mr. DUNNING: Thank you.

The CHAIRMAN (Mr. Marcil): The hon. member knows the rule.

Mr. EDWARDS (Frontenac): Yes, perfectly.

The CHAIRMAN (Mr. Marcil): It says:

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

There is an old rule that the ruling of the chair cannot be criticized.

Mr. EDWARDS (Frontenac): I am not criticizing it. You have had a long experience in this house, Mr. Chairman, and I can assure you that it is hardly necessary to protect yourself ahead of time by suggesting that I might criticize your ruling.

The CHAIRMAN (Mr. Marcil): I was referring to the Speaker's ruling on the question of going into supply to-day.

Mr. EDWARDS (Frontenac): I did not know that I mentioned the Speaker. I was referring in general terms to the fact that the people in my constituency, whom I am here to represent, have no confidence in this government to spend this or any other amount, and surely when we are asked to express confidence in the government by voting this amount, we must be allowed to show why we have no confidence in them. However, I have covered that point as far as I wished to cover it.

I will now give another reason why I think this amount should not be placed in the hands of the minister to expend. Fourteen years ago a site was bought and paid for in the county of Frontenac, and no building has been erected on that site from that time to this. In the meantime, the people of my county have not got what you might call even half way decent accommodation at that place for the carrying on of the business of the country. I am perfectly safe in saying that the city of Saskatoon, having regard to its relative size and importance has far better accommodation, according to its population and needs, than has this little village in my constituency which has been entirely overlooked or disregarded. And for what reason? Because, we are repeatedly told, the government has not got the money to spend for this purpose. That is the reason we are given. Well, if the government has not money to spend to put up a five or six thousand dollar building to provide the people with the accommodation of which they are sorely in need, where is it going to get this hundred and fifty thousand dollars? I propose to take this stand, and I shall take it on other occasions, that in my judgment a government which has shown such an utter disregard of the needs of the people of Canada as this government has in throwing away millions of dollars to tear down city blocks in Ottawa for a park, part of which will be covered with concrete at a cost of $30,000, to be a monument for all time to the present Prime Minister—for I can conceive of no other reason why it is being done; beauty is out of the question altogether; the park cannot add one particle of beauty to these buildings—I say that a government which has shown such an utter disregard of the urgent requirements of the people from one end of Canada to the other by throwing away millions of dollars as it is doing to-day is not entitled to the confidence of the house in passing this or any other item.

[The Chairman.]

Mr. ELLIOTT: I quite appreciate my hon. friend's reference to the site in his own riding. His riding is in a similar position to many other ridings with regard to sites for public buildings purchased years ago and upon which, for various reasons, successive governments since that time have not seen their way clear to construct buildings. He also mentioned that in his opinion the town to which he refers was quite as much in need of a post office for the amount of public business it was doing as the city of Saskatoon. Now, I have no quarrel with him for expatiating on the merits of his town, but of course he knows that we in this house have heard of that centre before.

Mr. EDWARDS (Frontenac): And you will hear of it again.

Mr. ELLIOTT: We expect to hear of it again; that is my hon. friend's privilege. No doubt it is deserving of all the commendation he has given it. But the circumstances in the city of Saskatoon are exceptional, and for the information of hon. members in every corner of the house I wish to give figures of the growth of business in that western city. The postmaster of Saskatoon states that twenty years ago the revenue of the post office was $19,711; while for the year ending March 31, 1927, it was $280,943.

Mr. DUNNING: When was the present post office built?

Mr. ELLIOTT: In 1908. He says:

Therefore it is evident that since 1908, the time at which the present post office was built, the postal business in the city of Saskatoon has increased approximately 1,500 per cent.

I should be glad if every town in the Dominion was doing as well. I think my hon. friend will agree with me that under the

present government, towards which he is not as enthusiastic as the great majority of the people are at the present time,—

Mr. GOTT: What majority?

Mr. ELLIOTT: The majority you heard about yesterday in this house.

Mr. GOTT: The government has been in a minority for the last two years.

Mr. ELLIOTT: My hon. friend may think so, but the votes do not show it.

Mr. GOTT: The votes do show what was the popular opinion.

Mr. ELLIOTT: I am speaking of yesterday's vote in the house. I do not know whether my hon. friend was here or not. He is very sincere in thinking that he and his party got a majority of the votes yesterday, but he is mistaken; no doubt about that. I have looked over the record, and I was here when the division was taken.

Mr. GOTT: I should like to put the minister right. He has a wrong impression of my thoughts. What I think and know is that of the popular vote taken at the last general election the Conservative party polled a decided majority.

Mr. CASGRAIN: That is why we are here.

Mr. ELLIOTT: My hon. friend and I are agreed on one thing—that the vote taken at the last general election was a popular vote. But I was dealing with Saskatoon and the growth of its postal revenue in the last twenty years from $19,000 to $280,000. Of course, no one will contend that it is possible for the public business to be carried on properly in a building erected when Saskatoon was practically a city of tents. The customs and other branches of the public business have grown correspondingly.

Mr. STEVENS: Before the minister leaves the post office revenue,—of course, he is including in the figures the twelve sub post offices in the city.

Mr. ELLIOTT: Yes. I assume that there are newer post offices in that district. This, as everybody knows, is the main centre in that whole section.

Mr. STEVENS: Quite.

Mr. ELLIOTT: My hon. friend is quite right in saying that all the post offices for miles around will be served from Saskatoon.

Mr. STEVENS: No, the minister misunderstands me. The revenue he gives is for the whole city of Saskatoon, including the various sub post offices there.

Mr. ELLIOTT: Yes. I always enjoy the suggestions of my hon. friend from Frontenac, for they are usually helpful. Of course, I cannot agree with them all, particularly when they apply to this government; but I do not know that any hon. member deserves more credit for presenting on every possible occasion the claims of one particular town in his riding. He does it well, but I am bound to tell him that the requirements at Saskatoon are much more urgent, and the accommodation much more inadequate, if I may say so, than possibly obtains at any other post office to-day. There is the same need for the other government services in the city, and it would not be in the interests of the exchequer not to provide this accommodation, because the revenue that this country needs, even under the most economical administration that it has ever had, cannot be efficiently collected unless reasonably suitable buildings are provided for the purpose.

Mr. EDWARDS (Frontenac): Mr. Chairman, may I say with what unspeakable joy and felicity I listen to these delightful little tributes from the Minister of Public Works. Somehow or other they come to my ears more pleasantly than the commendations of the Minister of Railways and Canals (Mr. Dunning)—I suppose because the Minister of Public Works has cultivated a smile in connection with the discharge of his public duties, which is one of the finest assets that the King government possesses to-day. May I compliment him on the very skilful way he has of using the King's English, of selecting words with a desire to make you feel that you are bathing in taffy or molasses; while at the same time we know that he has not the slightest intention of granting any favours or fair play to anybody who sits on this side of the house. Nobody, unless he is a Grit and a good Grit, spelled with capital letters and rolled in sand to make it sufficiently gritty, will receive any sort of consideration from the Minister of Public Works. My hon. friend's supporters, whether they deserve it or not, will get the public buildings; we shall get the oily smiles. And that is all we shall get. But that is material of a kind that you cannot commercialize; you cannot make anything out of it in the way of selling it. It can be of use only here. I cannot get any money out of it to build a post office in Sydenham; I cannot get anything out of the minister's oily smiles. Now I do not want to be understood as opposing proper accommodation in the city of Saskatoon. I have had the privilege of visiting that city on many occasions, and in my humble judgment it is

one of the finest and most promising cities in the whole west. I am not opposing a vote of $150,000 as being too much money to spend on the building of a post office there. I do not want to be understood as taking that position. I do not know whether it is too much or not. In all probability there is a lot of information, in regard to buildings that have been acquired and that sort of thing, which the minister has yet to supply us. I should be surprised if that were not the case. But he will open up after a while and be perfectly frank, and we shall know what all this property cost, what was paid, and who got the graft, if there was any, out there. But what I do emphasize is this. While the minister may be very properly spending this amount for this building in Saskatoon there are scores of places throughout the country that had to wait, and did wait patiently because of the war, and which are receiving no consideration whatever from this government, while at the same time the government can spend millions in tearing down buildings and in other useless work in the city of Ottawa. That is my point.

Mr. ELLIOTT: I do not intend to reply at further length to my hon. friend, except with regard to one statement. I refer to his request for an explanation as to who got the graft—

Mr. EDWARDS (Frontenac): If there was any.

Mr. ELLIOTT: Oh, I beg your pardon.

Mr. EDWARDS (Frontenac): I put that in.

Mr. ELLIOTT: I want to assure my hon. friend absolutely that I shall be only too delighted to have the matter investigated as to the purchase of this building, the ownership of the land, and everything connected with it. I shall have it investigated to the very minutest detail, and I think my hon. friend will be satisfied that the best portion of his speech was that part in which he said, "if there was any."

Mr. GOTT: I am opposed to such a large expenditure on a public building in Saskatoon in view of the fact that, according to a return brought down to-day, one of the finest cities in western Ontario has been asking the Department of Public Works for the last twenty years, without success, for a new post office. I refer to the city of Windsor. The people there also made this request through the late Hon. W. C. Kennedy, one of the finest men who ever occupied a seat in this house —and this at a time when there were three cabinet ministers representing that part of the country. In order to show the committee how this tally-ho is regarded by the public I may read an extract taken from the Border Cities Star under a full line heading: "New post office plans told by Odette. Ottawa ready to erect post office in Windsor now." Does the minister realize that when the old post office was built in 1879 Windsor had a population of only 6,000, whereas to-day, with the same post office standing, that population is 75,000. Let me inform the hon. gentleman that fun is being made in the city of Windsor, and some are becoming the butt of these good-natured jokes, because the hon. member for East Essex (Mr. Odette), is up against it. I quote from the Border Cities Star:

> Local Boy Makes Good. A torchlight procession, hot-dog barbecue and home-comin' celebration is bein' organized in honour of Eddie Odette, who is expected to arrive in our midst soon with a new post office. Eddie recently visited the p.o. factory at Ottawa and looked over the new models, selecting a snappy four-door job, it is said, for this enterprisin' community.

I would suggest to the minister that it is time to quit this bally-hoo in connection with the Windsor post office and come across with a good appropriation, something definite in the estimates, for that city.

Mr. STEWART (Leeds): The minister was good enough to say that a proper investigation would be made with respect to this site.

Mr. ELLIOTT: If it were wished.

Mr. STEWART (Leeds): I suggest that the proper time to make an investigation is before the site is purchased. I am sure the minister must have made some investigation. He intimated that he had some information in regard to the amount of land sold recently for taxes. I desire to know more definitely how much of this site was sold for taxes. Can he tell us the total number of lots in the whole site, and by what material the valuator supported his conclusion as to the value of the property? It seems a very large sum for a piece of land 150 by 140 without buildings on it, except for some very inferior ones. Does the valuation show separately the value of the land and the value of the buildings?

Mr. ELLIOTT: I think I can satisfy my hon. friend by quoting to him the prices asked for land—

Mr. STEWART (Leeds): I do not care what was asked.

Mr. ELLIOTT:—in the vicinity of the old post office, which is on the same street, 250 feet lower down.

Mr. STEWART (Leeds): When it is found that the government wants to secure a site, the people desire to know a good deal more about the property than the information we have been given in this connection. It is the valuation I want.

Mr. ELLIOTT: I obtained the services of three reputable valuators, and I have given the valuations which they have made. Naturally they vary considerably, but I came to the conclusion that we were getting excellent value.

Mr. STEWART (Leeds): There must be some details in connection with these valuations, surely. They must intimate how many lots there are.

Mr. ELLIOTT: No; we asked them to value this piece of property 150 by 140 on that corner and they gave the valuations in lump sums.

Mr. STEWART (Leeds): Are we to understand that there are no details in regard to the valuations of the land and of the buildings—no details giving the number of the lots acquired? How many lots were there altogether?

Mr. ELLIOTT: There are six lots, but I do not see any details here. My recollection is that there were six.

Mr. STEWART (Leeds): That would appear to be correct?

Mr. ELLIOTT: That is what it would be on a 150-foot frontage.

Mr. STEWART (Leeds): That would indicate that there were six lots?

Mr. ELLIOTT: Yes.

Mr. STINSON: What is the city assessment of the property?

Mr. ELLIOTT: I have not the assessment.

Mr. STEWART (Leeds): Surely the valuator has given the minister something more than a brief statement as to what he considers this property to be worth. Surely he supports that statement by something in the nature of the assessment of the property, the values of the buildings, the values of surrounding property, and so on. Surely no valuator simply makes the bald statement, "I value this property, 150 by 140, at $52,000", or whatever the figure is. I should like to have the full details.

Mr. ELLIOTT: That is what was done. We sent out three valuators and they reported lump sums. We did not ask for details. We made the best deal we could and we think we have done well.

Mr. STEVENS: Surely in receiving these valuations the minister would receive the numbers of the lots, the legal description of the property and the assessed value.

Mr. ELLIOTT: I knew that the legal description of the property was 150 feet—

Mr. STEVENS: Surely the minister knows that is not a legal description of the property.

Mr. ELLIOTT: It is quite legal, I may tell my hon. friend.

Mr. STEVENS: No.

Mr. ELLIOTT: It is quite legal. You start at the corner and go down one street for 150 feet, then across parallel to the other street for 140 feet and so on. That is a perfectly legal description.

Mr. STEVENS: The minister is a lawyer, while I am not, but I will venture the statement that in any city, town or district where the property has been plotted and surveyed and where plans have been filed in the registry office, he will not describe any transfer of property by metes and bounds, nor will any other lawyer of repute. Metes and bounds are used wherever the property is not surveyed or where a portion of a surveyed plot is described. I think there is no doubt that this property has been surveyed. Will the minister be good enough to tell me if this property coloured red on the plan and marked, "site of new building D on the corner of Twenty-second street and First avenue" includes lots 15, 16 and 17, and is the block number 148, plan Q2?

Mr. ELLIOTT: I am afraid I have not that information, although I think there would be no difficulty in getting it. I am satisfied that this property goes back 140 feet, with a frontage of 150 feet on First avenue.

Mr. STEVENS: Has the minister any knowledge as to whether there are six lots or three lots in this property?

Mr. ELLIOTT: The deputy advises me, and this is my recollection of it, that there are six lots, but I am bound to tell my hon.

friend that the data before me does not show the number of lots. However, I do not think there is any doubt that these are 25 foot lots.

Mr. STEVENS: Has the minister the order in council concerning the purchase of these lots?

Mr. ELLIOTT: No, I simply have a memorandum that on March 25 an order in council was passed to purchase this property, but I will be glad to hand a copy of the order in council to my hon. friend.

Mr. STEVENS: Will the minister lay that order in council on the table at six o'clock or eight o'clock.

Mr. ELLIOTT: Yes, as soon as I get it.

Mr. STEVENS: Did the minister say this property was bought from Butler, Byers Brothers, Limited?

Mr. ELLIOTT: Yes.

Mr. STEVENS: Who are these people?

Mr. ELLIOTT: I could not say.

Mr. STEVENS: Does the minister know if they are dealers or real estate agents?

Mr. ELLIOTT: I could not say as to that; my information was that they were a company formed to build a theatre.

Mr. STEVENS: Did they own all this property?

Mr. ELLIOTT: Yes.

Mr. STEVENS: The entire 150 feet?

Mr. ELLIOTT: Yes.

Mr. STEVENS: What have they been paid so far—just a deposit?

Mr. ELLIOTT: They have not been paid anything.

Mr. STEVENS: There was just an order in council passed to purchase the property?

Mr. ELLIOTT: Yes.

Mr. STEVENS: Did the minister consider expropriation?

Mr. ELLIOTT: Yes.

Mr. STEVENS: Why was not that process followed?

Mr. ELLIOTT: I concluded that I had to take the responsibility of getting this property for the best possible value, and I was quite satisfied that if it were expropriated it would cost the government more than $53,000.

Mr. STEVENS: When did the minister first open negotiations for the purchase of this property?

[Mr. Elliott.]

Mr. ELLIOTT: I would say in the early part of March.

Mr. STEVENS: Has the minister the date of the valuations from which he quoted?

Mr. ELLIOTT: Yes. I do not have them here, but I know they were made just prior to the passing of the order in council. The reason we proceeded as we did, I believe, was that plans had been drawn for the theatre, and unless we obtained the property at that time we would have had to pay more for it or would have had to get some other property one they started construction.

Mr. STEWART (Leeds): Could the minister tell us when instructions were given for making these valuations?

Mr. ELLIOTT: That would be done shortly before the order in council was passed.

Mr. STEWART (Leeds): There would have to be a report before the passing of the order in council, and surely the minister can tell us when he gave instructions to have the valuations made?

Mr. ELLIOTT: We had the general report on file in regard to this post office and the sites available; this has been a matter which has been very active in the department for years. There is a big file of correspondence in this connection, and I cannot think of any particular time within the last year or two when it became more active than at any other time until perhaps the latter part of February, or at any rate after the opening of the session.

Mr. STEWART (Leeds): When the minister brings down the information at six o'clock could he inform the committee as to when instructions were first given to value this particular parcel of property?

Mr. ELLIOTT: Yes, I will be very glad to give that information. I know from personal knowledge that it was shortly before this order in council was passed, because we were given the impression that we should act with some despatch if we desired to secure this piece of property.

Mr. STEWART (Leeds): I presume it would be done by correspondence?

Mr. ELLIOTT: Yes.

Mr. STEWART (Leeds): Might we have a copy of that correspondence?

Mr. ELLIOTT: Yes.

Mr. STEVENS: I am not questioning the desirability of a post office in Saskatoon; like my hon. friend from Frontenac I know that city well and have known it for the last

thirty years, ever since it was a small, insignificant place. Now it is one of the leading centres of the west, and must have adequate accommodation for its business. There can be no question of that, but these questions which we are asking are pertinent, and I am sure the minister has no objection to answering them.

Mr. ELLIOTT: I have not, and more than that I appreciate the interest of my hon. friends in asking them.

Mr. STEVENS: The minister quoted the engineer's report; would he be good enough to read it so that we might have it on Hansard, and would he also give us the date of the report?

Mr. ELLIOTT: I will give my hon. friend the parts of the report which I think are most important; if he wishes any others I will be glad to read the whole report, which covers several pages.

At present, the post office building, which is 83 by 71 feet, is situated on a lot 100 feet on First avenue by 90 feet on Twenty-first street, and was erected in 1907.

Mr. STEVENS: I can save the minister a good deal of tiresome reading; we take it for granted that the engineer has stated what my hon. friend is now reading. We now ask for the report of the engineer on this site which is marked D on the plan, and the date of the report.

Mr. ELLIOTT: Perhaps this will do:

As the present site is now completely covered, if the building is to be increased, it will be necessary to purchase the property to the east on Twenty-first street, and to the north on First avenue. Should this additional property be acquired, it is considered advisable to increase the building in height, as well as in area, in order to accommodate all other government offices now in rented premises in Saskatoon. The present building, from a structural standpoint and the standpoint of appearance cannot be economically and satisfactorily enlarged in area and height. Accordingly, it has been found advisable to ascertain the cost of another suitable site, on which to erect a building of a size sufficient to accommodate the post office and all other departments of the Dominion service in Saskatoon. Mr. Stephenson, our district resident architect at Regina, was requested to report on various sites available, and on the 7th instant stated that to acquire additional property adjacent to the present site, the price asked for 50 feet on First avenue is $40,000; this has now been reduced to $37,500, and for 50 feet on Twenty-first street, $65,000; that in addition the government would have to take care of certain leases, which would be rather an expensive item. The total amount asked for land to increase the present site is $102,500, plus a further amount to take care of existing leases.

On the attached plan, the present site is marked "A". Mr. Stephenson further reports that site "B", having a frontage of 150 feet on 21st street and 130 feet on 3rd avenue, belongs to various parties, and can be purchased for approximately $165,000, which he states he considers rather high. Site "C", having 130 feet on 3rd avenue and 150 feet on 22nd street, can be purchased for approximately $135,000, which Mr. Stephenson states is also rather high. Site "D", having 150 feet on First avenue and 140 feet on 22nd street, Mr. Stephenson reports can be purchased for approximately $68,000, and that this price is fair and reasonable.

This was the site that we got eventually for $53,000.

Mr. STEVENS: What date is that?

Mr. ELLIOTT: March 20th.

Mr. STEVENS: I am going to suggest that the minister be good enough to let this item stand until these papers are tabled after eight o'clock.

Mr. EVANS: What height is that building to be?

Mr. ELLIOTT: It is proposed to erect a new building upon this site, consisting of five storeys and basement, with frontages of 140 feet and 130 feet, to cover all the property. It will be a brick structure with stone trimmings, and will provide accommodation for all the government services. The rental of $18,063.85, for ten premises, will be eliminated.

Mr. EVANS: Is that a yearly rental?

Mr. ELLIOTT: Yes.

Mr. EVANS: What is the cost?

Mr. ELLIOTT: The proposed building is estimated to cost $600,000, made up of $575,000 for the building, and $25,000 for fittings.

Mr. CAMPBELL: If I am in order, I would ask the minister if he has received an application from some public body pointing out the necessity for a post office in Wynyard?

Mr. ELLIOTT: I have not the details regarding Wynyard, but there are over 150 places that are asking for buildings of this kind. With regard to Wynyard, my recollection is that some gentlemen from there made representations to me personally, and possibly the board of trade, if there is an organization of that kind in the town of Wynyard, made representations, and sent a resolution of the board of trade urging the government to construct a public building at Wynyard.

Mr. CAMPBELL: I would just like to point out that at the present time part of the town hall is being used for the purpose of a post office. It is entirely too small, and it

is utterly inadequate to properly handle the business. The postmaster can hardly be expected to erect a new building himself, and it is absolutely necessary that something be done there to properly look after the business. I notice in the next item there is $28,000 provided for a post office at Tisdale. I notice that the revenues at Tisdale for 1927 were $6,967, while those of Wynyard were about 85 per cent of that amount, or $5,500. I am just drawing the minister's attention to the fact that Wynyard is certainly entitled to some consideration.

Item stands.

Tisdale—public building, $28,000.

Mr. LUCAS: What is the revenue per year?

Mr. ELLIOTT: My recollection is that it is just about what my hon. friend stated. With the local post offices, which are served, I think it runs to about $12,000. The postal revenue for 1926-27 was $6,957, and from the outlying post offices, which are served from this point—I am simply speaking from memory—

Mr. LUCAS: That would apply to any other district, likewise.

Mr. ELLIOTT: Yes.

Mr. LUCAS: What is the population?

Mr. ELLIOTT: The population is about 900.

Mr. LUCAS: Has there been any recommendation from the Post Office department?

Mr. ELLIOTT: Yes. I might tell my hon. friend that this is another old standing matter. An appropriation of $12,000 was made in the year 1927-28, to provide for a building containing 730 square feet of space. This is a revote of nearly $12,000. The Post Office department insisted on an area of 1,200 square feet, and stated that the smaller building would be practically useless for postal purposes and, as a result, it is necessary to increase the appropriation.

Mr. SHORT: May I ask the minister what constitnency Tisdale is in?

Mr. ELLIOTT: It is in the constituency of Melfort.

Mr. CAMPBELL: Regarding the post office at Wynyard, is that included in the list you spoke of?

Mr. ELLIOTT: It is in the list. My hon. friend from Kingston (Mr. Ross) asked for this list, and I should have got it to him before, but I received it myself only this afternoon. He asked for a list of the public buildings for which we had applications throughout the country. I told him that we had over 100, and the cost would run around $5,000,000, speaking from recollection. I have asked the department to make up a list of what would be called practically live applications at the present time, and it includes 154 applications. These applications are the ones upon which the greatest pressure is being brought to bear upon us. The estimated cost of constructing the buildings asked for would run to twice $5,000,000; to over $12,000,000.

Mr. McQUARRIE: Does that include additions?

Mr. ELLIOTT: Some of them are additions.

Mr. McQUARRIE: I would ask the minister, Mr. Chairman, if that list shows the buildings that have been recommended by the Post Office department for consideration?

Mr. ELLIOTT: No, it does not show that. It is a list showing the buildings that are under consideration.

Mr. CAMPBELL: The minister has hardly answered my question. Could he give me any indication of what action the department is likely to take in connection with a post office at Wynyard? Is there any chance at all of an estimate for it being placed in the supplementaries?

Mr. ELLIOTT: There is always a chance. That is about as far as I can go with regard to any of the applications for which items have not been placed in the estimates.

Mr. LUCAS: Does the government already own the lot in Tisdale?

Mr. ELLIOTT: Yes.

Mr. LUCAS: How long have they had it?

Mr. ELLIOTT: It was purchased on the 23rd January, 1928, from the Canadian National Railways for the sum of $750.

Mr. GARDINER: Is it intended to accommodate any other government service than the post office?

Mr. ELLIOTT: No.

Mr. GARDINER: How many surrounding districts obtain their mail service from this post office?

Mr. ELLIOTT: I cannot tell my hon. friend.

Mr. EVANS: Before we leave this item regarding Saskatchewan I should like to draw to the attention of the minister a matter which has been brought to his attention now for two years, namely, the need of a public building in the town of Biggar.

The CHAIRMAN: We are now discussing an item in connection with a public building at Tisdale, $28,000. Item 132 has to do with public buildings generally, and that matter might be better taken up then.

Mr. EVANS: As we are discussing Saskatchewan items now, I thought this would be the best time, but if I can have an opportunity later, that will be satisfactory.

The CHAIRMAN: My hon. friend will have an opportunity under item 132.

Item agreed to.

Alberta—Dominion public buildings—improvements, repairs, etc., $17,000.

Mr. ADSHEAD: I hope I am in order under this item. The last time the question of the Calgary post office came up, the Chairman allowed the hon. member for West Calgary (Mr. Bennett) to discuss the matter at some length and the Minister of Public Works to reply. When I endeavoured to follow them I was informed that I was out of order and that I must discuss the matter in connection with the Alberta estimates. I wish, not to make a special plea, but to direct the attention of the Minister of Public Works and the committee to the fact that the government are losing money by the way in which they are handling post office affairs in Calgary. A retrospect of what has happened in that city might very well go on Hansard.

In 1911 the city of Calgary had a three-storey stone building which was a post office and which was occupied also by the Dominion Lands office. My hon. friends to my right at that time got into power and with all good intentions they pulled down the post office in order to build a larger one because the accommodation there was not adequate. They also bought lots to the east of that site for $312,465, with the intention of erecting a building such as the Minister of Public Works has just described for Saskatoon. The war came on and they put a board fence around those vacant lots and for fifteen years the people of Calgary have had to look at that board fence right in the heart of the city where my hon. friends pulled down these buildings for the purpose of erecting a new one.

Mr. SPENCER: Where are the stones now?

Mr. ADSHEAD: I do not know. I inquired about that last year and I could not get any information in regard to the matter. If I could make a comparison I would say: Look at the square west of the Ottawa post office which is just being modelled into a park, and I would ask the committee to visualize if they can a square of that size in the heart of the city of Ottawa surrounded by a board fence, and the people of Ottawa being allowed to look at that for fifteen years and to go without a post office altogether. Comparisons, they say, are odious to the general public. I may say to the Minister of Public Works that the city of Calgary is more important than the city of Ottawa. I do not mean it is more important politically but it is more important financially. I would direct the attention of the minister to the fact that of all the cities in the Dominion, Calgary stands fifth in regard to bank clearings. The bank clearings for Ottawa for April, 1928, were $33,727,739. For Calgary for the same month the bank clearings amounted to $50,656,715. In other words, although we are the fifth city of the Dominion in regard to bank clearings for the month of April, we have no post office but we have to look at that blank square across a hideous board fence. In the matter of post office revenue for the year ended the 31st March, 1927, the collections at Calgary amounted to $566,871, that city being the seventh in the Dominion of Canada. It was ahead of Quebec, Moncton, Edmonton and most of the other cities, and still we have no post office.

Mr. SPENCER: How did it stand with regard to the city of Ottawa?

Mr. ADSHEAD: It was within a few thousand dollars of the post office revenues of the city of Ottawa. I propose to deal with the rentals that we are paying in Calgary and to show that we are losing money by the process that is going on. I asked for information as to the annual rental of the post office building which we have in Calgary and the answer I received from the Minister of Public Works was that we are paying a rental of 70,000 per annum for a gross space of a little over 70,000 square feet. I think the minister the other day observed in the house that as regards some building which was proposed for the Bureau of Statistics the rental asked was a dollar per square foot, and he thought that altogether too high for a building of that sort—

Mr. ELLIOTT: The best we could do was $1.25.

Mr. ADSHEAD: —so he decided to purchase a building. In Calgary we have been paying under lease nearly $1 per square foot, a figure which I consider too high for the rental of that particular building. If we were to capitalize that $70,000, not of course including depreciation or maintenance, at five

per cent we could erect a building at a value of $1,400,000 and at four per cent we could erect a building at a value of $1,750,000. The minister has just told us that in some city, I think it was Saskatoon, they propose to erect, on a lot somewhat similar in length and size to the lot I have indicated we have in Calgary, a five-story building, for the sum of $600,000. If a building of that size can be constructed for $600,000, the interest and depreciation on it would not nearly reach the $70,000 of rent which we are paying for our post office and the Dominion land office in Calgary. I suppose the matter could be arranged under the plan of a sinking fund. I know the minister has not inserted an item for it in the estimates this year, but there is a phase of the situation to which I wish to draw his attention and that is that the lease on the building which they have rented for $70,000 a year expires at the end of 1929. I would suggest to the minister that if he wants to save money; if he wants to be economical; if he desires to have in Calgary a building which will belong to the Dominion and which in interest, depreciation and maintenance will not cost more than $70,000 a year, he should make some plan or have some prospect of erecting a building there whereby the government will have a building of their own prior to the expiration of the lease. I think preparations should be made at once with the idea of providing a building. I hope the government has no idea of purchasing the building in which the post office is now located. It would be very much against the wishes of the people of the city of Calgary if you purchased that building and left vacant the lots upon which the post office was originally built, together with the $312,465 worth of lots which were purchased for the express purpose of erecting a building right next to the old post office building site. I hope the minister will give serious consideration to this question from a business standpoint, and not simply give me the usual platitude, "I am going to give the matter serious consideration." It should be considered from a business standpoint, and also from another standpoint. The government did intend before the war to build a public building in Calgary, and for the last fifteen years not only has that hideous board fence been left in the heart of the city, but property values all around have depreciated, and what is more, the government is actually losing money by continuing the present conditions. You have no building of your own, and it is costing more for rentals than the interest and depreciation on the new buildings would amount to. I would ask the minister what he proposes to do when the lease on this building expires in 1929. Does he propose to renew the lease for three or five years, or what preparations are being made for putting the thing on a business basis and relieving the people of Calgary from that hideous eyesore in the very heart of the city?

Mr. ELLIOTT: I will answer my hon. friend as far as I can. I think he will realize that it is quite impossible for me to say at the moment what we can do on the expiration of a lease which does not expire until some time in 1929.

Mr. ADSHEAD: Some preparation is necessary before the lease actually expires if you are going to put up a building.

Mr. ELLIOTT: I am bound to tell my hon. friend that even if we had come to a decision, we might not think it was in the public interest to say just what that decision was this far ahead of time. But I will be very frank in stating that we have come to no decision in regard to renewing the lease.

Mr. ADSHEAD: And no decision as to buying the present building?

Mr. ELLIOTT: That is in the same category. There are a number of buildings in the smaller places throughout the country, old bank buildings occasionally, and other buildings that have been purchased in the past for the public services and turned into a public building, and among the applications that we have before us at the present time are a few asking us to purchase buildings already in existence, which no doubt could be purchased very much cheaper than we could construct a new building. That proposition was made to us in the city of Saskatoon. There was a building there that we were asked to purchase, and no doubt we could have purchased it and got floor space much cheaper than we could consrtuct a new building. The same is true of many other places, but of course these buildings would never look very much like a post office, and there is just the difficulty. If it is in a town where you consider that you are getting exceptionally good value, and where possibly you would not construct a new building costing from $20,000 to $30,000, my view would be that we might be justified in buying a building in some of these places if the people were satisfied with the accom-

modation it would provide, say a building costing $10,000 or $12,000, perhaps half the cost of constructing a new building. So far as Calgary is concerned, there is certainly no decision in favour of buying a building for customs and post office and government services generally.

Mr. ADSHEAD: There is a customs office there already.

Mr. ELLIOTT: I understand that. I want to say further, as regards the prices my hon. friend mentions—and prices were also mentioned in connection with Saskatoon—that they are altogether out of proportion to the figures shown in the actual tenders. So far as Calgary is concerned, tenders were called for in 1914 for the construction of a building which was considered sufficient to meet the requirements of Calgary at that time, and the lowest tender received was for $1,399,000, and the highest tender, $1,703,000. There were five tenders altogether. There is no question that the cost of the building has increased enormously since that time.

Mr. ADSHEAD: Surely the minister has no idea of purchasing the building in which the post office is now located. I asked that question last year, and Hansard will show that the minister said that they did not have that intention. I hope there is no doubt about that.

Mr. ELLIOTT: I will be very frank in saying to my hon. friend that there is absolutely no change in the condition from what it was a year ago, and no serious consideration has been given in the last year to purchasing that building. That answer was true then, and it is true now.

Mr. ADSHEAD: If there was any such intention, it would raise a terrible disturbance among the people of Calgary.

Mr. LUCAS: I would ask the committee to look at page 32 of the estimates and compare the amounts being voted for the three western provinces, and ask hon. members if in their opinion Alberta has been fairly dealt with. In 1927-28 Manitoba was voted $114,000; Saskatchewan, $212,950; and Alberta, $32,000. In 1928-29 Manitoba is being voted $105,700; Saskatchewan, $353,850; and Alberta, $56,850.

I also see in looking over the estimates that no provision is made for a public building in Camrose, for which there was an appropriation in the estimates in 1926, and which was brought before the house last session. I would ask the Minister of Public Works if he can give any reason why that vote, which was considered and approved by the government and placed in the estimates, has been withdrawn.

Mr. STEVENS: That ought to be easy to explain.

Mr. ELLIOTT: I gave my hon. friend the answer last year, and there is nothing I can add to what I then said. Camrose is in this long list of applications that we have here, where the need has not been considered as urgent as in the other places for which provision is being made.

Mr. LUCAS: The minister says it does not appear to have been considered as urgent as the need in other places. I will ask the committee to follow these figures I am going to give in regard to votes passed this session for public buildings at different places. For the province of Quebec there are two votes: St. Jacques, population 1,714, revenue $2,017; Waterloo, population 2,000, revenue $6,356; Durham, Ontario, population 1,640, revenue $5,060; Rockland, Ontario, population 3,156, revenue $2,412; Rosthern, Sask., population 1,500, revenue $6,248; Tisdale, Sask., population 900, revenue $6,957. Now I come to the town of Camrose, in the province of Alberta, which has a population of 2,000 and a revenue of $13,186—more than double the amount of the revenue of the other post offices for which votes have been passed this session. In addition there is a sub customs office there with a revenue of over $50,000 a year. In view of these facts I think the minister should state to the house what is the policy of the government in determining whether or not a town is entitled to a post office.

In case the minister may think that I am prejudiced in putting forward the claims of Camrose, let me read an article from the Camrose Canadian of January 5, 1928. It is a Liberal paper published in Camrose, and I feel sure the minister will accept this article as fairly representing the facts. It is headed, Why the Delay?

> Away back in 1911 the Department of Public Works in the Dominion government purchased a very desirable site in Camrose for the erection of a post office building. The volume of business transacted at the local post office at that time warranted this action on the part of the government, and it was the hope of the citizens of the town, and residents of the surrounding country, that a building in keeping with the needs of the community would be ready for use within a reasonable time.

With the completion of the various railroads, radiating in all directions from Camrose, resulting in the creation of many new villages and country post offices, the local office acted as a gathering and distributing centre for a large proportion of the mail in and out of this portion of the province. This meant a tremendous increase in the amount of mail passing through the Camrose office. The selection of Camrose as the location of the normal school for northern Alberta, the building of the Camrose Lutheran college, and the establishment of several large wholesale houses, made it necessary to provide more commodious and up-to-date quarters for the proper handling of the rapidly growing business of the post office.

Sixteen years have passed since the site was purchased, and the lots lie as they did in 1911, bare as the virgin prairie. No use whatever has been made of them. Eight thousand dollars of the peoples' money have been tied up in this unproductive investment all those years. The town treasury has been deprived of a sum of money amounting to approximately $4,000 which, had the property remained in private hands, would have been paid to the town as taxes. In the interval the needs of Camrose for larger post office accommodation has been growing from year to year.

I wish the minister to note particularly this part:

It is not necessary to draw the attention of the public to the utterly inadequate premises in which the business is carried on at the present time. The unsatisfactory conditions are familiar to all. The space in the building for the public, as well as the employees, is far too limited. Frequently it is impossible to enter the building, particularly at the noon hour, when the schools close and the students call for mail. It is clearly obvious that the clerks are cramped for space, especially when scores of mail bags are dumped into the rear part of the building. As a result of overcrowding, the air becomes so foul that it is sickening, and the wonder is that the employees whose work compels them to remain in the unhealthy atmosphere for hours at a time, have so far escaped serious illness. Under such unfavourable conditions in any other place of business it is doubtful if the public would be given the same courteous service which is invariably rendered by the clerks of the Camrose office. In all probability the health officer would interfere and insist on better sanitary conditions.

It was a Liberal government that purchased the property for the proposed building. That government was defeated later in the year. Efforts were made to interest the newly-formed Conservative government to carry out the program begun by its predecessors, but without avail. Then came the Great War when all public works in Canada were suspended. Following the defeat of the Union government, with the Liberals again in power, hopes were revived that it, which recognized the needs of the community in 1911, would feel its responsibility and carry out the undertaking.

In the preliminary estimates presented to parliament last session, an item was included for the construction of the Camrose public building. As a result, high hopes prevailed in the hearts of the people of Camrose that the long delayed building would shortly become an established fact. But such was not to be; something miscarried. What happened has remained a mystery to the present time. When the item was up for discussion little, if any, support was offered in its favour from the government side of the house. Strange as it may seem the cause of the constituency was championed by opposition members. The final outcome of the matter was its entire withdrawal from the estimates. The same government which placed it there allowed it to perish unsupported. No reason whatever was given for their indifferent action. Surely we are entitled to an explanation. Sinister motives on the part of the government were imputed for the unusual treatment.

The Canadian does not care to view the matter in that light, rather it believes that some of the fault rested with us. During the debate on the item it was very clear that little was known of our requirements, some members even being ignorant of the existence of such a place as Camrose. Our case had not been presented in a manner which would demonstrate the importance of the situation. We believe our claim is fair and just, and can be supported by the facts, and the government should be made aware of these facts at the earliest possible moment.

Some very interesting figures are revealed by the census taken during the summer of 1926. That extensive, fertile territory, through which the Battle river flows, extending from Wetaskiwin on the west to Hardisty, and from Vegreville on the north to Stettler, is shown to have a population greater than any other rural area of like size in Alberta. Being nearly one hundred miles square, it combines an area equal to that portion of western Ontario lying south of a line drawn from Toronto to Sarnia. In this block of highly improved parkland country, there is a population of 50,000 people, over 8,000 occupied farms, and 50 towns and villages.

Many of the urban centres are shown to have populations ranging from 200 to 500, and Camrose, located fairly near the centre of this territory, had a population of over 2,000 in June 1926. More than twenty banks serve the needs of this thriving region, and the same number of coal mines are in operation most of the year. Much of this country has been settled for over twenty-five years, and in that period many millions of dollars' worth of farm products have gone to swell the export trade of the Dominion. The wheat grown in this territory in 1927 exceeded 25 million bushels, and the value of all the products of the farms and mines during the past year will approximate at least $40,000,000.

Now for what really hurts. Never has one dollar of federal money been expended in this large and important part of western Canada for public buildings of any kind. Does that seem fair? We doubt if any other section of Canada of like size and importance has received such treatment. How much longer must we wait?

It will be noted, Mr. Chairman, that the article says that the needs of Camrose have never been fairly presented to parliament. When I came down here in 1922 as the representative of what was then the constituency of Victoria and in which Camrose was included, it is a well-known fact that the policy of the government at that time was not to spend any money on public buildings as we

were still feeling the effects of the heavy war expenditure. Therefore I made no representations in regard to this post office. But within the last few years the present government has changed that policy, and I certainly made such representations that in 1926 an amount was placed in the estimates to provide for this building. Having secured that recognition, I felt I had gone far enough to convince the government that we were entitled to the post office building. When the item came up for discussion last session there was no opposition offered to it, and therefore I did not deem it necessary to take up the time of the house by giving any further explanation. But now that that estimate has been withdrawn, I desire to endorse everything that is contained in this leading article which I have just quoted, and to point out to the committee that Camrose is one the most flourishing towns in western Canada. It is a very important railroad centre, lines radiating in eight different directions; there are three wholesale houses; a large normal school for the northern half of Alberta is located there, and a large Lutheran college. The result is that when all these people attempt to get in, especially when schools and colleges are out, and the wholesale houses are closed, the present accommodation in the post office is entirely inadequate. I feel sure that the government does not want to treat Camrose unfairly, and I would ask the minister to give some promise that in the supplementary estimates an item will be provided in this connection.

Mr. ELLIOTT: I know something of the needs of Camrose. I know the town, and I do not agree with my hon. friend that the need there is more urgent than in many other places on our list. I do not think it is as urgent as any of those that have been granted. It is on the list that we have under consideration and it will receive the best consideration we can give it. But I think my hon. friend heard me say that it would be quite impossible for me to promise him or anyone else that it will be put in the estimates.

Mr. LUCAS: On what basis did the government consider it urgent in 1926 to put a vote in the estimates if it is not urgent now? Was it more urgent then than it is to-day? What has occurred to cause the government to change their opinion?

Mr. ELLIOTT: I was not in charge of the department when the vote was included in 1926. I go over the information we have and submit to the treasury board first of all, and afterwards to council, a certain list of appropriations. It did not seem to either the treasury board or council, nor did it appear to me, that this was as urgent as some of the other places whose applications were granted.

Mr. KENNEDY: Does the minister think that the previous minister made a mistake in including the item in 1926?

Mr. ELLIOTT: There are certain times when it looks as if a town is growing very rapidly. We have a great many towns that are growing rapidly and the accommodation of several years ago is not adequate to-day. It might have appeared in 1926 that the town was going ahead very fast and additional facilities would have to be provided; but perhaps when the next record comes in—returns for the following year—the increase does not look nearly so marked. When all these circumstances are considered we have to make the best recommendation we can.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Alberta—Dominion public buildings—improvements, repairs, etc., $17,000.

Mr. LUCAS: Just before six o'clock I understood the minister to say that some places for which we have voted money for public buildings showed evidence of increased growth of one kind or another. Would the minister tell us more about that in regard to some of the places for which we have already voted money?

Mr. ELLIOTT: The item last under discussion, the public building for Saskatoon, is an outstanding example.

Mr. LUCAS: Would the minister leave out the cities and take up some of the rural places which I mentioned this afternon?

Mr. ELLIOTT: There are very few buildings in the whole vote. To what does my hon. friend refer?

Mr. LUCAS: I gave a list this afternoon.

Mr. ELLIOTT: I do not think my hon. friend expects me to go over all the places for which we have voted money, although there are not many of them. Will my hon. friend name any particular place and ask to have a comparison made?

Mr. LUCAS: I do not wish the minister to go over all the places, but I gave a list of six this afternoon, two in Quebec, two in Ontario and two in Saskatchewan, small rural

towns similar to Camrose. I understood the argument of the minister to be that some of these places were starting to grow and were therefore entitled to money for a public building, but I contend that Camrose has shown as much growth as any of them, if not more. For instance, take Rosthern, Saskatchewan; the postal revenues in 1924 amounted to $6,429, while in 1927 they totalled $6,248. Then there is Durham, Ontario; in 1924 the postal revenue amounted to $7,145, and in 1927 it was $5,683. Take Waterloo, Quebec; in 1924 the postal revenue was $6,673 and in 1927 it amounted to $5,731. Personally I cannot see any evidence in these cases of the growth to which the minister referred.

Mr. ELLIOTT: All the circumstances, the accommodation which is being used, the opportunity for obtaining better accommodation and the urgency for making a change of some kind, are looked into, and the department arrives at the best conclusion possible under the circumstances.

Mr. GARDINER: I have heard the Prime Minister say time and again in this house that the government are but a committee of the house, responsible to the house for all their actions, and further that the government are responsible for carrying out the wishes of this house. In the supplementary estimates of 1926 there appeared an item for the construction of this building at Camrose. The committee will remember that the supplementary estimates and in fact many of the main estiates were not passed in the first session of 1926. On December 9 of that year this house was called together primarily for the purpose of passing the estimates so that the government would not have to issue governor general's warrants; I remember that the supplementary estimates at that session contained this item for the Camrose post office, which item was passed by this house. That means that this house instructed the government to construct this building at Camrose. When the main estimates came up the next year, because of the fact that the building could not be proceeded with immediately after the item was passed the estimates did not contain any item for the Camrose post office. What I want to know is this: Is the Prime Minister satisfied in his own mind that the government are a committee of this house and as such are willing to carry out the instructions of this house? If so, will the minister explain why, after this house once passed this particular item, the government so far forgot their duty to the house that they did not proceed with this work? I think that should be explained before we go any further.

[Mr. Lucas.]

Mr. ELLIOTT: The hon. member heard my explanation a year ago and he has heard what has been said so far this session; the department have gone over all the available data and have come to the best conclusion possible as to what shall be recommended to the treasury board and to council. That is all I can say; I cannot add anything to that statement.

Mr. GARDINER: Then do I take it from what the minister says that he does not believe in the principle enunciated by the Prime Minister, that the government are but a committee of this house and responsible to the house? Does the minister wish to repudiate that statement by the Prime Minister?

Mr. ELLIOTT: Not at all.

Mr. GARDINER: The minister is evidently doing it under the circumstances.

Mr. ELLIOTT: Not at all.

Mr. LUCAS: Will the minister say there was any evidence came up to show that Camrose was not just as much entitled to a post office this year as in 1926, when this estimate was first passed?

Mr. ELLIOTT: I will certainly say there was no evidence to lead the department, the treasury board or council to believe that Camrose was more entitled to a building than a great many other places whose applications were being refused at that time.

Mr. LUCAS: That was not the question I asked. Evidently this matter was considered by the government and the treasury board in 1926 when the item was placed in the estimates, and I am asking the minister now if any new evidence came up which would justify the government or the treasury board in cutting this item out of the estimates.

Mr. ELLIOTT: My hon. friend is quite wrong when he says the item was cut out of the estimates; that was not done. It was in estimates which lapsed, and another set of estimates was made up. For reasons which the government considered sufficient from all available data, the item was not inserted again. That is all I can say to my hon. friend.

Mr. LUCAS: I would just like to say to the hon. minister that the town of Camrose has been making rapid growth. Only this last year a large business block costing over $40,000 has been erected there. A very large hotel, estimated to cost $90,000, has just been completed, and also several new churches,

all costing very large sums of money. All the evidence is to the effect that the town of Camrose is prospering and growing rapidly, and therefore it seems rather difficult to understand why the government consider this matter in 1926—because I feel sure that it would not have gone in the estimates unless they had considered it—and later cut it out. As far as the evidence of development is concerned, the government cannot produce anything to show that the town of Camrose is going back. I should like to know for what other reason the government decided to leave this item out.

Mr. GARDINER: Mr. Chairman, will the minister ask his deputy to give him the reasons for putting the item in the 1926 supplementary estimates, and his reasons for leaving it out in the 1927 main estimates? There must have been good and sufficient reason why it was put in in 1926, and no doubt there were good and sufficient reasons why it was taken out in 1927. Would he let us have the information with regard to those two particular items of procedure?

Mr. ROSS (Kingston): I should like to ask the minister regarding this installation of pick-up table.

Mr. ELLIOTT: That is a patented device, known as the Cummins pick-up. It is thought to be the best device available for picking up the letters from the floor, or the table, or whatever place they are on at the particular time. I have never used one of these machines myself, but they are a distinct type, and very well known. I believe that it is the type of machine that investigation has shown to meet the requirements, and is the best machine available at the present time.

Mr. ROSS (Kingston): Where is it manufactured?

Mr. ELLIOTT: I think it is an American concern; the Interprovincial Equipment Company, Queen street, Ottawa, is the Canadian representative. I have a note to that effect, so I take it that it is an American concern.

Mr. ROSS (Kingston): Is it being installed in all the large offices?

Mr. ELLIOTT: I think the investigations that were made with regard to the new terminal station at Montreal were made in New York and various other places. If my memory serves me right, their information was that this was the type found most satisfactory there. It is what the post office asks for.

Mr. GARDINER: I asked the minister two questions, and I hope he will be given time to answer them.

Mr. SPENCE: Is this pick-up table supposed to be a labour-saving device, and if so, is there any actual saving in connection with it? Will it save any extra help and cut down the overhead, or is it a labour-saving device which will allow men to stand around and do nothing?

Mr. ELLIOTT: I will give my hon. friend all the information I have on the subject. By authority of an order in council passed on July 15, 1927, 10 Cummins pick-up tables were purchased at a cost of $3,500 each, from the Interprovincial Equipment Company, of Ottawa, four of the tables being for Montreal and six for Toronto. This equipment is a patented article, made in Chicago, and is the only mechanical pick-up table on the market. For this reason there was no object in calling for public tenders, and a contract was entered into without this being done. This is the information which I was unable to give to my hon. friend a few minutes ago. At the time these tables were purchased the following memorandum was submitted by the Deputy Postmaster General on May 16, 1927, regarding the advantages of the same:

> This machine has been under consideration by the department for some time, as a means of economy, and for the expediting and prompt despatch of letter mail. This type is the only mechanical pickup table and stacker produced commercially, either in this country or the United States.
>
> Other experimental types were investigated, and as there were no plans available, sketches were made for the purpose of a general report to this department at the time. The Mayer type, of which only one was constructed for test purposes in the New York post office, was too cumbersome and complicated, as will be seen on reference to the sketch mentioned. The output of the Rotary type developed by the United States government for smaller offices has been disappointing and unfavourably reported on by the majority of United States postmasters who have used them.
>
> The Cummins type has produced the most favourable comment, and it has the advantage of having passed through the experimental stage, and being a standard article substantially built and produced by a reliable firm.
>
> The stacker attachment alone will do the work now performed by a porter, and the statement made by the concern introducing this machine "that it will save its own cost in a year" is well founded, as the labour charge during the peak load period can be reduced 50 per cent in the "facing up" process.

Mr. SPENCE: No one is denying that this is a labour saving device, but are we going to save anything by using it?

Mr. ELLIOTT: They say that the ten that were purchased will pay for themselves in a year, by the saving in labour.

Mr. ROSS (Kingston): Would the minister repeat the name of the agent in Ottawa?

Mr. ELLIOTT: The Interprovincial Equipment Company, Queen Street.

Mr. ROSS (Kingston): Who are they?

Mr. ELLIOTT: I cannot tell my hon. friend.

Mr. GERSHAW: Is it the intention of the minister to install this device only in the larger post offices, or in the post offices generally?

Mr. ELLIOTT: The Department of Public Works purchases articles such as these, the little tractors and other machinery of the kind used in connection with the Post Office department, upon the recommendation of the officials of the department, with such information as we are able to get.

Mr. GARDINER: Will the minister answer the questions I put to him a few moments ago?

Mr. ELLIOTT: I am sorry, but I will have to ask my hon. friend to repeat them.

Mr. GARDINER: In the supplementary estimates for 1926 there was an item for a post office at Camrose. I would like to ask the minister the reason for including that item in the estimates. What representations were made that finally led to this item being in the supplementary estimates of 1926? I will put one question at a time.

Mr. ELLIOTT: I must apologize to my hon. friend for not having answered that before. He added to that the request that I would ask my deputy just how that had been done. He would not have added that to his question had he realized just what I propose to tell him about the procedure. The deputy is not in the council when these matters are being considered and the decisions really made. Perhaps that will be a sufficient answer as regards the deputy.

Of course as my hon. friend knows I was not in the department at the time. My predecessor, after considering the question, decided to place this item in the supplementary estimates. The procedure is this. I will in a few days put before the treasury board a large number of items for the supplementary estimates. I am not sure yet what fraction of them I will get. They first go before the treasury board and the treasury board in their discretion say: Well, we will cut this out and we will leave that in. Sometimes, but not often, something that is cut out by the treasury board is replaced by the cabinet council when the estimates are subsequently submitted to them. It is quite impossible, as my hon. friend will understand, for me to tell him the particular history of this one item out of very many that went through at a time when I was not in charge of the department. I know it was in the supplementaries and I know it did not come through the treasury board and council at the time that the next estimates appeared. That is all I can say in regard to the matter.

Mr. GARDINER: Has the minister any information as to the representations made in the first place which warranted the inclusion of that item in the estimates of 1926?

Mr. ELLIOTT: No.

Mr. GARDINER: Who receives those representations?

Mr. ELLIOTT: They would be considered by whoever was making up the supplementaries for 1926.

Mr. LUCAS: Has the Post Office Department recommended a new building at Camrose?

Mr. ELLIOTT: I cannot say as to that.

Mr. LUCAS: The minister has laboured a great deal in an endeavour to explain why this item has not appeared in the estimates this year. He might just as well be frank and tell the committee that the real reason why this item was cut out was because the hon. member for Camrose did not support the government on all occasions.

Mr. VALLANCE: Following up the reasoning of the hon. member for Camrose (Mr. Lucas) I may say that in the constituency of South Battleford we happen to have a situation that has been hanging fire for a long time before 1926. It has been hanging fire since 1911 when the Department of Public Works purchased a site for a post office in the town of Wilkie. I do not think the hon. member for Camrose should raise half the objection that we do and in spite of what he says, namely, that he did not vote right, I hope we have always voted right and the town of Wilkie has always voted right—

Some hon. MEMBERS: No.

Mr. VALLANCE: Yes, and yet I could not get any closer to the minister than my hon. friend seems to be able to get. I do not think his reasoning is very good

Mr. LUCAS: Did the hon. member ever have an item inserted in the estimates for the building?

Mr. VALLANCE: The lot was purchased in 1911 but the building was never erected.

Mr. LUCAS: A lot was purchased in Camrose in 1911, the same year.

Item agreed to.

Edmonton—tractor for postal purposes, $1,350.

Mr. FRASER: Probably the minister could give me the information which I asked for the other night in regard to these tractors. He has given us the information about the pick-up tables. It was information similar to that which I was looking for the other night with regard to tractors.

Mr. ELLIOTT: I am sorry but I do not seem to have under my hand information about the tractors in as much detail as about the pick-up tables, I suppose for the reason that the departmental officials assumed that the tractor now in use had become so well known that perhaps such information was not so necessary as it was when the tractor was first installed. This is the type and the price of a tractor that seems to be used in practically all post offices in Canada where a tractor is used. It is the tractor that the officials of the Post Office department ask for and the one that we try to secure. I shall be glad to make inquiries and to give my hon. friend further information at some later date.

Item agreed to.

Wainwright public building, $35,000.

Mr. KAISER: Would the minister kindly explain the revote in this case? There was a vote of $15,000 in 1927; now there is a item of $35,000 for this year with a revote of $15,000.

Mr. ELLIOTT: The history of that is that the appropriation of $15,000 in 1927-28 provided for a building containing 830 square feet of area. The Post Office department insisted upon an area of 1,200 square feet and the Customs and Excise department require 600 square feet. In order to provide the required accommodation, that is for all the services, under the one roof, the proposed appropriation had to be increased to this amount.

Mr. SPENCER: Is the building likely to be erected this year? I understand the people are very anxious to have the building erected and probably the Minister of Public Works knows the present post office is a very poor affair. They are particularly anxious that the work be begun soon so that private interests may know whether or not there is going to be a public building there this year.

Mr. ELLIOTT: It is hard to say positively, but as soon as this item passes instructions will be given to have the plans prepared so that the matter may be proceeded with just as in the case of all the other buildings and other works for which money is appropriated in these estimates.

Mr. CANTLEY: What is the population of Wainwright?

Mr. ELLIOTT: About 1,000.

Mr. BARBER: What is the revenue?

Mr. ELLIOTT: The postal revenue is $5,557, and the customs revenue $15,739.

Mr. McPHEE: Who is the member for the district?

Mr. ELLIOTT: The hon. member for Battle River.

Item agreed to.

British Columbia—Dominion public buildings—improvements, repairs, etc., $40,000.

Mr. ESLING: I regret that there is no provision made in this vote for a public building in Trail. I regret that particularly because there seems to have gone out from the government to the people of Trail information to the effect that a vote for a public building in Trail would be "noted" in the supplementary estimates. I presume that what is meant by "noted" is considered, and I hope that such will be the case. We are not, like some of our friends from Saskatchewan and elsewhere, asking for a public building in Trail simply because we want to get a whack at the public treasury, but because in Trail there is urgent need of a public building. We have an industrial institution with a continuous pay roll, and it is not necessary for us to come down here and make inroads upon the public treasury just to get a few thousand dollars spent there. We have there a pay roll of approximately $5,000,000 a year, and I am asking for this public building solely because it is in keeping with the policy laid down by the hon. Minister of Public Works last session, when he said that the policy of the government was to construct buildings where the accommodation was inadequate and the need urgent. I think that is a very sane and sensible policy. It sounds more like a Conservative policy, and I want to congratulate the minister upon having laid it down.

The first intimation we had from the government about a public building in Trail came

from the hon. Minister of Health, formerly the Minister of Public Works. He notified the Trail board of trade that this item would be noted by the government and of course the people of Trail were pleased to hear that. The city of Trail then sent a telegram to the minister, stating that they had received such advice, and urging the immediate construction of this building for the reason that the accommodation was inadequate and the necessity urgent. They went further and passed a resolution emphasizing this urgency. The resolution goes on to say, in keeping with the general prosperity of Trail:

> Whereas the number of boxes in the post office is at present 1,047, and whereas the present requirements are 2,500—

That is a little stronger than I put it before, but evidently the city seems to think that their requirements are a little more than double the present accommodation. The resolution goes on:

> Owing chiefly to the rent of the present premises having been increased from $75 to $115 a month, the postmaster in like manner has increased the rent for the boxes from 25 to 33 per cent.

There are 1,047 boxes in use in the Post Office, and there are 500 people waiting for boxes; in addition, there are from three to five families using many boxes. I am confident that the minister will admit that that is a case of inadequate accommodation.

Considerable has been said to-day about the growth of the various communities for which votes have been asked. To-day the governor general is laying the corner stone of a new city hall for Trail. That is pretty good evidence of prosperity. The people of Trail by public subscription are preparing for the erection of a $200,000 hotel. That is a little better than some of these Saskatchewan hotels. Within the last two years there have been erected a $100,000 hospital and a $45,000 artificial ice rink; and within the last two months there has been constructed a new $75,000 theatre. This large industrial company at Trail of which I spoke has loaned to its employees $700,000 for the erection of homes. I would like to know if you can get any better evidence of prosperity and progress.

The city of Trail in the past five years has grown beyond all bounds. During that time they have carried on construction work, street paving, a water system and so forth, to the amount of $475,000, and the Canadian Pacific Railway has just completed the construction of a new brick station. I submit to the Minister of Public Works that the Canadian Pacific Railway is not building stations except in places where the requirements of the people demand it. Within the last five years the city of Trail has issued building permits to the value of $1,731,000. I have taken the precaution, Mr. Chairman, to get these figures from the city clerk, so there can be no dispute about them—$1,731,000 in building permits in Trail within the past five years; what better evidence could you have of progress? The company at Trail has also disbursed within the last five years $7,800,000 for construction work. When you consider all these evidences of prosperity, it is difficult to realise how any fair-minded government could hesitate to meet the requirements of the city of Trail.

In addition, the city of Trail pays into the federal exchequer in business and income taxes $1,000,000 a year—$1,000,000 a year from this little city of Trail, for the purpose of building wharves down in Quebec province and public buildings in Saskatchewan. Then we pay into the provincial exchequer $800,000. As a matter of fact, the city of Trail pays in taxes to the federal exchequer three times as much as this parliament votes for public buildings in the entire province of British Columbia. The city of Trail and its industrial plant pay in excess of one per cent of the total freight bill by rail and by water for the entire Dominion.

Now, what is needed is a three-storey building to take care of the postal and customs requirements. The customs collections for the past year amounted to $120,000. That is a pretty good figure for a small community. The post office revenue for 1926-27 was $20,381. Trail post office ranks nineteenth out of the 941 post offices in British Columbia. By way of rent, interest and incidental expenses in connection with the post office and the customs office the government pays the equivalent every year of 5 per cent on $90,000.

Much has been said in behalf of some other communities about their growth of population. Trail's population has increased in the last five years from $5,000 to 8,500. The government post office inspector has reported to the department that in two or three years the population will probably reach 12,000. Just compare this with the vote of $28,000 passed this afternoon for a post office at Rosthern, Saskatchewan, which has only 271 boxes, and it needs another 40. We have 1,047 boxes, and the post office inspector reports that 500 people are waiting for accommodation. The Minister of Public Works justified the Rosthern vote on the ground of lack of accommodation. Then we have the right hon.

Prime Minister (Mr. Mackenzie King) coming from Prince Albert, and Prince Albert is voted $95,000 on the plea that in twenty years its population has grown from 1,785 to 7,500. It didn't take Trail twenty years to wake up; in three years its population increased from 5,000 to 8,500. Then we have an appropriation for Waterloo, Quebec, with a population of 2,000 and a revenue of $7,804. There are several cases of that kind appearing in the estimates while Trail with its much larger population and postal revenue is ignored.

I think it is generally admitted throughout the country that it is unfair for any member or any community to ask for public improvements that are not needed, and I commend the Minister of Public Works for discouraging such applications. But surely this has been about the largest spending program of any government since confederation. We have voted $8,500,000 for Quebec harbour, $6,000,000 to beautify Ottawa, $100,000 last year and another $150,000 this year for Quebec citadel, $100,000 last year and a similar sum this year for Rideau Hall, and $30,000 for a greenhouse. I merely mention those votes by way of comparison with the small sum which is asked for a community that is actually suffering for want of adequate post office facilities.

I have a letter here which I have hesitated to read, because it is rather amusing in view of the huge sums which have been voted. It comes from the hon. Minister of Health (Mr. King), who was formerly in charge of the Department of Public Works. It is his second letter to the Trail board of trade. For some reason or other he seems to have changed his attitude, for which I am very sorry, and I do hope that the present Minister of Public Works will not be influenced by his colleague. He says:

> The Minister of Public Works informs me that it is felt by the government that it is better to continue the reduction of taxation and payments on the national debt,—

Some hon. MEMBERS: Oh, oh.

Mr. ESLING: Yes, it is amusing, and hard to believe in view of about twenty million dollars voted recently. Let me continue:

> —and this can only be done by strict economy and delaying, for the present, any undertakings which, although necessary, are not essential to the carrying on of the public business.

If that is not a joke, I do not know what is, particularly following the budget speech of the Minister of Finance, in which he noted a surplus of $54,000,000 and said that the estimated revenue for the coming year was sufficient to meet the needs of a growing country.

I have dealt with the inadequacy of the accommodation in the buildings at Trail. Now I am going to refer to the urgency for a new building. On October 6—and may I ask hon. members to recall that the general election came on October 29, 1925—the hon. Minister of Health, was at that time Minister of Public Works and distributing such patronage as he could on the eve of the election, purchased in Trail a site for a post office. That is, he did so three weeks before the election, and this is what I wish to impress upon the present Minister of Public Works and my friends on the other side of the house so that they may observe how the former head of the department regarded this matter. The Public Works department, of which, as I say, the present Minister of Health was then the head, sent the following wire to the surveyor:

> Make the survey of these lots with the utmost despatch, as the matter is very urgent.

That was three weeks before the election. If it was so urgent back in 1925, why has it not been urgent enough since to proceed with the construction of the building? But that is not all. The then Minister of Public Works sent another letter in which he says that he is quite familiar with the necessities of the situation, and that he purchased the site with a view to the construction of a building. I am merely giving these facts to impress upon the government, if it is possible, that I am entirely within bounds in urging the construction of this building, not because we want to get at the treasury, but simply because we need the accommodation. There are many days when the men come off shift, line up on the sidewalk waiting to get their mail, and after vainly waiting for half an hour or more they find it useless to remain longer and go home disappointed. Surely that is evidence of the necessity and urgency of better accommodation. Let me quote a letter from the post office inspector who has sent to Trail to investigate conditions. Under date of December 16, 1926, he wrote to the department:

> I would respectfully request that a new building be erected as soon as possible. Three times more floor space required. There are now 1,047 boxes and 500 people are waiting.

He recommended that the new building should contain 2,100 boxes. That is evidence enough of the necessity. I present these facts in the hope that the minister from British Columbia will put aside political prejudice and follow the policy laid down by the Min-

ister of Public Works, and give to a growing community of wage earners the accommodation so urgently needed.

We had another letter which I shall be pleased to read. This one comes from the Minister of Health; it is addressed to myself. He says:

I am thoroughly conversant—

You see, the Minister of Health is aware of the needs of the district. He says he is thoroughly conversant with them.

I am thoroughly conversant with the matters of that district, and it was with a view of giving better accommodation that I recommended the purchase of a property in Trail some time ago,—

He was a little reticent about saying when.

—it being my intention to advocate the erection of a suitable building on the site.

The situation just comes down to this. The Minister of Health is certainly in a peculiar position. He is a member of the cabinet and he cannot go to Trail and say, "I have not recommended your post office", because he has already intimated that the supplementary vote would be considered. It would not be healthy for him to go to Trail.

Mr. KING (Kootenay): I always find it very healthy there.

Mr. ESLING: I may remind the Minister of Health, with all courtesy, that he was out there last autumn and was within an hour's ride of Trail; and yet, curiously enough, he passed by us and went up the lake. He could not go there and say that he had not recommended the vote. The Minister of Health is in fact in a most embarrassing position and a position of humiliation if he says to his colleagues in the cabinet, "I firmly and honestly believe that the vote is necessary and I urge you to provide in the supplementary estimates for a public building in Trail", if that representation is to be disregarded. I should not like to be in the position of a minister of a government who could not receive sufficient attention from his colleagues to meet his wants in a matter of this kind, particularly when, as in this case, the hon. gentleman is the sole cabinet representative of the province of British Columbia. I may say that all we have got in British Columbia from this government is the Minister of Health.

I am now going to conclude these remarks with a courteous request of the Minister of Public Works and the other members of the cabinet. I appeal to them not to disappoint the citizens of Trail in regard to this post office.

I have another letter here—I have saved the best for the last. This letter is dated January 4, 1927, from the Postmaster General, who naturally receives reports from all quarters. Under this date he sends me a letter in which he says:

I have already made representations to the department (Public Works) that the accommodation at present provided at Trail is totally inadequate—

The Postmaster General says that the accommodation provided at Trail is totally inadequate, and it is on that basis that I trust the Minister of Public Works will meet our wishes in this matter. He continues:

—and have urged—

He has not asked them, mind you; he has urged:

—the erection of a suitable public building.

My appeal to the minister and to the government will, I hope, be entertained. I know we are on the wrong side of the fence, but it was not altogether our fault.

Mr. KING (Kootenay): We pretty nearly got you in Trail.

Mr. ESLING: Never mind about Trail. The Minister of Health should not say anything at all in regard to votes. He managed to slip into his seat by a slim 275 votes, and if he is well advised he will slip into the senate at the first opportunity that offers.

Mr. BARBER: I feel sure the post office for Trail will appear in the supplementary estimates. I wish to congratulate the hon. member (Mr. Esling) on the case he has put up and I am sure the minister and the cabinet cannot very well turn down the Trail post office. There is one matter I want to refer to. Anyone who will casually glance over the estimates for public buildings in the province of British Columbia will be struck by this fact, that, outside the city of Vancouver, the amount for new buildings is just $29,000. It is quite apparent that British Columbia has been overlooked. We do not know whether it is because we are so far from the capital—some 3,000 miles distant—or whether it is because of the political complexion of the province. At any rate there is some reason for it. It seems to me that the Trail post office and applications for other public buildings in that province should be considered in the supplementary estimates. As I say, the amount for buildings in British Columbia, outside Vancouver, is $29,000, although we find in the votes the other day the sum of $30,000 allotted to cleaning up a site west of the post office in the city of

Ottawa—$1,000 more than the sum given to the province of British Columbia for public buildings outside of Vancouver. Then we find, coming to Saskatchewan, in Prince Albert, with a population of 7,500 a vote of $95,000 for public buildings this year, making a total of $133,000 for public buildings in the district of Prince Albert.

The minister has said that it is the intention to provide accommodation, in certain towns and cities, sufficient to facilitate the carrying on of the various services. The other day we had a number of items for public buildings, in connection with which the postal revenue ranged from $2,000 up to $6,900, and I find that in the Fraser valley district it is twenty years since we have received a vote for any public building. I have here an application which was made to the government by the Mission City Board of Trade some time ago, directing attention to the fact that a lot had been purchased a number of years ago, in 1911 or 1912 I think, an amount having been voted for the construction of a building. That amount was subsequently revoted, but it disappeared, because of the conditions which existed during the war. Now the government apparently have undertaken to commence a program of construction throughout the Dominion, and certainly the people of these cities and towns in this district expected to receive consideration.

Mission City is the centre of one of our greatest fruit districts; the Minister of Health will bear me out when I say that it is one of the centres of the small fruit district of the Fraser valley, and has developed considerably in the last few years. The post office in that town is housed in a very small frame structure. The postal revenue is given by the Post Office department as $6,669.21, and in addition a rural route is served. A lot has been purchased, and as I have already said appropriations have been voted and revoted; the people of that district feel that they have waited patiently and that they are entitled to some consideration now that the government have commenced to provide buildings in such centres. Many other places with smaller revenues are receiving grants; I might mention the town of Wainwright, which has a postal revenue of about $5,000, and for which we have voted an amount to-night to provide for a public building. I would ask that the government and the minister consider the case of Mission City and see if something cannot be done.

Then there is the town of Abbotsford, which is one of the customs ports of entry. We all know that the customs commission recommended that many inland ports be closed, but it is certain that a port such as Abbotsford must be retained. The Board of Trade of that town took up this matter on July 19 in regard to accommodation for the post office and for the Customs department; they pointed out that three railways meet at that point, namely, the Canadian Pacific Railway, the Great Northern Railway and the British Columbia Electric Railway, and the revenue from customs imports and exports and the postal revenue has greatly increased during recent years. I believe the board of trade have already communicated with the minister in regard to this matter. Last year the customs revenue amounted to about $75,000 and the postal revenue to over $4,000, making a total of almost $80,000. It will be easy to realize the conditions which exist with regard to the Customs department when you consider that they pay only $185 a year for their accommodation, although the revenue amounts to about $75,000. This is a port which will remain; it is just on the border, and is in the centre of a rapidly growing district. This town should receive attention in the very near future, and I would ask the minister to take these facts into consideration. I must say the people in British Columbia are disappointed with the very small vote for public buildings in that province and we hope the government will consider the applications which have been made for public buildings and provide for them in the supplementary estimates.

Mr. NEILL: As a British Columbian I have listened with interest and pride to the description given by the hon. member for West Kootenay of the prosperity which exists in the city of Trail, but that is only one instance which might be duplicated in a score or more of cases throughout British Columbia. I could give examples on a smaller scale of half a dozen towns which have grown very rapidly in the last few years. This growth and prosperity should not be attributed to any one cause but rather to the general conditions which exist in British Columbia, and I am glad that the eastern members have learned that British Columbia is a growing community which needs attention and which requires to have money spent there. The hon. gentleman who has just taken his seat says that only $29,000 is being spent in

British Columbia outside of Vancouver. Of course you can do anything with figures, but as I read them these estimates show that for public buildings in British Columbia we are voting some $243,262.

Some hon. MEMBERS: No.

Mr. BARBER: I said that sum was being spent for the construction of new public buildings outside of Vancouver.

Mr. NEILL: Surely the money for repairs is spent on the buildings.

Mr. BARBER: I was referring to the construction of new buildings.

Mr. NEILL: I am talking about all the buildings, and I do not think it would be a very wise policy to spend money on new buildings and not repair old buildings. I want to emphasize the fact that we are spending $243,262 on public buildings in British Columbia.

Mr. STEVENS: If my hon. friend will permit me, he is looking at the wrong column. The sum of $100,262 represents the appropriation not required, and there is a total of $311,000 provided for British Columbia.

Mr. NEILL: My natural modesty made me place the figure much lower. So we are spending $311,000 on public buildings in British Columbia, and not one cent of that amount is being spent in the district represented by the Minister of Health or in the district represented by myself. Hon. gentlemen opposite talk about the pork barrel in British Columbia but they will notice that the constituency represented by the cabinet minister from British Columbia and the constituency represented by myself are getting no benefits at all. In spite of that fact we find hon. gentlemen opposite getting up and doing the Oliver Twist act and asking for more.

Mr. BARBER: Not one cent is being spent in the district represented by the hon. member for West Kootenay nor in that represented by myself.

Mr. NEILL: At any rate, this amount is being spent in districts represented by Conservatives. Now I want to go back for a moment to the town of Trail and the glowing picture presented by the hon. member for West Kootenay. I do not believe he overdrew that picture, but certainly he dwelt on it with a great wealth of detail, missing only one thing. No doubt inadvertently, he omitted to tell the committee the cause of that prosperity, which was the action of this government some years ago in putting a bounty on copper rods manufactured in that town. As a result of that policy initiated in 1923, just the period to which he refers—

Mr. ESLING: Mr. Chairman—

Mr. NEILL: I have the floor at the present time.

Mr. ESLING: I rise to a point of order. In the first place, the hon. gentleman attributes our prosperity to the bounty which this government paid on copper rods.

Mr. NEILL: The hon. gentleman is making a speech.

Mr. ESLING: There has been no bounty paid on copper rods made in Trail.

Mr. NEILL: The house is in committee, and a point of order is not an opportunity for a speech.

Mr. ESLING: I object to that statement, Mr. Chairman. The hon. gentleman said that our prosperity was due to the bounty on copper rods. I say that that is a misstatement, and moreoever it is a ridiculous statement, because there has been only $270,000 paid by way of bounty on copper rods in the history of this government. Would that make a pay roll of $5,000,000?

Mr. NEILL: Do you wish to rule on the point of order, Mr. Chairman? I think we had better send for a microscope to see if we can find a point of order in his statement. The prosperity of Trail, so we were told in this house by the representative at the time, and his colleagues, was going to be materially increased by that copper rod bounty. It was unfavourably received at that time by many of the members in this house, but it passed and I think it was renewed again last year. If I am not mistaken, the period of the bounty coincides with the period the hon. member mentioned, when he said that in the last five years the population had gone up from 5,000 to 8,000. I think when he was dilating on the growth of prosperity, he should have at least mentioned that fact.

I just want to say, speaking more particularly to the members from British Columbia, that I do not begrudge these votes that are being passed for their districts. I know they are entitled to them, and I know they will be wisely and justly expended. I do not

object to the fact that they are getting $311,000, but I would just suggest to them that, when there is some little wharf vote for the district of Comox-Alberni, in the supplementaries or elsewhere, to develop the trade of fishing or lumbering, they will take the same position I have, and admit that it is necessary for the development of our district and our province.

Mr. BRADY: As the government has renewed the lease on the Prince Rupert post office for five years, I suppose we cannot ask for a new post office, but I would like to point out the condition of our Dominion public building in Prince Rupert.

I would like to draw the attention of the committee to a few points, and I can illustrate what I am going to say by reference to the Prince Rupert post office. On February 13 I asked certain questions of the Postmaster General. Some of the questions I asked him were:

> What is the annual rental paid by the government for its lease of said building?
> When does the present lease expire?
> Has the lease recently been renewed, and if so, on what date?

The answers were as follows: It was leased for five years; rented on June 1, 1927, to terminate June 1, 1932, at a rental of $6,540. I also asked who recommended the renewal of the lease, and the answer given was:

> The various departments interested.

I endeavoured to find out who were the parties interested. I found that it was not the citizens of Prince Rupert as a body; it was not the board of trade representing the city of Prince Rupert, but it was confined to a very small section, and that section, undoubtedly, does not hold the views of the people of the city. I will leave it to the hon. members of this committee to know who recommended the renewal of that lease.

I wish to read a letter from the Prince Rupert board of trade, asking this government to do something towards meeting the requirements of that city. The letter is as follows:

> That as the building now leased at Prince Rupert for federal offices, such as customs, post office, government telegraphs, marine and fisheries, harbour master, excise department, Indian agent, etc., is hopelessly lacking in accommodation and is badly arranged, poorly ventilated and altogether unsuited for the occupancy of the Dominion government offices in this city; and as the rentals paid for these offices are sufficient to justify and provide for the erection of a suitable federal building upon the government's own property situate in a more central and convenient location: therefore, that representation should be made to the Dominion government, urging the immediate erection of a federal building in Prince Rupert, in keeping with the requirements of the city, and that the lease of the building now used be not renewed, except for such period as may be necessary for the completion of the new building.

I am now going back to the hon. Minister of Public Works, and will refer to his own statement, given in answer to one of the hon. members from the prairie provinces, as to why Saskatoon was given a vote of $150,000. The answer was not satisfactory to me, because it was not based, I thought, upon sound reason. Here is what the minister said:

> The reason why this vote was given to Saskatoon was on account of the increased trade and revenue.

And then, later on:

> Twenty years ago the revenue was $19,711, and in 1927 it was $280,943.

If that is the basis upon which the Minister of Public Works based this vote, I should like to draw his attention to the post office in Prince Rupert and give figures which may convince the committee that things are not dealt with in accordance with the facts. Here are the figures:

Fiscal Year	Customs Revenue
1922-23	$369,901 95
1923-24	481,431 08
1924-25	327,844 78
1925-26	491,451 04
1926-27	430,641 89

The average customs revenue for five years amounted to $420,317.69. Added to that, we find that the post office revenue for last year was $32,047.

We find that Vancouver is the first customs port in British Columbia; Victoria is the second; New Westminster the third; and Prince Rupert the fourth. In other words, Prince Rupert ranks fourth in the collection of revenue, and it ranks third in its shipping in and out of the port. In 1926-27, 2,278 seagoing vessels arrived at that port; and 2,428 departed; 4,786 coasting and inland vessels arrived, and 4,757 departed.

I wish to draw attention to this fact. The Minister of Public Works has explained how these items are put into the main and supplementary estimates. He tells us that the treasury board and later the cabinet decide exactly what items shall be retained, what shall be omitted and what shall be added. Consequently I am not going to blame the Minister of Public Works. But let me tell him and the committee a few facts regarding Prince Rupert post office. It was originally a gymnasium for the young men belonging to a local society. It never was and never has

been intended for a public building. Furthermore it is unhygienic; secondly, it is hopelessly inadequate for the large amount of work that is carried on therein, and, thirdly, it is not in the centre of the city. It was placed in its present position—and I am sorry to say this in the house where men are supposed to be above common politics—for the good not of the city but of the member at that time. It is completely out of the way, on a side street; it is not meeting the requirements of the city trade and it is so hopelessly inadequate for the amount of work that is being carried on that last Christmas the postmaster issued a public notice begging the people to come to his aid in order to enable him and his staff to cope with the heavy amount of work. The condition of affairs last Christmas can be described as confusion and chaos. Christmas letters and Christmas parcels could not be delivered as they should. The staff was not to blame. Mail to the outlying islands did not reach their destination; in the hurry, excitement and hubbub where hundreds of thousands of letters were going into that wretched place, mail to the islands was often sent to wrong places. This information I had from people who have written to me.

I wish to say just this, because I believe it is for the good of all. These Dominion buildings are as important as parliament buildings, the reason being that in these federal buildings we carry on our customs and excise and other important business. They stand as the external proof of law and order and in our cities where federal work is being carried on, the buildings should teach the people that in them things are being conducted in a law abiding manner, meeting every requirement of public life. Surely a filthy, unsightly, wretched building is by no means in keeping with the work which a federal government should carry on. Second, the principles under which our Dominion buildings should be erected should not be actuated by political exigencies. They should be based on a sound and definite principle. Are they really needful? What requirements are to be met? If necessity be the basis on which public buildings should be erected and if the minister here to-night is able to tell us that Saskatoon is entitled to $150,000, merely because of a slight increase in its revenue, then I say that as intelligent people we have good reason to object to certain of these votes.

Therefore I say on behalf of the people of British Columbia and, indeed, every other province of Canada that the hour has come when any government in power should place its public works department completely out of the control of politics; there should be nothing of politics in it. Why should a former member of parliament be the final judge whether this or that building should be erected? Why should I have to come here and plead for something which it should be the duty of the Minister of Public Works to know is required? He has the machinery; he has his federal engineers in his own department to give him the facts. We waste endless time in connection with these matters and we get nowhere. I know what I say now will not get me a post office because there is a five-year lease in existence; but even if there were no five-year lease I do not believe my words would enable me to succeed in getting what I want. Nevertheless I know as well as I stand here that if the Minister of Public Works, the Prime Minister or any other member of the cabinet went and looked at that building, he would admit that it is unfit, not merely for carrying on federal work but for any man or woman to spend six or eight long hours therein.

For fifteen years I was presiding examiner for the Civil Service Commission. It was my duty to supervise the examinations and I shall never forget the comic-tragedy of the examination papers sent out by the Civil Service Commission for applicants for positions of janitors in the post office. I am sorry I have not a copy of these papers under my hand but I can get one. These unfortunate people, whose hours were spent in nothing more than a stable, with poor ventilation. with doors that would not open properly on their hinges, with a roof that could be blown off by an ordinary wind, were asked questions such as these. What method would you adopt in order to ventilate a post office? What are the various hygienic things that are essential for the cleansing and keeping in proper order of a Post office building? I sat down myself while three of those unfortunates were scratching their heads, wondering, and I said to myself: If these men get five per cent out of a hundred they are better men than I am. I am afraid they did not get that five per cent. I have just a simple question to ask. Are we to continue carrying along on the same old lines of tit for tat? Is it because in the past something was done, we shall do the same? Or is it possible, when we come to the important question of deciding how the money of this country shall be spent on public works, that they shall be spent where the money is needed, where it will do the most good and bring the greatest return?

Mr. FRASER: I am going to ask the Minister of Public Works some very pertinent questions along the same lines as my hon. friends have been asking. I note in the Auditor General's report under the British Columbia item which we are now considering, an item "Ashcroft public buildings". Is there in the item we are now considering an amount to provide for the brick veneering of the Ashcroft public building?

Mr. ELLIOTT: The Ashcroft public building is not included in the item that is now before the committee.

Mr. FRASER: Let me explain the situation as it was laid before me when I was on my way to Ottawa last January. This is a very good public building erected about eight or nine years ago. The building, however, was not completed. It was to have been brick veneered following its occupancy, but it has been occupied now for eight or nine years and no attempt has been made to veneer the building. The result is that the department is paying a good deal more than is necessary for the heating of the building in the winter time on account of the extra amount of fuel that is required, and in the summer the employees are hardly able to live in the place on account of the heat. As the minister knows, the temperature runs very high in Ashcroft in the summer, and the building is not sufficiently complete to make it habitable either in winter or in summer. I would ask the minister to look into the matter at the earliest possible opportunity and see that the building is completed so as to make it reasonably comfortable for the employees.

Mr. ELLIOTT: I am very glad to assure my hon. friend that what he has just mentioned will receive consideration. I would also like to point out that out of the general vote for public buildings in Canada last year, $725 was expended on the public building in Ashcroft for general repairs.

Mr. FRASER: That was in 1927?

Mr. ELLIOTT: In 1927-28.

Mr. FRASER: Are you going to spend more money out of that vote this year to finish that building?

Mr. ELLIOTT: I have not the data here of the general vote. We have not come to that yet.

Mr. FRASER: We can discuss it when we come to it.

Mr. ELLIOTT: When we come to the vote I shall have the details of how the money will be expended, and I have no doubt that Ashcroft will receive its fair proportion of the general expenditure for the province the same as it did last year.

Mr. FRASER: That was for the ordinary upkeep; it was not for veneering the building.

Mr. ELLIOTT: For general repairs.

Mr. FRASER: That is what I said. It was not for brick veneering the building. I want to ask a question in regard to the city of Kamloops, I find according to page V-66 of the Auditor General's report that you have two buildings in the city of Kamloops, Kamloops public building and the old Kamloops post office.

Mr. ELLIOTT: A new and a temporary building.

Mr. FRASER: But they are both used by different departments of the government. I find here an expenditure of $950 for coal for these two buildings. Can the minister tell me what was spent during 1927-28?

Mr. ELLIOTT: I have not that information with me, but I shall be glad to get it for my hon. friend, if he wishes it.

Mr. FRASER: I should like to have it.

Mr. ELLIOTT: I see that $245.50 was spent on Kamloops post office, and $444.75 on what I take to be the temporary post office, in the Fremont block.

Mr. FRASER: But that was for the general upkeep of the building. The information I want to get is what amount of coal was used for these buildings during 1927-28, from whom it was purchased, and whether tenders were called for.

Mr. ELLIOTT: I think my hon. friend can rely upon it that tenders were called for. As he readily understands, I do not carry in my head all the details, but I shall be glad to get that information for my hon. friend.

Mr. FRASER: I want to take up another question. For the last three years I have been asking for the construction of a post office building in the city of Prince George. Unfortunately I cannot go back twenty years to show the comparative revenues of the city, because twenty years ago the city was not in existence at all, but according to the latest report of the Post Office department the postal revenue of the city of Prince George is $11,522. I would like to ask if representations have been made to the minister for the construction of a new public building in the city of Prince George.

Mr. ELLIOTT: I have not the list in front of me now, but I have no doubt that Prince George is in the list of 150 places for which applications have been made for public buildings. I think my hon. friend was referring a moment ago to the two post offices in Kamloops.

Mr. FRASER: Two public buildings.

Mr. ELLIOTT: One is referred to as new, and my information is that that is a building that was built in my hon. friend's constituency a few years ago at a cost of $78,000.

Mr. FRASER: Quite so; it was built in 1922.

Mr. ELLIOTT: I shall be glad to get the particulars of how much coal was used.

Mr. FRASER: And you are still using the old building that was in use before the new one was constructed. It was used by some of the departments, either the Department of the Interior or the Department of Customs, I think. Will the minister give me information in regard to the representations that have been made to him for a public building in Prince George. I think promises have been made to Prince George in regard to the construction of a new post office.

Mr. ELLIOTT: I do not think my hon. friend will suggest that any promises have been made by me.

Mr. FRASER: By the department for which the minister is responsible.

Mr. ELLIOTT: I do not think so.

Mr. FRASER: Has the minister any information in regard to the situation in Salmon Arm?

Mr. ELLIOTT: What situation? I do not recall that we have a public building in Salmon Arm.

Mr. FRASER: There is no public building there, but representations have been made, I understand to the government, for a public building.

Mr. ELLIOTT: I have no doubt that is right.

Mr. FRASER: What representations have been made to the minister in that regard?

Mr. ELLIOTT: I do not carry them in my head, but I am satisfied that the same prosperity that has been spoken of by my hon. friend from West Kootenay and my hon. friend from Comox Alberni and my hon. friend from Skeena exists also in Salmon Arm, as it does throughout practically the whole country. From all parts of Canada we are hearing of the wonderful prosperity that exists and the progress that is taking place under the excellent administration of the present government, and nearly all these places are asking for public buildings if they have not received one in recent years.

Mr. GEARY: I wonder if the minister might be induced to confine himself to discussing the item under consideration.

Mr. FRASER: That is all very fine for the minister, but I want to tell him the position that I am in. I come to parliament and sit here for four or five months, and twenty minutes is all the time I have in which to get information from the minister in regard to these things, and when I ask him for it he tells me that he has not the information. This is the only opportunity I have to get the information. Now, what answer am I to get from the minister?

Mr. ELLIOTT: I would just like to ask my hon. friend, because I think he wants to be fair, if he has been here the length of time he says he has, and with the excellent ability which we all know he possesses, does he think he has been using it to the best advantage to come here and ask me what representations have been made in regard to a place that is not mentioned at all in any of the votes we are considering? Does he think that is quite fair?

Mr. FRASER: Where else am I to get the information?

Mr. ELLIOTT: Surely my hon. friend knows where to get it. He might follow the example of my hon. friend from South Essex (Mr. Gott) or some other hon. gentlemen on his side. There is an order paper—

Mr. GOTT: I should like to explain—

Mr. ELLIOTT: Questions are put on the order paper, and they have not been few so far as some sections have been concerned. He would get the information just as my hon. friend from South Essex has got it—I think the day after it was asked for.

Mr. GOTT: I should like to tell the minister why the member for South Essex had to put so many questions on the order paper.

Some hon. MEMBERS: Order.

Mr. GOTT: I hope it is not out of order to furnish information. The reason is that the man who holds the patronage in South Essex is so egotistical and self-centred that the good Liberals of the riding cannot get any information from him.

Mr. FRASER: I thought I was going to the proper place to get this information.

Mr. ELLIOTT: I shall be very glad to make a note of my hon. friend's request.

Mr. FRASER: Of course, when I put my question I thought the minister still had the list of places that were asking for post offices. I believe that my three points are on that list, and the minister has not got it. When can I have it?

Mr. ELLIOTT: It is right on the desk in front of him. I sent it over to the hon. member for North Simcoe (Mr. Boys).

Mr. BOYS: I may say to the minster that I have not had time to digest the list.

Mr. FRASER: There are three points, and they are all in exactly the same position as my hon. friend from British Columbia said.

Mr. ELLIOTT: I believe Salmon Arm is on that list.

Mr. FRASER: "Merritt public building, Salmon Arm public building." But the Prince George one is not on this list.

Mr. STEVENS: It got lost in the shuffle.

Mr. FRASER: I put some questions on the order paper a year ago about the Prince George building, and I know there has been a requisition for it. But here we have $45,000 for the city of Merritt. Its position is a little different from the other two that I have been speaking about. They are both in need of public buildings, especially Salmon Arm. Last March I placed a question on the order paper asking for the following information with regard to Merritt public buildings:

1. Did the government in 1911 purchase a double corner in the town of Merrit, B.C., for the purpose of erecting thereon a public building?

The answer was:

1. No, but a site on the northeast corner of Granite evenue and Voight street was purchased in 1913.

My second question was as follows:

2. Did the government in 1911, or subsequently, appropriate the sum of $24,000 for the construction of said building?

To which the minister answered:

2. No, but appropriations were granted as follows:

1911-12..	$ 5,000
1912-13..	10,000
1913-14..	20,000
1914-15..	25,000
1915-16..	25,000
1916-17..	25,000

We have heard a good deal about some of these appropriations being dropped from the order paper. I would point out that this building was considered necessary some twelve or fifteen years ago. The board of trade of Merritt has made representations for this new building. After waiting since 1911 I should think it was pretty nearly time that the government took into serious consideration the question of providing the town of Merritt with a suitable public building.

Item agreed to.

Vancouver—public building—amount required to meet one year's interest at 5 per cent on mortgage of $400,000—$20,000.

Mr. GARLAND (Bow River): Is this a mortgage on which the government is paying 5 per cent?

Mr. ELLIOTT: This building when purchased was known as the Winch building. It was situated on the northeast corner of Hastings street west and Howe street, and was purchased from A. J. Buttimer, of Vancouver, for $700,000, the old post office building on the southwest corner of Granville and Pender streets being taken as part payment at a valuation of $300,000. The remaining $400,000 is held by the Montreal Trust Company as a mortgage on the building, and this the government took over and is paying interest at the rate of 5 per cent specified in the mortgage. The $20,000 is required to meet one year's interest.

Mr. GARDINER: When is the mortgage due?

Mr. ELLIOTT: The mortgage is for five years from July 1, 1925, to June 29, 1930.

Mr. GARLAND (Bow River): No doubt there is a clause in the mortgage permitting payment of the principal two or three years after the date of purchase.

Mr. ELLIOTT: No.

Mr. GARLAND (Bow River): Would it not be wise to borrow some of the money that the Minister of Finance can raise so easily at a low rate and pay off this mortgage?

Mr. ELLIOTT: It might be advisable.

Mr. GARLAND (Bow River): Why has it not been done?

Mr. ELLIOTT: I want to be sure that it can be done. Not all mortgages contain the clause to which my hon. friend refers. I shall

be glad to look into it, and if something along that line can be done I will suggest to the Minister of Finance that he furnish the money to discharge the mortgage.

Mr. CAMPBELL: Probably that is covered by provincial legislation, as in the province of Saskatchewan.

Mr. STEVENS: No, not in British Columbia.

Item agreed to.

Vancouver—public building—addition to site, $150,000.

Mr. STEVENS: Is this site being secured by expropriation; and is it the corner immediately adjoining the main post office?

Mr. ELLIOTT: It adjoins the main post office. Of course, like any other site, it can be acquired by expropriation.

Mr. STEVENS: What is the price to be paid?

Mr. ELLIOTT: There were some negotiations early in the summer, and when I was west last fall I looked the site over. The owners were asking about the prices that we have in the estimates. It looked to me a good price. It is unoccupied property, as I recall.

Mr. STEVENS: Is it to be acquired for the extension of the post office facilities?

Mr. ELLIOTT: Yes, and for other public services, if we acquire the property. I think a tentative contract might have been entered into before this had it not been that after negotiations had been in progress for a certain length of time someone attempted to get an option on the property. The owners do not seem to be anxious to sell now at the $150,000.

Mr. STEVENS: It is a very reasonable price if you can get the property.

Mr. ELLIOTT: I thought so. I think it is a good price, and personally I would not feel like paying any more.

Item agreed to.

Douglas—site and building for immigration and customs excise purposes, $25,000.

Mr. McQUARRIE: Does the minister think this will provide sufficient accommodation at this point? The minister knows where this building will be on the new Pacific highway. It is one of the main ports of entry in British Columbia and very considerable motor traffic is handled there. It seems to me this is a rather small item. While the government is thinking about the matter it should provide ample accommodation at this particular point.

Mr. ELLIOTT: This will not cover the full expenditure by the time the work is through; it will probably run to about $40,000. We have to expropriate about fifteen acres. The point in question is on the international highway—

Mr. McQUARRIE: The Pacific highway.

Mr. ELLIOTT: —at a strategic point on the new Pacific highway. There has been a great increase in traffic, particularly, motor traffic, over the highway which has rendered it necessary for the departments of Immigration and National Revenue to provide accommodation for the examination of persons and baggage entering or leaving Canada. It is proposed to erect a frame building for the general use of these departments, at a cost estimated at between $40,000 and $43,000, depending upon the class of structure. The details have not been completed as to exactly what class of structure will be erected. It will also be necessary to procure fifteen acres of land from the Department of Indian Affairs owing to the fact that the highway will have to be diverted at this point.

Mr. McQUARRIE: This is not on the Pacific highway; it is on the new Pacific highway.

Mr. ELLIOTT: New Pacific highway, I said.

Mr. McQUARRIE: Has the minister received any suggestions as to improvements required there?

Mr. ELLIOTT: I have no note of any.

Mr. McQUARRIE: I know the point very well and I know that automobile traffic there is very heavy, indeed much heavier than it is at the other point covered by the item. It seems to me the accommodation is quite inadequate and something should be done to improve conditions. The department has had the matter in hand, but I do not think it has been taken up at all seriously so as to meet the requirements.

Mr. LADNER: Are these expenditures, the details of which the minister has given, in connection with buildings at the new customs point where there stands the monument put up by the Honourable Sam Hill—

Mr. STEVENS: The peace arch.

Mr. LADNER: Yes, the peace arch put up by Sam Hill.

Mr. ELLIOTT: Yes, that is the location.

Mr. LADNER: I support the views of my hon. friend (Mr. McQuarrie) as to the extent of the traffic on the road to which he has referred. There will always be a very considerable traffic there. I commend the minister on his undertaking the construction of buildings at or near the peace arch; it is the natural location. The condition on the Pacific highway—and the same remark might be applied to the other—is such that during rainy weather there are not many points where there is such an enormous traffic as there is just there. The traffic is lined up for a mile or so and there is great congestion. A great many conveniences are lacking, such as sheds into which cars might go; and even toilets and washrooms are needed. I suggest to the minister and his deputy that this is something that should receive consideration. I understand that requests have been made in this connection but have not yet been attended to.

Mr. McQUARRIE: Before we leave British Columbia buildings, may I ask the minister whether there has not been a recommendation for an addition to the New Westminster post office. I believe the minister was in New Westminster not long ago when he looked over the situation. The floor space is altogether inadequate, as there has been a large increase in the amount of business in that office. Besides taking care of the postal business of the city, the office is a distributing centre for a large district and at the present time it is almost impossible for it to carry on business in a satisfactory way. I know the minister has heard this story a good many times in connection with other places, but it does seem to me that New Westminster should be attended to, particularly in view of the fact that the Post Office department, as I believe, has recommended that this addition is urgently and immediately required. The Postmaster General visited New Westminster himself not long ago, and if the Minister of Public Works would confer with him I am sure he would be told that this is really a case of urgent necessity.

Mr. ELLIOTT: An application is on our list for an addition to the New Westminster building, the addition to cost $80,000. It is quite in line with a number of other places that have made a similar request.

Mr. McQUARRIE: I believe it has been recommended by the Post Office department to the Department of Public Works—

Mr. ELLIOTT: I have no doubt that is correct.

Mr. McQUARRIE: —for immediate construction.

Mr. ELLIOTT: A large number of places have been recommended for consideration. I agree with my hon. friends in regard to the traffic. Our records show that for the year ended July 31, 1927, something over 850,000 persons crossed the boundary at this point. That means between two and three thousand persons a day.

Mr. LADNER: In the course of time a good deal of that traffic will go by the peace arch.

Mr. ELLIOTT: Yes.

Mr. LADNER: There is a new road being built in that direction. The government has taken the right course in making these improvements, but it should not forget the other, because at present there is great inconvenience to tourists from California, Washington and Oregon, travelling north and south.

Mr. ELLIOTT: There is a greater accommodation for the travelling public at this point.

Item agreed to.

Generally

Experimental farms — replacements, repairs, improvements, etc., $100,000; Flags for Dominion public buildings, $5,000; Installation of fuel saving devices, $10,000; Military buildings—repairs, fittings, alterations and additions, $50,000; Military hospitals—repairs and improvements, $79,000; Public buildings—generally, $45,000.

Mr. TOLMIE: As there will not be another opportunity to refer to experimental farms I should like to again call the attention of the government to the importance of establishing an experimental farm in that great empire, northern British Columbia, a section of country very rich in natural resources, ideal for the production of live stock, excellent for dairying and good for all kinds of general farming. When I had the honour of occupying the position of Minister of Agriculture a favourable report was made by some of the experts of the department with regard to the necessity of placing an experimental farm in that section. With such a farm it would be possible to demonstrate quite clearly both to prospective settlers and to those already on the ground the opportunities of that great region, and in addition it would be a good point from which to carry on the distribution of live stock of improved quality. This is particularly necessary now because of the fact

that the distribution of pure-bred sires, which was carried on for a number of years, has been suspended, and I sincerely hope the government will keep that section of the country in mind. I have travelled over a good part of it and can speak from experience. The prospects there are excellent indeed, and with a little encouragement and by opening up the country excellent results will be obtained.

Having brought this matter to the attention of the government, before taking my seat I would like to say one word about the prosperity of British Columbia in the line of mining, and to what that prosperity may be attributed. In the first place, we cannot mine without ore; certainly the ore was not placed in the ground by any Liberal government but by the Creator, and we who live in British Columbia are very thankful that it is there. For a long time a good deal of this ore, which was low grade, could not be mined successfully and put through the various processes of refining at a profit, but the oil flotation system was discovered only a few years ago and this put an end to that trouble. The big Sullivan mine, located in the Crowsnest region, was offered for sale to a prominent mining man in that country for $10,000 and he would not look at it. To-day that mine is turning out 4,000 tons of ore a day; it is being worked at a splendid profit and is one of the chief sources of supply for the smelters at Trail. That is also true of many other sections of the country; old mines which were abandoned years ago before the discovery of the present system of refining are now being opened up and are becoming quite prosperous. This prosperity extends over practically the entire province; it is not due to any Liberal administration but rather to the discovery of the ore and the methods through the use of which it is now possible to refine these ores at a profit.

Mr. BROWN: Would the hon. member suggest that we cancel the bounty on copper rods?

Mr. TOLMIE: I said all I wanted to say when I was on my feet; I do not propose to receive any suggestions from my hon. friend.

Mr. BRADY: I would like to direct just one word to the Minister of Agriculture. The experimental farm for central and northern British Columbia which has been advocated by the hon. member for Victoria is really something which should appeal to the house at this time when the question of immigration is so much discussed and when solutions are being sought for the difficulties which have arisen in agriculture and dairying throughout Canada. Central and northern British Columbia, as you all know, is an immense empire in itself, and never has had the privileges or the opportunities which other more fortunate parts of British Columbia have enjoyed in the matter of experimental farms. If the government really believe in the efficacy of experimental farms, which I believe they do, and knowing as they do the impetus given all branches of agriculture by the establishment of these farms, surely they should extend that system to northern and central British Columbia. The people of that great area have wonderful opportunities but they lack the scientific requirements which are essential in these modern days. I do not think anyone should have to direct the attention of the government to a matter of such importance. The Irish Free State—and I do not know why I bring this up, except that I read it lately—are adopting a splendid, up-to-date and progressive agricultural policy. Denmark is doing the same thing, realizing that the one way to keep their young men on the farms is to give them that scientific training and education in agricultural and dairying activities which is really essential. Therefore I trust that this government will seriously consider the advisability of adding to their existing experimental farms throughout Canada one more farm in this wonderful area, which will prove of great benefit in developing agricultural and dairying activities in a part of British Columbia admirably adapted for these industries.

Mr. GARLAND (Bow River): Will the Minister of Public Works explain the items of this expenditure? What is it all about?

Mr. ELLIOTT: As my hon. friend can see from the estimates, a similar amount was voted last year. This is required for replacements, improvements, alterations, repairs and so on in connection with the several experimental farms and stations throughout the Dominion, requested by the Deputy Minister of the Department of Agriculture in a letter dated November 30, 1927.

Mr. GARLAND (Bow River): Does this include any new buildings?

Mr. ELLIOTT: I see nothing here which leads me to believe that it includes new buildings.

Mr. GARLAND (Bow River): Can the minister give me the amount which will be expended on each farm?

Mr. ELLIOTT: Yes: Central Experimental Farm, Ottawa, $38,030; branch farms, $61,970. Those are the only two items.

Mr. BOYS: The other night when these estimates were under consideration I asked

the minister if he could supply a list of the applications for public buildings throughout Canada, and he was kind enough to say that he could. To-night that list has been handed to me; I have it here, and I observe that the total number of buildings requested is 150, with a total estimated cost of $12,700,000. I understand that this list shows all the applications which have been under consideration, but which up to the present have not been granted by the department; they are still pending, but will not be granted this year.

Mr. ELLIOTT: I would not say that; it may be that some will be included in the supplementary estimates.

Mr. BOYS: Then I will say that most of them will not be granted this year, and at all events the supplementaries will show which of these items are taken care of.

Mr. ELLIOTT: Perhaps if my hon. friend would permit me, we might refer back to the item which was allowed to stand until this information was furnished.

Mr. BOYS: After we get through with this resolution?

Mr. ELLIOTT: Whatever meets the convenience of my hon. friend.

Mr. BOYS: I would like to say what I have in mind first. I want to make some remarks with regard to this matter, but I am not in a position to do so to-night; I wish first to obtain some further information.

Mr. ELLIOTT: My hon. friend may not think that that list was prepared very hurriedly, but it was. In view of the returns in various branches which we have found it necessary to prepare, in the last couple of days, to say nothing of the preparation of the supplementary estimates, we perhaps have not been able to give it the necessary time. I have not looked over it very carefully myself, but that is tentatively a list that I would say is fairly accurate.

Mr. BOYS: You might put "E. & O.E." on the bottom of it, and make it all right. I notice that there are some items which are not even carried out. I was not after an accurate list; I simply wanted a general statement which would give some indication of the situation. It is fairly long, and I am quite sure it would be interesting to many members in the house. I suppose it would take twenty or thirty minutes to read it, and if there is no objection I would ask that I might hand it in and let it be printed. If we do that we save the time of the committee, and the information would then appear in Hansard.

Mr. ELLIOTT: That is quite agreeable to me, but I should like to have the opportunity of going over it again before it is printed. I thought my hon. friend would want to refer to it to-night while the estimates were under consideration. I should like to go over it with my hon. friend before that is done.

Mr. BOYS: Perhaps at this juncture I had better hand it back to the minister to give him an opportunity of checking it.

Mr. ELLIOTT: If the hon. member has any remarks to make I should be glad to have them now.

Mr. BOYS: I did not expect to get the list to-night, and I have not the information that I would need to make the remarks. I would prefer to give it back, and have it checked over and corrected. Then, at a later date I can read it if necessary, or have it put on Hansard.

Mr. ELLIOTT: My hon. friend can keep it for his own purposes, and I will use the copy.

Mr. FRASER: Let me clear up one question. I notice there is an item in this list for the city of Salmon Arm, covering a building for the forestry branch, Department of the Interior, $6,500. Do I understand from the minister that that is the only item there is for the city of Salmon Arm? I understand that there is a requisition in the department for a public building for general purposes. The idea I gathered in the city of Salmon Arm was that they were going to use the one building for postal, customs and fisheries purposes, as well as for the Department of the Interior.

Mr. ELLIOTT: I cannot give you the details, but the amount of $6,500 cannot be intended to cover any other service of any great extent.

Mr. FRASER: Your interpretation of it would be that it would only cover the Department of the Interior?

Mr. ELLIOTT: It would look that way to me.

Item agreed to.

Flags for Dominion public buildings, $5,000.

Mr. COOTE: Will these be Canadian flags?

Mr. ELLIOTT: Is my hon. friend serious?

Mr. COOTE: We heard something a year or two ago about establishing a distinctly Canadian flag. I wonder whether any progress is being made on that, and if we are going to have a Canadian flag.

Mr. ELLIOTT: The flags referred to here will be union jacks.

Mr. COOTE: Is the government considering the adoption of a new Canadian flag?

Some hon. MEMBERS: No.

Item agreed to.

Installation of fuel saving devices, $10,000.

Mr. CANTLEY: What type of fuel-saving devices are these, and where are they to be installed?

Mr. ELLIOTT: It is what is called the Burnhall fuel-saving device. It is a Canadian product, made in the town of Peterborough. I am advised by the officials of the department, who have made a study of it, that it has given good satisfaction, and has made a very substantial saving. I have a statement here which might be of interest to the house, made by, I think, a former member of this house for the county of Wentworth. This letter was written on March 10, 1924, and is in the way of a testimonial. It rather appealed to the department, because I see that they have it here in the data that has been supplied to me. It reads as follows:

I have your bill for the two Burnhall fuel savers, and enclose herewith cheque for the amount.

These have given us the utmost satisfaction. Our furnace man, who is a very reliable young man, assures us that there is a saving of approximately 25 per cent in the amount of coal used and we are satisfied that, with whatever amount of coal he uses, the house is kept at from three to five degrees warmer. He tells us that the thermometer on the furnace shows continually from ten to fifteen degrees greater heat in the water.

I note that you guarantee this device for ten years, and that it will never be too much trouble for your engineer to call and explain anything, or to fix anything that might by any chance go wrong, which seems impossible, as the device is very simple.

That letter was signed by Mr. E. D. Smith, of Winona. I think it is a good device and a good investment.

Mr. CANTLEY: Will the minister tell us what kind of fuel this device burns?

Mr. ELLIOTT: Ordinary soft coal.

Mr. CANTLEY: Soft coal screenings?

Mr. ELLIOTT: Lump coal.

[Mr. Elliott.]

Mr. CANTLEY: At what points are you going to install it?

Mr. ELLIOTT: I could give you, in a general way, the buildings in which we have installed it for a number of years. In 1922-23 we installed it at Barrie, Belleville, Brockville, Cobourg, Guelph, Lakefield, Lindsay, Milverton, Newmarket, and several other places. In 1923-24 we installed it at Montreal, a number of buildings in Ottawa, Aylmer, Amherstburg, Aurora, Bracebridge, Bowmanville, Carleton Place, Chatham, Deseronto, and so on. In 1924-25, at Hull, Ottawa experimental farm, in a number of buildings, St. Catharines, Niagara Falls, Bridgeburg, Dundas, Paris, Burford, Simcoe, Elmira, Elora, and so on.

Mr. CANTLEY: I understand from the minister that it is purely a device for heating buildings?

Mr. ELLIOTT: Yes.

Mr. CANTLEY: Is it an American or a Canadian invention?

Mr. ELLIOTT: Canadian.

Mr. McQUARRIE: Has the minister made any experiments in connection with smoke-consuming devices? This city of Ottawa is a very dirty city so far as the atmosphere is concerned, and it would seem advisable, when we are talking about the beautification of the city, that the government, with all the buildings that it has here, should endeavour to do something in the way of taking care of the smoke from the various chimneys. Is anything being done along that line?

Mr. ELLIOTT: We have what are known as automatic stokers in a number of our largest buildings. They are smoke consumers, more or less; that is, they eliminate a good deal of the smoke.

Mr. GARLAND (Bow River): I may be able to offer to the Minister of Public Works a suggestion that will enable him to get rid of the smoke nuisance of which my hon. friend speaks. If the government would take advantage of the excellent rate on coal from Alberta to Ottawa and use that coal in their public buildings, they would have very little, if any, smoke or soot. They would also be doing a very patriotic act in that they would be helping to get a market for Alberta coal definitely established, at least in Ottawa.

Mr. CANTLEY: I can give the minister a very much better suggestion, namely, that he should use Nova Scotia coke and then he would have no smoke at all.

Mr. ELLIOTT: I know my hon. friend will be glad to hear that we are using it.

Mr. CANTLEY: I hope the minister will extend the use of it.

Mr. GARDINER: What is the cost of these fuel savers?

Mr. ELLIOTT: They vary according to the size of the building. The prices generally are as follows:

Barrie	$342
Belleville	346
Brockville	489
Lindsay	575
Milverton	375
Peterborough	285
Trenton	293

Item agreed to.

Public buildings generally, $45,000.

Mr. EVANS: Before six o'clock I was promised an opportunity under this item of bringing before the minister the question of the urgency of a public building in the town of Biggar. I was assured last year that it would have very sympathetic consideration and the Postmaster General went so far as to get a report. I was in hopes that this year, owing to the urgency of the case, an item for the erection of this building would be included in the estimates. A post office official in Saskatoon assured me that there was no other place he knew of where there was such urgency as in Biggar for the erection of a public building. Biggar is a growing town with a population now of nearly 3,000, and it is almost impossible to rent a suitable building. It is a railway centre with the two main lines of the Canadian Pacific and the Canadian National and also lines running north and south. It is a divisional point and the railways have established repair shops there. Comparing the revenue from this office with the revenues of other places where the government have considered it necessary to make appropriations for the erection of public buildings, I find the figures are as follows:

Town	Revenue
Tisdale	$6,957
Durham	5,683
Rockland	2,412
Wainwright	5,957

The post office alone at Biggar has a revenue of nearly $9,000. This shows the importance of the place. It commands a wide district.

Mr. ELLIOTT: What has been the increase in population, say in the last ten years, or has there been any?

Mr. EVANS: I do not know what the increase has been, but the population at present is upwards of 2,800. I want to impress upon the minister who, I believe, knows something of the district himself—

Mr. ELLIOTT: I know it well.

Mr. EVANS: —that it is impossible to rent a suitable building. There is not room even for the boxes that are needed and the fire hazard is tremendous. I hope the government will see fit to increase the supplementatry estimates sufficiently to include an item for a public building in Biggar because it is an urgent case.

Mr. SHORT: The other day when the minister was putting through his items for New Brunswick a considerable discussion took place and the matter was left over. He said that we could discuss public buildings generally when this item came up. You can talk all day about public buildings in the west, in Saskatchewan, Manitoba, Alberta, British Columbia—

Mr. ELLIOTT: May I interrupt my hon. friend for a moment? He is referring to St. Stephen?

Mr. SHORT: Yes, but the minister said that when this item came up we could discuss public buildings generally; that we could take in the whole country.

Mr. ELLIOTT: Unfortunately my hon. friends did not accept the suggestion and the item was left over. I suggest that we revert to it.

Mr. SHORT: The minister will not revert to the New Brunswick item to-night because there are not many members from that province present.

Mr. ELLIOTT: Perhaps my hon. friend will defer his discussion.

Mr. SHORT: The other day the minister stated that when this item came up we could discuss public buildings generally. The minister has made appropriations very generously for the west and I want to call his attention to the fact that in Nova Scotia, outside of the city of Halifax, only $14,500 is appropriated for public buildings. Does he think that is a fair proportion to be allotted for public buildings in Nova Scotia? Why is it that Ontario, Quebec and particularly Saskatchewan have been so liberally looked after in the way of public buildings and Nova Scotia completely neglected? A public

building is urgently required in Bridgetown in the constituency which I have the honour to represent. This matter was brought to the minister's attention last year; in fact, it has been brought to his attention since 1925. They evidently thought the matter was urgent then because a site was purchased for that building. The Liberal candidate in 1925 and 1926 promised that if he was elected a public building would be erected there. I want to know what the policy of the government is? Are they going to erect buildings only in those constituencies that are represented by their Liberal friends?

Mr. SMITH (Stormont): Yes.

Mr. SHORT: Is that the policy—to the victor belong the spoils? I want to tell my hon. friend that that day has gone by. People are not living in the past. We on this side of the house are just as much entitled to appropriations as my hon. friends opposite are and we are going to get them; otherwise we are going to hold up some of these other items or at least criticize them. I should like to know what the disposition of the minister is with respect to the Bridgetown post office. The minister's predecessor, the present Minister of Health (Mr. King), when Minister of Public Works, made the statement when his estimates were before the committee that he had visited Bridgetown and that the post office there was a perfect disgrace, and so it is. The postal revenue is $6,600, and the customs revenue $10,800. We have not a public building of any kind. It is nothing but a shack, practically, that the post office is in; it is a disgrace to the community. The government is making liberal appropriations for other parts of the country, and I do hope that the minister will consider the application from Bridgetown and that an item will be placed in the supplementary estimates to provide for a public building there.

Mr. ELLIOTT: I see it is in the list that we have, a public building at an estimated cost of $36,000.

Mr. SHORT: Will an item for that amount be included in the supplementaries?

Mr. ELLIOTT: I would have to consult the treasury board and council.

Mr. SMITH (Cumberland): Has the minister in that list an application for a post office in Oxford, in the county of Cumberland, Nova Scotia?

Mr. ELLIOTT: Yes, but not for quite such a good post office. The estimated cost is $35,000.

[Mr. Short.]

Mr. SMITH (Cumberland): That is good enough if you will give us the building.

Mr. EVANS: Has the minister received representations from the town of Biggar? I think he is impressed with the urgency of the case, and I should like to know if an item will be included in the supplementary estimates.

Mr. ELLIOTT: I see that a public building for Biggar is included in the list, at an estimated cost of $30,000. I have spent a good deal of time in that district and know the town of Biggar well. I do not think it is one of those towns that are growing rapidly, but as I recollect the figures it has a fairly healthy growth. Some time ago I went over some of the requests that had been made. I think the board of trade has sent in a request with regard to Biggar within the last six months, and I can assure my hon. friend that it will not be forgotten.

Mr. SHORT: I understand that the list which the minister has compiled contains about 150 applications.

Mr. ELLIOTT: To be accurate, 154.

Mr. SHORT: And that the total cost is $12,700,000. I suggest to the minister, in view of the spending government that we have and the generous treatment that is being accorded to Ottawa—I see items here for Ottawa totalling about $8,000,000—the minister might well appropriate $12,700,000 for public buildings that are urgently needed for these 154 places all over the country, and then everybody would be happy.

Mr. ELLIOTT: Of course there are a lot more than 150 places in the Dominion.

Mr. SHORT: Well, then next year you would have another list of 150.

Mr. ELLIOTT: That is just the point I was going to make.

Mr. LUCAS: Is Camrose on that list?

Mr. ELLIOTT: Yes.

Mr. LUCAS: What is the estimated cost?

Mr. ELLIOTT: $52,000.

Mr. STEVENS: That is in cold storage.

Mr. ELLIOTT: It is a cold locality.

Mr. LUCAS: No, quite the contrary. The very name indicates that it is the rose garden of the west.

Mr. MacDONALD (Cape Breton): Has the minister the town of New Waterford on that list?

Mr. ELLIOTT: Yes, there is no doubt about that.

Mr. MacDONALD (Cape Breton): Did the minister say he was going to do something for New Waterford? Last year two delegations came up here from that town, and they had the assistance of the hon. member for Antigonish-Guysborough. New Waterford is an incorporated town of from eight to ten thousand people, with a town council and board of trade, and all civic improvements, such as sidewalks, sewers and so forth, and five or six large schools. The post office is only about twelve by twenty, and it is not even on the front street, but is in the back part of the building and is entirely too small for the business that is done there. There is a postal revenue of about $6,000 and a customs revenue of about the same amount. Urgent representations have been made to the minister in this regard, and I would ask if there is any possibility of the government considering the application favourably and of an item being included in the supplementary estimates.

Mr. ELLIOTT: I would not hold out a great deal of hope to my hon. friend for an item in the supplementary estimates. So far as my information goes, I cannot see that New Waterford is in any more fortunate position than a great many other places on this list, and from what I know of the gentlemen that I have to get past with the supplementary estimates, I would not think that there will be a large list.

Mr. MacDONALD (Cape Breton): With all deference to the minister, I think the house should be given some idea of the system upon which these grants are made. Last year we had a vote of $16,000 for a post office at Kensington, and this year there have been three or four votes of from $20,000 to $30,000 for small towns in the province of Quebec that are perhaps only one-fifth the size of New Waterford. There must be some method by which the minister can be approached, and I was wondering whether it was the physical size of the members who represent these constituencies. I see that my hon. friend from Melfort got a vote through, also the hon. member for Princeton, who is a very large man. Are physical threats necessary to get a vote?

Mr. ELLIOTT: If size or good looks have anything to do with it, my hon. friend will stand an excellent chance.

Mr. MacDONALD (Cape Breton): That is very pleasant indeed, but I would rather take home some assurance that the minister will consider favourably the application of New Waterford.

Mr. GEARY: What are the details of the $45,000?

Mr. ELLIOTT: This vote is required for items of expenditure which have to be met every year in connection with public buildings controlled by the Dominion government, together with such special outlays for works as cannot be charged against any other of the general appropriations made by parliament for prospective improvements in the several provinces.

Mr. CANTLEY: I would like to refer again to the question of public buildings in Nova Scotia. The hon. member for Digby-Annapolis in referring to the vote for Nova Scotia was over generous. The total amount for Nova Scotia, as given on page 31 of the estimates, outside of the government buildings in Halifax, is $7,500. In the list which the minister was good enough to give to my hon. friend, the total number of buildings is ten, and the total estimated cost, $127,000—a mere bagatelle as compared with votes for public buildings in many other sections of the country. To refresh the minister's memory in regard to the alterations and repairs to the public building in New Glasgow, let me say that we have a postal revenue of practically $3,000 a month or $36,000 a year. We have customs and excise of about a quarter of a million dollars a year. That building is certainly nearly fifty years old. The minister is thoroughly familiar with the whole situation. Will he be good enough to tell me what he is going to do about it?

Mr. ELLIOTT: Nothing has been decided for this year.

Mr. CANTLEY: That is not very satisfactory. We went over this whole question last year. I think the minister made me a promise with regard to it at that time. Is he disposed to fulfil his undertaking?

Mr. ELLIOTT: I will certainly fulfil anything I said to my hon. friend or to anybody else. But I am not going to put myself in the position—of having him come back and say that I made him a promise and did not keep it. He got pretty close to that last year—

Mr. CANTLEY: Yes, he did.

Mr. ELLIOTT: —and is just bordering on it again. I am as near it as I intend to be at the present time.

Mr. CANTLEY: Instead of just bordering on it again the minister is sliding away from it again.

Mr. ELLIOTT: No, I am quite as near it as I ever was with my hon. friend.

Mr. CANTLEY: He is flirting with it.

Mr. ELLIOTT: No, I never do that.

Mr. CANTLEY: Possibly the minister might be better off if he had done a little flirting and then decided on the date. But I should like to get an assurance that he is going to make the alterations in that building that he knows, that his deputy knows, and that the postal department knows are absolutely necessary and have been for some years. I am quite sure he will admit that he has in his department letters from the postal department calling attention to the conditions and stating that they are disgraceful, and that in the public interest the building ought to be remodelled. A year ago the plans for the alterations and addition to the building were revised and the cost very materially reduced, and I understood from him last session that this year the matter would be attended to. Now I ask him to carry out what I understood to be a virtual promise in that connection. I want some assurance.

Mr. ELLIOTT: I know my hon. friend is quite sincere when he says he wants some assurance.

Mr. CANTLEY: "Sincere" does not measure up the situation at all. I am in earnest, I want it, and I expect him to give it to me.

Mr. ELLIOTT: I quite admit he has been in earnest; he has been any time he spoke to me about it. And the other 149 gentlemen who have asked for the balance of this list are also in earnest. There is no doubt about their sincerity or mine, but what will be done this year or next year is more than I can promise, because if I promise my hon. friend definitely—

Mr. CANTLEY: Your troubles would end right away.

Mr. ELLIOTT: They would! My good friend from Rosetown (Mr. Evans) would think that he was entitled to a promise, and he would be if my hon. friend in this quarter was, and knowing something of human nature I have not any doubt that every hon. gentleman representing a riding mentioned in this list—which I was unfortunate enough to give to my genial friend from North Simcoe—would want similar assurances.

Mr. CANTLEY: I am very sorry the minister makes any reflection on my sincerity or his own.

[Mr. Cantley.]

Mr. ELLIOTT: Will my hon. friend permit me? I disclaim making any reflection whatever on my hon. friend's sincerity in any respect, and especially in respect to this particular public building. No man ever was more sincere.

Mr. CANTLEY: Thank you.

Mr. ELLIOTT: There is no doubt about that. Perhaps my hon. friend from Skeena (Mr. Brady) is in the same class. But I have no doubt about the sincerity of any hon. gentlemen who have asked for buildings, and I hope they will give me credit for equal sincerity in connection with the matter.

Mr. CANTLEY: Mr. Chairman, I am not asking for a building. All I am asking for is to have a patch put on a building. The matter of sincerity was raised by the minister. He disclaims referring to my sincerity. I hope he did not refer to his own.

Mr. ELLIOTT: No.

Mr. SINCLAIR (North Wellington): I wish to call the attention of the minister to the flag over the post office at Harriston, my home town. The last time I was home it was at half mast and all in ribbons. I now ask him to send along a flag for the building. This is the first time this session that I have asked him for anything.

Mr. STEVENS: Send the flag along.

Mr. BLACK (Halifax): While we are on this item I wish to refer to one or two matters in connection with these votes, some of which have been passed. In considering the generosity, I might say the enormity of many of the votes which have been passed, I think we in the eastern end of the Dominion must conclude that we are getting really the pin point, not the pinhead. In anything I say I do not wish to create a feeling of jealousy between provinces and districts, but let me call the attention of the committee to the fact that during the last two or three days I find with respect to Ottawa that instead of nearly five million dollars having been voted, as was stated a few days ago, the total is ten million dollars, and this does not include several small items which might reasonably come under that head. I take vote 127, and there I find for Ottawa a total of $3,220,000 odd.

Mr. ELLIOTT: My hon. friend will find that vote 127 in the aggregate is only $1,200,940—a great difference.

Mr. BLACK (Halifax): I should have said $382,000. Then I take vote 132, and I estimate the proportion of that applicable to Ottawa is $96,000—a third of the whole.

Mr. ELLIOTT: It is only $38,000.

Mr. BLACK (Halifax): Very well, we will cut that down, but I do not know how you arrive at your figure. I take it that the experimental farm—

Mr. ELLIOTT: That is the part of the experimental farm vote that will be spent in Ottawa.

Mr. STEVENS: Where is the $60,000 being spent?

Mr. ELLIOTT: On branch farms outside of Ottawa.

Mr. BLACK (Halifax): Then I go on to 133 and I find in the first dozen items, down to and including telephone service, the sum of $1,854,500 expended in Ottawa. That does not include rentals, which total $1,565,000, over $700,000 of which is spent in Ottawa. I am not estimating at all the salaries of caretakers and all that sort of thing. With the exception of the last two, a certain proportion of all these items must be fairly chargeable to the vote for Ottawa, but I am not including any of them. Then I come to another item, 121, $1,380,000 for Ottawa alone. Item 145 is a small item, it is true, $14,600; and as regards item 144, there is a dredge at work in the canal digging out what was put in in the winter time.

Mr. ELLIOTT: That is not under public works.

Mr. BLACK (Halifax): In item 150 we find, for the National Gallery of Canada, $135,000, and for the national monument on Connaught place $35,000. During the hot weather in the summer it will be pretty nice walking around on the hot tar looking at that monument, instead of walking on a green plot, won't it? Then we come to the $3,000,000 to the federal improvement commission; and there is $200,000 annually to that organization. For the New Edinburgh mills there is the sum of $525,000 and $100,000 for repairs. Under item 232, observatories at Ottawa, we have an expenditure of $75,000 as against $59,000 last year. So that adding all these figures together, you have practically $9,000,000. That does not include any expenditure in connection with the Rideau canal; I could not locate what had been allocated to that. I understand, further, that there is an expenditure of $4,000,000 in connection with the Chateau Laurier. That means, over $13,000,000 spent in Ottawa by this government. But what do we find in regard to Nova Scotia? In the estimates little Nova Scotia gets, for buildings, $84,500, while you are expending $13,000,000 in Ottawa. What justice is there in such a condition of things as that? What justification is there for it? I will not refer to national parks. Suffice it to say that out of $1,300,000 odd in the estimates for national parks we had an expenditure last year or the year before in what might be called a national park, inasmuch as it is owned by the Dominion, of $1,800, and a small expenditure in Annapolis for a fortification. That perhaps does not come under this vote. But this is the way that we in the east have been treated, not only by this government but by previous governments as well. When we apply for a small grant it is not given us.

I must protest most vigorously against the neglect shown the maritime provinces and particularly Nova Scotia in relation to these votes from year to year. We are contributing our full quota and we are not getting half of what we pay. I may be told by some hon. gentlemen, "Look at your breakwaters, wharves and so on". But my reply would be: Are there none in Quebec and Ontario and in the Pacific province of British Columbia and elsewhere throughout the Dominion? Look at the estimates and you will find $2,000,000 for breakwaters in Quebec, while we in Nova Scotia receive less than $500,000, a quarter of what they get in Quebec. I could spend an hour referring to these discrepancies which appear in this blue book, the official publication of the government, but I have said enough to call the attention of the government to the injustice and I hope that some consideration will be given us in Nova Scotia, if not in the supplementary estimates then in another year.

Item agreed to.

Mr. ELLIOTT: We have only a minute or two left but perhaps we might consider Saskatoon, in regard to which I gave an hon. member a memorandum with reference to the public building site there. We might clear that up.

Mr. STEVENS: Let that stand.

Mr. ELLIOTT: Very well; I do not want to insist. The same applies to St. Stephen. The hon. member is here who asked for information as to why a contract was not let.

Progress reported.

PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 292, for the relief of Edward Aranha.—Mr. McGregor.

Bill No. 293, for the relief of Mildred Jarvis Aspinall.—Mr. Anderson (Toronto-High Park).

Bill No. 294, for the relief of William Bell.—Mr. Anderson (Toronto-High Park).

Bill No. 295, for the relief of Lillias Agnes Cressman.—Mr. Young (Toronto Northeast).

Bill No. 296, for the relief of Jane Glass.—Mr. Geary.

Bill No. 297, for the relief of Laura May Hinscliffe.—Mr. Edwards (Waterloo South).

Bill No. 298, for the relief of William Hogg.—Mr. Pettit.

Bill No. 299, for the relief of Helen Horn.—Mr. Jacobs.

Bill No. 300, for the relief of Jessie McPherson.—Mr. Hocken.

Bill No. 301, for the relief of Sylvia Ortenberg.—Mr. Hepburn.

Bill No. 302, for the relief of Thomas Joseph Warmington.—Mr. Geary.

On division.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, May 11, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Ninth report of the select standing committee on miscellaneous private bills.—Mr. Parent.

TOBACCO GROWING INDUSTRY

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker, I desire to lay on the table the report of the tobacco commission. This report will not be ready for general distribution from the King's Printer for possibly two or three weeks, owing to the large number of similar orders on hand.

CIVIL SERVICE

HOUSE OF COMMONS STAFF CLASSIFICATION

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved:

That the reports laid on the table of the house on the 9th of May instant in respect of the House of Commons staff be approved.

Motion agreed to.

[Mr. Elliott.]

BUSINESS OF THE HOUSE

PENDING LEGISLATION

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): In view of the fact that there are only four or five government measures remaining on the order paper, I would like to ask if any more legislation is to be brought down this session by the government, or does the order paper cover all proposed legislation?

Hon. ERNEST LAPOINTE (Minister of Justice): Yes, except what may be necessary as a result of committee reports.

PRISON REFORM

PRODUCTIVE WORK AND COMPENSATION FOR INMATES OF PENITENTIARIES

On the orders of the day:

Mr. CHURCH: I would like to ask the minister if anything is being done to carry out the resolution of last session, to pay the wives and children of the inmates of penal institutions in Canada, for the work of the inmates.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, I do not recall the resolution of last session, but if my hon. friend will give me a memorandum I will have it looked up and give him a reply early in the week.

Mr. CHURCH: Will there be anything done in a concrete form to give effect to this resolution this session?

INTERNATIONAL PEACE TREATY

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): As the Prime Minister is not in his place today, I would like to ask the Minister of Justice a question, based upon a press report this morning which states that the government of Great Britain is awaiting the assent of the dominions to signing the treaty which Mr. Kellogg, the United States Secretary of State, proposed some time ago. I would like to ask the Minister of Justice if he has received such a request from the British government, and if so, if he could give the house information as to the answer?

Mr. LAPOINTE: I am sorry the Prime Minister could not be present this afternoon. I can only say to my hon. friend that communications are being exchanged between the British government and this government, with regard to the matter he has mentioned. All I am at liberty to say is that any move towards the establishment of peace cannot but be considered favourably by this government.

CANADIAN NATIONAL RAILWAYS

SHERBROOKE—PORTLAND BRANCH LINE

On the orders of the day:

Mr. G. T. MacNUTT (Colchester): I would like to direct the attention of the hon. the Minister of Railways and Canals (Mr. Dunning) to a press despatch from Portland, Me., published in the Saint John Telegraph-Journal, which reads as follows:

This city is buzzing with excitement over the present development of plans of the Canadian Pacific Railway to make Portland its winter port by taking over from the Canadian National its subsidiary from Sherbrooke, Que. to the city and the local terminal and docks.

Those interested in the great project for Portland openly declare that plans have been and are being made by the Canadian Pacific Railway to bring a fleet of its ships to Portland as a terminal, at least during the months when the St. Lawrence is frozen, the ports of Montreal and Quebec are closed to shipping and the only other Canadian ports open are Halifax and St. John.

Would the Minister of Railways state if any applications, or representations, have been made by the Canadian Pacific Railway, or others, for the granting of running rights over this foreign system?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I answered a question on May 9th, bearing upon the matter, and which indicates that there is nothing in the report in question, so far as the Canadian National is concerned. I will look up the answer to the question and let my hon. friend have it.

OUTBREAK OF RABIES IN ONTARIO

On the orders of the day:

Hon. J. W. EDWARDS (Frontenac-Addington): I would like to ask the Minister of Health if representations have been made to his department by the Department of Health of the province of Ontario, suggesting the advisability of a strict quarantine against dogs coming into Canada from the United States, and if the federal Department of Health has taken or intends to take any steps along the line of strict quarantine against American dogs?

Hon. JAMES H. KING (Minister of Health): I have no knowledge of any representation having been made. If it is quarantine against animals, I would think the representations would be made to the Department of Agriculture.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public works chargeable to income—Ottawa public buildings and grounds — Dominion Observatory and Geodetic Survey building—repairs, improvements, maintenance of grounds, etc., $4,000.

Mr. SPENCER: How much of this was spent last year?

Hon. J. C. ELLIOTT (Minister of Public Works): $3,999.

Item agreed to.

Departments generally—char service including $100 to E. Snowden for firing the noon gun, $385,000.

Mr. SPENCER: The item of $100 for firing the noon gun is a small one, but now that we have the clock in the tower which gives the time regularly, I was wondering whether there was any necessity for continuing to fire the gun.

Mr. ELLIOTT: There are many people who are able to hear the gun when they cannot see the clock in the tower.

Mr. CHURCH: I should like to see the charwomen get an increase in pay from $1.25 a day. Many of them are widows with young children dependent upon them and they should have a little better pay.

Item agreed to.

Repairs, improvements, additions and maintenance, $650,000.

Mr. STEWART (Leeds): Is there anything included under this item for improvements at Rideau Hall?

Mr. ELLIOTT: Nothing.

Mr. SPENCER: This is a very large item. Would the minister give us some particulars?

Mr. ELLIOTT: This is the same amount that has been granted for a number of years past. The expenditure for the last few years are as follows:

Year	Amount
1921-22	$710,335
1922-23	591,000
1923-24	665,000
1924-25	612,000
1925-26	652,000
1926-27	623,000
1927-28	651,000

It is required for carrying out the work of repairs, alterations, additions and improvements and for procuring furniture, fittings and other supplies in connection with the maintenance of all the Ottawa public buildings.

Mr. McGIBBON: Who is responsible for looking after the ventilation and heating of

this chamber? After a time it is usually so hot and stuffy that it is not fit for people to live in.

Mr. ELLIOTT: Employees of the Department of Public Works operate the equipment under the direction of the officials of the house.

Mr. McGIBBON: That does not give us very much information. Is anybody responsible in general for looking after this chamber and the other rooms in order that they may be properly ventilated, not overheated, and that the air, at least in this chamber, may be fit to breathe? Surely there is somebody whose duty it is to superintend this work. The matter has been referred to a number of times in the house but we do not seem to get anywhere. Is there someone on whom the minister could place the responsibility?

Mr. ELLIOTT: I do not see the Sergeant-at-Arms in his seat. There is a thermometer on his desk. He is supposed to keep an eye on the temperature indicated by that thermometer and if it gets too high, to have some fresh air let in or, if it gets too low, to see that the temperature is increased.

Mr. STEVENS: The real difficulty is the condition of the atmosphere. Some times it is not only the heat but the bad air which is oppressive. The place is not properly ventilated. We have an expensive set of machinery for ventilating the building. I do not know what type it is but either the machinery is faulty or those who are operating it do not know their business. That is the long and the short of the matter. The situation is serious because while we sit here during the session, we almost invariably get a headache or feel some other depression. With this expensive machinery we ought to have satisfactory ventilation and we are not getting it.

Mr. GEARY: Will the minister explain what sort of system it is?

Mr. ELLIOTT: This is something to which I have been devoting some thought and time in connection with some of my other duties. The system is called the combination plenum and exhaust system. There are fans that are supposed to suck in the pure air and other fans which are supposed to draw out the impure air.

Mr. STEVENS: The impure air fan does not work.

[Mr. McGibbon.]

Mr. ELLIOTT: This building is a good deal like other buildings which have been erected under the supervision of the best architects procurable; it is well constructed After a number of people have been in all the galleries and in the house from three o'clock in the afternoon until perhaps ten o'clock in the evening and a number of members on all sides of the house have been talking a good deal, the air is not as good at ten o'clock in the evening as it was when the house opened at three o'clock in the afternoon. My hon. friend will notice that now there is nothing to complain about. I see we are all agreed on that.

Mr. STEVENS: What would happen if we called the divorce bills?

Mr. ELLIOTT: Of course, you cannot expect it to remain like this all the time. To be serious, I am told that in practically every building after it has been occupied five or six or seven hours, even under the best regulated system of ventilation known to architectural science, the air becomes not as fresh as it was at the beginning. It is the same with any theatre. I understand that the system here is one to which great consideration was given at the time of the construction of this building, and it is said to be in repair at the present time. Only recently we have adopted the system of gauging the temperature by a thermometer, which is under the supervision of a very careful official of the house, who makes it one of his duties to regulate the temperature.

Mr. GEARY: No plenum system will work if an outside door is open, because that lets the draught in and puts the whole arrangement out of order. The plenum system in a building of this kind will not work, and you might as well make up your mind to that, but we might get some relief from letting in the fresh air.

Mr. ELLIOTT: I suppose that, like all questions of a more or less scientific nature, there are differences of opinion about that.

Mr. GEARY: Not much difference of opinion about that.

Mr. ELLIOTT: I think so, if I may say so. According to my information, our system is one of the best available, but, of course, if a door is open in very cold weather you will get a draught through any building.

Mr. GEARY: That is not the point.

Mr. ELLIOTT: It is the point, if I may say so, in connection with this building. Those sitting particularly in the vicinity

where I now stand can feel a draught on the back of their neck practically every time the outside door and the door over here are open at the same time.

Mr. GEARY: The point is that opening that door disturbs the draught of air that is supposed to ventilate the chamber. If you have a room that is hermetically sealed, you can ventilate it very well by the plenum system, but opening an outside door and letting in a draught disturbs the whole arrangement. I suggest that the minister consider that question with a view to installing a better system. We shall get no relief otherwise.

Mr. ELLIOTT: It is a matter in which I am very much interested because I have myself experienced the discomforts which hon. gentlemen complain of, and if I can find any way of improving the system I shall be very glad to do it. Proper ventilation is most essential to the health and comfort of everybody who has to spend any time in this house.

Mr. CHURCH: Close up the session in two weeks and hon. members will be able to get all the ventilation they want free.

Mr. MARCIL: Those who sat in the old chamber will remember that the ventilation was not very good, and that it was very often discussed. But so far as the acoustics were concerned, the old chamber was far superior to this. For instance, I have had to content myself with hearing only half the explanation just given by the minister on this question of ventilation; I could not make out half of what he said, and half of what is said from the far corner of the house is not audible at this end, so I hope the minister has not given up entirely the task of improving the acoustics of this chamber. This is a magnificent chamber and a credit to the architect, but I am sorry to say that so far as the acoustics are concerned it is not a success, and we at this end are able to hear only very imperfectly what is said from the other end, and vice versa. That was admitted, and the members of the cabinet had to move more towards the centre of the chamber so that they could be better heard at that far end, but their moving down has been our loss, because we are not able to hear the explanations given by the ministers. So if anything can be done to improve the acoustics of this chamber, I hope it will be done because it is very much needed.

The CHAIRMAN: I might be permitted to say a word here. While the acoustic properties of the chamber are not all that may be desired, if hon. gentlemen would keep better order and less conversation were carried on in the chamber, hon. members would be able to hear the ministers and to hear each other when speaking in committee.

Mr. ELLIOTT: In reply to my hon. friend from Bonaventure, I am told that in every building where a speaker is speaking away from a wall or background of some kind, there is difficulty in hearing him at any great distance. A number of my hon. friends in this house who are familiar with what is one of the best constructed and best designed legislative buildings in Canada, the parliament buildings in Toronto, will agree that the complaints we have in regard to the acoustics of this chamber are but a very small percentage of the complaints we used to hear of the acoustics of that building. It must be borne in mind that when a speaker speaks out into space his voice will carry, but it is impossible to arrange any room where you will have the sound carried in the various directions in the same way.

The CHAIRMAN: There is no difficulty in hearing the minister now that we have order in the chamber.

Mr. ELLIOTT: There is something in what the chairman says. The acoustic properties are greatly improved when the members of the house are making a reasonable effort to hear what is being said, and when not too many of them are talking at the one time.

Mr. MARCIL: In the old chamber, at confederation, the Speaker's chair was at the end of the chamber, but with the increased membership it was found necessary to transfer it to the centre of the chamber, and that improved the acoustics very considerably. Have the experts considered the question of moving the Speaker's chair to the centre of the room and arranging the seats in a sort of semi-circle around it, so that everyone would be facing the Speaker and the Speaker would be facing the members?

Mr. ELLIOTT: That has been considered. Models have been made and a plan was endeavoured to be worked out along that line, but the objection to that is that if the Speaker's chair were opposite to where I am now standing, the voice probably would not carry to that corner. I am told that that plan is not feasible, and the experts consider that the present system is the best they know of at the present time.

Mr. MARCIL: The system I suggest has been tried at Washington and at the Palais Bourbon in Paris, and in many other capitals in Europe.

Mr. ELLIOTT: My hon. friend is familiar with what happens in Paris. The speakers go to a certain point in the chamber when they are going to address the house, and they all speak from the same point. It is quite feasible then. The acoustic properties can be improved when the speaking all takes place from the same point and the voice carries reasonably in the same direction, but that plan is quite unworkable when speakers are speaking from all over the chamber.

Mr. MacNUTT: This is an important matter, Mr. Chairman, I do not think the ventilation can be improved by simply opening the doors. I have a great deal of sympathy for the officers of the house and others whose duties oblige them to remain in the chamber throughout the sitting. I am sure the attendance of hon. members in the house would be much better if the ventilation were improved. In my judgment large air tubes should be installed from the ceiling to the outside through which the vitiated air would be withdrawn by electric fans. As to the acoustics of the chamber, I think two years ago a vote was placed in the estimate to effect an improvement in this respect. I understand that an expert reported that the acoustic properties were all right. I should like that expert to sit here day after day as we do in an effort to hear what is being said. Those whose hearing is normal find it very difficult and at times impossible to distinguish a speaker addressing the chair from either end of the chamber. Undoubtedly something is radically wrong with the acoustics, and it seems to me that the only remedy would be to install radio distributors. Then we should be able to hear any hon. member without effort.

Mr. NEILL: Mr. Chairman, I wish to endorse the remarks of the hon. member for Colchester (Mr. MacNutt). It is most important that we should hear what is going on. That is what we are here for.

Some hon. MEMBERS: Louder.

Mr. NEILL: In the house of Lords there is a telephone on each member's desk. Whether that is for the purpose of making audible to each member the debates in the chamber I do not know; but I do not recall seeing a similar system in the House of Commons.

Mr. GEARY: The minister has justified this item by telling us how much was spent in previous years. Is this $650,000 the total budget for the various buildings showing proposed repairs and what may be required throughout the year?

[Mr. Marcil.]

Mr. ELLIOTT: This budget is made up of staff and materials. The staff consists of 252 men at an estimated cost of $400,340; materials, supplies, extra assistance, $249,666.

Mr. GEARY: That is by way of estimate from each department in regard to particular buildings?

Mr. ELLIOTT: No. There has been no change for the last couple of years in the staff.

Mr. GEARY: If you have an item for additions, there must be some idea what those additions are to be; they must be considered before an appropriation is made for them.

Mr. ELLIOTT: The practice has been to have a special vote for any additions involving a considerable outlay. The staff looks after all the various buildings, and the materials are used by the staff. No budget is made up by the different departments; the cost is arrived at as a result of experience extending over a number of years.

Mr. WOODSWORTH: Is an inventory kept of the furniture and contents of the library?

Mr. ELLIOTT: A record is kept of all the purchases of furniture and supplies.

Item agreed to.

The CHAIRMAN: The next two items for Rideau Hall were adopted at a previous sitting of the committee.

Telephone service—$100,000.

Mr. GARLAND (Bow River): What is included in this large expenditure?

Mr. ELLIOTT: This covers the rental for the fiscal year of the telephone connections throughout the several departments in the city of Ottawa.

Mr. GARLAND (Bow River): Are the telephone costs of Rideau Hall and the governor general's office included in this item?

Mr. ELLIOTT: That is correct.

Mr. GARLAND (Bow River): I find in part V—32 of the Auditor General's report for 1927 an item of $378.05 for the governor general's office and Rideau Hall for telephones. I turn to part V—31 of the same report and I find an expenditure of $355.20 for the governor general's office and Rideau Hall for telephones, direct lines, and so on. Then at part G—3 another item, telegrams and telephones amounting to $4.020.32, again for Rideau Hall. The total is $4,753.57, most of which would appear to be for telephone

messages. What is the reason for this extraordinary telephone bill for Rideau Hall? There may be some good reason for it. How much is the estimate for this year?

Mr. ELLIOTT: That is part of the expenses of the building from and to which telephone messages are sent. It is not in connection with this building. What my hon. friend refers to I take it, although I have not looked over the details specially, would cover the various telephone calls and telerams from the governor general's office.

Mr. GARLAND (Bow River): That explanation is hardly good enough. I find for example in the same item of the Auditor General's report at part V—31 that the total cost of telephones for the Prime Minister in respect of the House of Commons is only $57.96, and he has another small bill in connection with the External Affairs department. Even the Prime Minister's telephone calls do not nearly approximate those of Rideau Hall. I cannot understand why there is such a heavy expenditure. The minister has not yet told the committee how much of this $100,000 will be devoted this year to the Rideau Hall telephones.

Mr. CHAPLIN: Will the minister explain how it is that there are three or four different accounts for telephones? Why should there be so many.

Mr. ELLIOTT: These subdivisions are made by the Auditor General. He subdivides them under the different headings and is, I understand, responsible for the classifications that appear here. Of course, they all have to be passed on by him.

Mr. ROSS (Kingston): I want to say a few words in regard to this item. We all appreciate the minister's seriousness in dealing with these items; he is more serious than any other minister, and he realizes the importance of the matters involved. But he must realize at the same time that there is a rumour abroad that there is great waste in connection with the administration here. In my opinion, if there were put under one item all the automobiles in use by every person connected with the administration, and the same in the matter of telephones, the government could satisfy the demands of nearly all those who are asking for public buildings. Here we have an item of $100,000, and I am sure that if the minister went through it carefully with a view to eliminating unnecessary expenditures he could provide a post office for my hon. friend from Frontenac (Mr. Edwards), in Sydenham, and one for Camrose as well. I would ask the minister to turn to two pages which have been referred to in the Auditor General's report for 1927. There he will find a long list of office telephones. I have no doubt that if he went through that list he would discover a great many telephones which are absolutely unnecessary; they could be done without, especially when people are unable to obtain proper postal service throughout the country. He will also find, if he consults this book, a list of private telephones in private residences throughout Ottawa. Many of these telephones can be justified, but I will guarantee that a great many of them cannot. There are seventeen ministers who have telephones in their private residences and apartments; there are also twenty-seven deputies and sixty-three sub-deputies who have private telephones in their private residences, paid for by the government of Canada. Take the various departments: Agriculture with nine sub-deputies; Justice with five; the Post Office with seven; the Public Works with six and the Railways with six. If the minister or his deputy would take these two pages and go over them carefully he could eliminate enough of absolutely unnecessary expenditure to provide a post office in Camrose, one in Sydenham and one or two others, about the necessity for which we have heard.

Mr. CANTLEY: And Pictou.

Mr. ROSS (Kingston): Pictou, if you like. If the minister will take the automobiles used by the officials and deputy officials and those connected with the administration and put them all under one head, I guarantee he will be able to supply a post office in every place where a demand is made for one. With this $100,000 we have here I am sure he could provide three or four post offices. I cannot understand why so many persons need private telephones to be paid for by the government. I grant you that every department should have a certain number; for example, work must be done on Saturdays and on Sundays and at night. But why should we pay for private telephones for six and seven sub-deputies and sometimes the secretaries of ministers? I cannot understand it. I repeat, I would refer the minister to these two pages of the Auditor General's report, and I would ask him to go over them carefully with a view to cutting out unnecessary expenditure. If he did so now, and again next year, he would be able to provide a post office for every member who asked for one.

Mr. ELLIOTT: I know my hon. friend is serious in making these suggestions and

perhaps I should devote a minute or two to him; because the matter is important if what he says is correct. In the first place, it is not correct that there is great waste, nor do I think it is correct that there is a general impression throughout the country to that effect. What is the test? Look at the amount of money paid out in the last fiscal year in this department and compare it with what was paid out in other years and you will see whether there is great waste or not. I would call my hon. friend's attention to a statement I made the other day in answer to a somewhat similar criticism: that in this country in 1913, which was a quite normal year, this department, with Canada doing a trade of $1,048,000,000, paid out in cash in this particular department $18,884,000. Last year on the other hand, with wages greatly increased, with cost of materials increased by at least 50 per cent, and with the cost of practically every service also increased, the total expenditure in this department, to provide for a trade of $2,357,000,000, was $17,408,000. Let my hon. friend get this into his head, because I know he believes what he has been saying with reference to these rumors, which perhaps he has been encouraging. He believes that we are spending in this department more money than was spent years ago by his friends whom he has lauded to the skies. But he is wrong. He also believes that the business of the country is not as good to-day as it was years ago. In that particular also he is wrong. Just let me put the matter in figures which my hon. friend and everyone else in this house who is similarly minded can understand. With a business in Canada a little over a third of what it is to-day the government of this country in 1913 spent 50 per cent more in this department than we spent last year—and last year was the highest year but one since this government came into power. Let me give the figures so that we shall have the matter threshed out. In 1912-13—

Mr. STEVENS: We must be getting along too quickly.

Mr. ELLIOTT: You cannot get along too quickly if there are misunderstandings.

Mr. STEVENS: Go on.

Mr. ELLIOTT: We shall get along more quickly when we appreciate the facts. For the year 1912-13 the total amount paid out in this department was $18,884,000; for the last fiscal year before the war, ended March 31, 1914, for a trade a little over a third of what it was this year, this department spent $27,991,000. Compare the figures: $27,991,000 in 1914 as against $17,408,000 last year. I know my hon. friend is fair enough not to repeat that criticism after he gets the figures, because it is not correct. If I may say so with regard to my predecessor in office, in whose footsteps I have endeavoured to follow, the business of this department has been carried on not only with no great waste but with great economy since this government came into power.

Mr. ROSS (Kingston): When a member does come to this house with a little advice for the minister which may perhaps take him out of those old trails which he has been following, the minister gets a little annoyed and springs up with a lot of figures on trade and so on. I will guarantee that if he takes the two pages to which I have referred he will be saved a lot of trouble. Knowing the trouble and the anxiety which he has endured during the last few days and the attempts he has made to defend these items and to satisfy the different members who come to him with demands, I have tried to show some places where he can save money in order to allow himself something more to spend in other directions. Apparently my endeavours have been wasted; the minister seemed to get angry, and said we had been spreading false rumours. I have not spread false rumours; I have spent a lot of time over this book and I have pointed out two or three ways in which some little expenditures have been stuffed. I am not going to suggest that the minister ask the Auditor General to look into these matters; perhaps when the Auditor General reads this discussion he will include five or six pages covering the automobiles used by the different departments, just as these telephones are now included. Then we can criticize that expenditure.

I hope the minister will get out of these old paths which he has been following; I hope he will go to his department and say, "I cannot understand why private secretaries have their telephones paid for, or why three or four deputies should require their telephones paid for." I will admit that there is need for some of these telephones, but I think it could be cut down a great deal, and I hope when we discuss these estimates next year we will find a reduction. I am sure a company doing business in the commercial world would look at the overhead charge first of all, and that is what we are endeavouring to do; we believe that we could do a great deal more trade with a smaller overhead than we are carrying. I think I made it plain to the minister, and I hope he understands, that by saving in some directions perhaps he could satisfy some of these other

demands which are made upon him. If the minister will break away from the policy of tu quoque, "Thou also", and never mind what other ministers have done—they have made a great many mistakes and it is only from mistakes made in the past that we can learn to do things better in the future—he will be much better off, and that is my only reason for bringing up this matter.

Mr. ELLIOTT: With regard to this matter of supplying telephones to secretaries I understand from the deputy, who has been here much longer than I, that the practice was in vogue when he first entered the department and has been maintained ever since. My hon. friend will agree with me that with the salaries that are being paid and with the cost of living as it is at present, perhaps no official in the public service has such a difficult task as the secretary to a minister. Demands are made upon these secretaries at all hours of the day and night; urgent business of the department necessitates that they be on call all the time, and I hardly think my hon. friend from Kingston, whom I know very well would not want to work an injustice on any official, would suggest that the old practice of supplying these telephones should be done away with. I do not believe that would be in the interests of the public service.

Mr. DUNNING: Any business concern would do it for similar officials.

Mr. CHAPLIN: That is not so.

Mr. ROSS (Kingston): No.

Mr. ELLIOTT: Suposing we should say to the secretary, "We have decided not to pay for your telephone any longer." I believe that was done by one of my predecessors some years ago, and it lasted just a week. He was not a minister of this government but was a member of the previous administration; he had the idea that this could be dispensed with, and maintained that position for just a week. The secretaries said, "Very well, if you do not want us to have telephones it is quite all right; we will have them taken out." My hon. friend can readily understand the situation which resulted. I do not want my hon. friend to misunderstand me, because I think perhaps no member of the house presents his criticisms with a greater desire to be helpful to the government, and I appreciate that fact. I want to get it into his head, if I can, that we have stepped out of the old trails, and because of that fact we have been able to effect the immense economies both in this and other government departments which have occurred since this government took office.

Mr. CHAPLIN: I just rise to correct a remark interjected by the Minister of Railways, who said that ordinary business concerns did the same thing, or words to that effect. I absolutely deny that such is the case. The employees of industrial corporations pay for their own telephones just as they pay for their own breakfasts.

Mr. DUNNING: I am sure my hon. friend will allow me to state that just as he personally knows of business concerns which adopt that principle with respect to this class of officials, so do I personally know of corporations which, with respect to the class of officials whose telephones are used far more for the business of the concern than for the business of the individual, pay for these telephones as a matter of business.

Mr. CHAPLIN: That might be done by the national railways, but not in general business practice.

Mr. DUNNING: I am not speaking of the national railways but of business concerns with which I am personally familiar. I can speak of them just as my hon. friend can only speak of those with which he is familiar. On the question of principle, I would say that the secretary of any minister must be and is in receipt of telephone calls all the time affecting the business of the department and of the minister's office, and in the service of the members. I do not mind confessing that my own practice is to direct that all telegrams coming addressed to me out of office hours shall be telephoned to my secretary. I do not suppose that my hon. friend would desire a minister to be answering the phone for hundreds of telegrams which may come in, particularly when there is an agitation in some part of the country during which the people are encouraged to send telegrams en masse to a minister to influence his course in one direction or another. Really I think it is a pretty small thing to pay for a business telephone which is available for an official out of business hours. That is really what it amounts to; as the Minister of Public Works has said, the experiment of cutting out the practice was once tried and did not succeed very well.

Mr. CHAPLIN: The minister limits the telephone matter to secretaries. No one, as far as I have heard, has objected to that. The objection is made—I am not making it, but I am only illustrating the objection—to having a whole raft of telephones.

Mr. DUNNING: I understood the reference was to secretaries.

Mr. ROSS (Kingston): Some of them must be justified, but why should three commissioners have telephones? Possibly the secretary should have a telephone, but not the three commissioners. Every little sub-deputy of a department has a telephone while one or two only may be absolutely necessary. My point was that this list should be gone over to find what is necessary to be granted, and what is not necessary. I believe there is one-third of it not necessary. I have brought the matter up to show how economy can be practised and it is apparent that economy could be practised by cutting out some of these telephones. You will find that every member of a commission that comes here has a private telephone. There are several departments in connection with which a great amount of telephoning would not be necessary although that of the minister may be an exception.

Mr. GARLAND (Bow River): Would the minister give me the information I asked for at the outset; what proportion of this $100,000 would be allocated to the Rideau Hall telephones?

Mr. ELLIOTT: The figures that I have do not segregate that. The same system is followed, I take it, as was referred to before. I think the classifications are largely auditors' classifications. I find that Rideau Hall is provided for as part of one item. The Rideau Hall operator is one of the employees whose salary, amounting to $900, is paid out of this vote. I do not think there is any place, in the data I have before me, in which the operations of the Rideau Hall telephones are collected together. I suppose I could obtain that information, and I would be very glad to obtain it for my hon. friend and hand it to him, if he desires it.

Mr. GARLAND (Bow River): Mr. Chairman, I am a little puzzled about this matter, and I am quite frankly interested in calling the minister's attention to this extraordinary telephone bill. I have already given him the figures from part V, page 32. We find $378 05, which covers the governor general's office and Rideau Hall. Then turning to part V page 31, we find a total of $355.20 more. Then, turning to part G page 3, we find a total amount for telegrams and telephones of $4,020.32. This makes a grand total of $4,753.57 for telegrams and telephones. A great proportion of that would appear to be for telephone use. I am afraid the minister will find that a lot of the little buildings, like janitor's house, and so on, have telephones although they are right on the grounds. Most of them really do not need telephones but they are using them, and the bills are being sent to the department and charged up to Rideau Hall. After all, the government is the guardian of the public purse, and when we examine the estimates and find that it is costing us in the neighbourhood of a million dollars in two years to maintain Rideau Hall, then, surely, the closest examination of the estimates should be made. I find, for example, $10,000 for the printing of menus and invitations, for social engagements. When you talk to the man outside in terms of $10,000 for social invitations, just for the printing alone, he wants to know what it is all about. We find $250,000 for two railway cars; $250,000 for the Citadel as a summer home; $150,590 for office expenses over here in the east block; $48,666 for salary; $3,064 for a secretary; and $3,500 for a personal secretary, and innumerable other expenses. For example, on page 31 of part V, we find enumerated an item for plants and seed, $1,145.20, and bulbs and plants, $1,488.70. That will make a pretty nice garden. Then we find sewing and button machines—I wonder whose buttons are being sewed—$121.19. Somebody has just interjected a remark, but I am not going to repeat it.

I am going to call the attention of the house to the fact that the Prime Minister's favourite daily newspaper was so unchivalrous as to go back to the time of Adam and Eve, and blame it on the woman. I do not know whether it is true or not, but I do say that there is more expenditure this year, more wild expenditure at Rideau Hall, than I can remember in the eight years I have been here. It is time that sort of thing was checked up.

I want to know, for example, if they are still winding the clocks up there. We find an item "winding and regulating clocks", $260. It seems a large item for winding clocks, but there may be an awful lot of them.

The principal objection I have in this connection is to the enormous amount that has been spent on telephones. I find various telephones under this item; the Department of Agriculture, $73.92; Customs and Excise, minister, $57.96; Hull customs house, $57.96; External Affairs, Prime Minister, $65.52; Speaker, $57.96; Immigration and Colonization, minister, $57.96; and deputy, $57.96 They all seem to be pretty much on a level. The Department of Justice, minister, Decem-

ber 10 to March 31, $22.92; Minister of Labour, $72.84; all relatively. I am not going to read the whole list, but we come down to Rideau Hall, $355.20. These things require explanation. I am not going to conduct a very long discussion on it, but I do ask that the minister take this matter into consideration, and find out why we are spending such enormous amounts on telephones and telegraphs; a total of $4,753.57.

If the minister is not able to give us the information with regard to this item of $100,000, and how much of it would be apportioned to this particular classification, I do urge upon him that he take it into consideration and look into the matter, and see if he cannot cut down some of the expenses in connection therewith. I am afraid he may find it is part of a general policy of increased extravagance. The place is one of beauty; we are entitled to it and they who occupy it are entitled to it, but within reasonable limitations. We must carefully govern our expenditures in connection with this matter if we do not want ourselves in this democratic country to throw the whole office into disrepute. The Prime Minister and the minister concerned owe it to themselves, to the very office which is under discussion at the moment and to the people of this country to see to it that this thing does not go too far.

Item agreed to.

Dominion quarantine stations—maintenance and repairs, $15,000.

Mr. McGIBBON: How many people have been in them during the year?

Mr. ELLIOTT: I am afraid my hon. friend has asked me something concerning which I shall have to get the information from the immigration department. We are only supplying the facilities.

Mr. McGIBBON: If the minister can bring it down some other time, that will be all right.

Mr. ELLIOTT: I shall be glad to do that.

Item agreed to.

Fittings, general supplies and furniture, $135,000.

Mr. McQUARRIE: Will the minister give details of this item?

Mr. ELLIOTT: This is for fittings, supplies, furniture, file cabinets, adjustable roller bookshelves, steel doors and so forth required in the various government offices throughout the Dominion outside of Ottawa. It is $10,000 in advance of the appropriation for last year; but we find that during the last fiscal year we spent $124,895, and it was thought, to meet the requirements this year, we would need a little extra.

Mr. ADSHEAD: Is there going to be an annual expenditure of this amount?

Mr. ELLIOTT: There has been for many years and some years the amount is much more than that.

Mr. ADSHEAD: Is the expenditure as great as that every year?

Mr. ELLIOTT: Yes. In 1921-22, $172,000 was expended under this item.

Mr. McQUARRIE: Is an estimate not made up every year of what is required based upon reports made by the various departments?

Mr. ELLIOTT: This is like a number of other items about which questions have been asked. The estimate is based largely on the experience of the department in previous years.

Mr. McQUARRIE: That does not seem to be a businesslike proceeding. In connection with municipalities, for instance, it is customary at the beginning of each year, when the estimates are being prepared, for the various departments to bring in their budgets giving details of what they expect will have to be purchased during the year, with the reasons therefor. In due course the council goes over the estimates and endeavours to pare them down by cutting out unnecessary items. Surely in the government there must be something of a similar nature. It is a mistake simply to base the expenditures for the coming year on what has been spent in the past, particularly in regard to furniture, fittings, and so on. Surely a time will come when you are fully furnished and, outside of exceptional cases, you will not have to buy anything for a few years.

Mr. ELLIOTT: There is no year in which some of the old furnishings are not wearing out. I want to assure my hon. friend that the department endeavours to keep down the expenditures to the lowest possible point and not to grant anything unless it is shown to be absolutely necessary. I appreciate his suggestion, but I should like to ask my hon. friend, with his knowledge of public affairs and of human nature, whether he seriously suggests we should send around to the various departments asking them: How much will you require for new fittings this year?

Mr. McQUARRIE: I should think so.

Mr. ELLIOTT: If my knowledge of human nature and services of this kind assist me at all, I think he would find they would immediately mention an amount much bigger than they get from us during the year.

Mr. McQUARRIE: That is ridiculous, because that kind of thing could not go on.

Mr. ELLIOTT: We do not send out invitations.

Mr. McQUARRIE: My information is that in business the regular practice is to find out from the various departments in the business what is really required. The whole trouble with the running of the government is that it is not done on a business basis. You say: Well, so much money was spent the year before and during previous years; it is all right to spend the same money now. Nobody seems to attempt to make any improvement or to effect any economy. I remember two or three years ago having quite a discussion with the Minister of the Interior about this particular matter. He told me that he was endeavouring to get his department down to a business basis, the idea being that there were too many employees; that there was a lot of dead wood, if you like—and according to common rumour there are cases of that kind in all departments—and that that sort of thing should be eliminated; not that anyone who is employed now and doing his work should be dismissed, but that where there were persons who were not really useful, they should be retired.

The same thing would surely apply in regard to purchases. There has to be some system, and I believe if we could get the business of the country down to some systematic basis, millions of dollars would be saved every year. All the ministers seem to have the same idea; they do not care very much as long as they can come to the house and get their estimates through. Their job is apparently to get their estimates through. This particular minister is very nice about all the questions we ask him and so on, but his system seems to be to sidestep. He says: Well, I have not the information, and in fact and truth he has not the information. His deputy minister sits in front of him and I know what his deputy minister is like. The deputy minister is a man of long experience in that office, and apparently is a very capable and competent man. If there is anything he does not know about the department I would be very much surprised indeed. I believe that we would be able to get right down to details if we had a chance to cross-examine the deputy ministers instead of the ministers themselves, and that we would in that way make a great deal more progress. But unfortunately that is not the system. I think a change might be made in that respect and that when the estimates of a department are before the house the deputy minister might be allowed to sit down in a seat beside the minister, instead of in front of him, and be subjected to questioning. Of course, it might be better if all the estimates were referred to a committee, and in that respect I agree with the Minister of Finance. We would then have the opportunity of getting direct information from the men who know. It is not to be expected that the minister can know all the details of his department, and I am not so unreasonable as to expect that, because his duties are many and very complicated and take up a lot of his time, particularly when he has to see so many people, and has to go so many places, and has so many things to do, council meetings every day, and so on and so forth. I quite realize that the present minister is in no different position from any other minister who has occupied that portfolio. He simply has not the time to become familiar with all the details of his department, and we have found here time after time that the minister has not the information we desire. I suggest that something is wrong with the whole administration of affairs if we are simply going to base the estimates for the coming year on the expenditures which have been made in previous years. We should get down to business. We should have budgets in every department, and the minister when he comes to the committee with his estimates, should be able to give information on all essential details.

Item agreed to.

Dominion public buildings—rents, $1,565,000.

Mr. McQUARRIE: Would the minister please give details?

Mr. ELLIOTT: This amount is required for the payment of rents for the year 1928-29 on buildings leased for the various departments of the Dominion government, including the London, England, Canadian building, and to pay for the rental of buildings used exclusively by the Militia department, and also for the payment of taxes both in and outside Ottawa, and the payment of telephones outside Ottawa. There are many pages of detail, and I would be glad to give my hon. friend any information he wants if he would just indicate what he desires.

Mr. STEWART (Leeds): What do the Ottawa rentals amount to?

Mr. ELLIOTT: They amount to $650,377 for 1927-28.

Mr. GARDINER: There is an increase here. What is the explanation? What extra buildings do you contemplate renting in Ottawa?

Mr. McGIBBON: Is it the intention of the government, as is reported, to rent a large amount of space in this architectural monstrosity that is going up in front of the parliament buildings on Wellington street?

Mr. ELLIOTT: There is no decision to that effect.

Mr. McGIBBON: It is under consideration, I believe.

Mr. ELLIOTT: I would not go that far even.

Mr. GARDINER: I would like to inquire as to the nature of the taxes paid in and outside Ottawa. Are these municipal taxes?

Mr. ELLIOTT: The taxes that the department pays are paid largely as a matter of grace. We nearly always pay local improvement taxes, for local improvements in front of our buildings, also taxes on any buildings which are owned by the government and leased to an individual or company.

Mr. STEWART (Leeds): Does the department pay taxes on buildings that are leased exclusively for their own use?

Mr. ELLIOTT: The lessor pays the taxes, but he charges them up in the rent; we do not pay the taxes direct ourselves. Some of the buildings down on Wellington street that were obtained by the government some years ago are occupied by individuals, and we are responsible for the taxes.

Mr. GARDINER: But no taxes are paid on property that is wholly owned by the government?

Mr. ELLIOTT: And used for government purposes.

Mr. GARDINER: In that case you only pay local improvement taxes?

Mr. ELLIOTT: Yes.

Mr. ADSHEAD: Are the buildings on Wellington street which are occupied by the Department of Militia and the Department of Agriculture owned or rented by the government?

Mr. ELLIOTT: They are owned by the government and occupied by various departments. Some of those buildings are occupied by private individuals.

Mr. ADSHEAD: The doors and windows of many of these buildings are all weather-beaten and look as if they belonged to a person who had not a friend in the world.

Mr. GEARY: They do.

Mr. ADSHEAD: I think the department should spend some money painting and renovating these buildings.

Mr. ELLIOTT: The scheme at the present time is that as the various units of the Confederation buildings that are under contemplation are constructed, the buildings my hon. friend has in mind will be torn down. For that reason I think my hon. friend will agree with me that it is not advisable to make expensive repairs.

Mr. HEAPS: I do not think Wellington street is a desirable location for new government buildings. Now that the government has decided to have a park, to be known as Confederation park, in the centre of the city, it would be more logical to group government buildings around this space. It might be a saving in the long run to sell the Wellington street property and rearrange the buildings as I have suggested. Wellington street will never be a suitable location for government buildings; they will have to be stretched out in one continuous row.

Mr. CAMPBELL: Is the large building now in course of erection a block east of the main entrance on Wellington street being built to lease to the government for offices?

Mr. ELLIOTT: I answered a similar question a moment ago. The government has no connection with that building at the present time.

Mr. GARDINER: Have any communications passed between the owners of the building and the government with respect to future renting of space?

Mr. ELLIOTT: Yes.

Mr. GARDINER: Of what nature?

Mr. ELLIOTT: They inquired whether the government was desirous of renting space, and quoted a price.

Mr. GARDINER: What was the price per square foot?

Mr. ELLIOTT: $1.25.

Mr. GARDINER: The same as the others?

Mr. ELLIOTT: Higher than other buildings that we are renting at the present time.

Mr. KENNEDY: Who is the owner of the building?

Mr. ELLIOTT: The Rideau Realty Company.

Mr. CAMPBELL: I hope that at no future time will the government change its mind and lease space from this or any other company. I think the time is past when the government should rent buildings. Certainly if it pays a private company to invest money in a building to lease to the government, it should be well worth while for the government itself to provide the necesary accommodation.

Mr. ADSHEAD: At the far end of Wellington street there is a good sized dwelling house occupied by the livestock branch of the Department of Agriculture. Did the government buy the property for the use of the Department of Agriculture, or is it rented?

Mr. ELLIOTT: That is part of the property that was purchased by the government some years ago.

Mr. ADSHEAD: What was it purchased for?

Mr. ELLIOTT: It was the intention of the government at the time to utilize the building for the accommodation of those engaged in some department of the public service, and eventually to erect a building on the site.

Mr. MARCIL: When the government rents a building are the taxes paid by the owners or by the government?

Mr. ELLIOTT: The owners pay the taxes, and of course this is one of the elements they consider in fixing the rent. I know of no case in which this element has been forgotten in arriving at the amount of rent to be charged the government.

Mr. MARCIL: The government makes no change in the system of paying taxes?

Mr. ELLIOTT: No.

Mr. MARCIL: I asked the question because I have read frequently in the Ottawa papers complaints that the taxes were not divided between the two school boards, and the separate school board did not get its share.

Mr. ELLIOTT: The fact that the government leases a building makes no change whatever in the manner in which the owner pays his taxes.

Item agreed to.

Salaries of caretakers, engineers, firemen, etc., $1,080,000.

Mr. WOODSWORTH: Do these employees come under the Civil Service Commission?

[Mr. Bennett.]

Mr. ELLIOTT: With the exception of the firemen.

Mr. WOODSWORTH: The charwomen?

Mr. ELLIOTT: The charwomen are not included in this item.

Mr. WOODSWORTH: Are these considered permanent or temporary employees?

Mr. ELLIOTT: This item includes both classes.

Mr. McQUARRIE: What is the reason for the increase?

Mr. SPENCE: An increase of $42,000.

Mr. ELLIOTT: As the service increases, the amount of space occupied is greater, and we have to increase the number of caretakers accordingly.

Mr. McQUARRIE: Any increases in salaries?

Mr. ELLIOTT: No.

Mr. WOODSWORTH: Representations have been made that the charwomen are employed steadily, and yet are not allowed holidays and are not under the some conditions as others who work in this building. Will the minister give us some information about this class of employees?

Mr. ELLIOTT: There is no difference between the conditions applying to those employed in the house and to those engaged in corresponding services. The charwomen are on a day basis. They start at seven o'clock in the morning and work until half past nine, at $1.25 per day.

Mr. WOODSWORTH: Representations have been made that there is really no allowance for sickness nor for holidays. It seems to me that these women ought to be placed on as good a basis as other government employees.

Mr. ELLIOTT: They are paid so much a day. They get no pay for any days they do not work. The hon. gentleman is quite right, there is no allowance for holidays. On the basis of a daily hiring we think they are paid what the service is worth.

Mr. ADSHEAD: How many hours a day do they work?

Mr. ELLIOTT: Two hours and a half.

Mr. WOODSWORTH: As they are employed steadily month after month, ought they not to be on other than a day basis? Simply because they are lowest in the scale of pay, I do not see why they should not be given as fair treatment as other classes of employees in the government service.

Mr. ELLIOTT: My information is that those who reorganized the civil service in 1919 did not consider that employees on a daily basis, such as charwomen, should be allowed holidays.

Mr. WOODSWORTH: Then the statements of the Civil Service Commission should be reconsidered, because it seems to me that when any of us employ day labourers, as a good many of us employ charwomen in our homes, in case of sickness we gladly allow for that misfortune. In the case of women steadily employed day after day I submit they ought to be placed on something of a permanent basis and given holidays like other people. I urge this on their behalf.

Mr. ELLIOTT: I doubt very much whether in many homes, even where the highest wages are paid, this class of workpeople are paid at the rate of fifty cents an hour. That, I think, is the answer.

Mr. WOODSWORTH: Yes; but the minister will recognize that though these people are paid at the rate of fifty cents an hour they work only two and a half hours, which is a very short time in the whole day. And it really spoils the day for any other type of work, at least in most instances. I simply suggest in the name of humanity, as well as on the ground of good business, that if a woman is ill, when she is employed week after week, the least we can do is to make some allowance for such illness and pay her for the time she is away. I also suggest that these women be given a holiday. It is not as though they were employed one day in six weeks; they are employed day after day throughout the year.

Mr. MARCIL: I might remind the hon. member that this state of affairs exists with a certain class of employees in the Public Works department, among the men as well as the women. The labourers employed by the department are paid only for the days they work; they are not paid for the days on which they do not work. The women are placed on the same basis.

Mr. WOODSWORTH: I would not say that the women are the only ones who should be given consideration, although perhaps their case makes a stronger appeal inasmuch as many of them are under the absolute necessity of going out and supplementing their husbands' income. I should say that the same rule ought to apply in the case of men, whether or not they come strictly within the classification of permanent employees. The fact is, they are virtually permanent. They are not engaged for an odd day occasionally but work steadily for 365 days in the year, minus, I suppose, Sundays. I do not know whether they are supposed to work on Sundays. I contend that they should be regarded as permanent.

Mr. ELLIOTT: I quite agree with my hon. friend that no class of employees earn their wages with greater difficulty than do the charwomen. But we think we are paying them a fair wage. It is a matter to which I personally have given some consideration, because I felt that they of all classes were entitled to consideration. I do not however feel, in the interests of the public service, that we could either increase their wages or pay them for days on which they are not actually working. They do not work on Sundays or holidays and they are not paid for those days. The argument for holidays does not perhaps apply to them to the same extent as it does to others. I think we are getting excellent service; I have considered the matter, and I want to make that statement. I believe we have in Ottawa about 800 of an excellent type of workwomen, but this is a class of work for which there are a good many applicants for whom we canot find room. I do not of course advance that as a reason for not treating them with absolute fairness, but in my opinion those whom we employ we treat fairly.

Mr. WOODSWORTH: It would be comparatively easy to keep a few reserves. There are many applicants, and if a woman were ill a reserve could be called on to take her place. I suggest that any woman who is ill should be paid. If necessary a medical certificate might be demanded. But she ought to be paid, since she is required to work fifty-two weeks in the year. I cannot see why, because she is a charwoman, she should not have one or two weeks' holiday with pay like other people. The proposition is a reasonable one; they should be treated the same as those whom we classify as higher grade employees. I do not think that the sum involved would be very large. I do not want to say anything nasty, but I do think that the minister might give as careful attention to this matter as is given to some other matters involving a considerable expenditure. The public would endorse such an action. There is something else I want to say. It has been suggested to me by some of these women that they would welcome the fact of having a woman in charge over them—an immediate forewoman. Sometimes they would prefer to tell their difficulties

to a woman rather than to a man, who is at the head of this work. This is done in almost every business and I do not see why it cannot be done here too. Perhaps this matter may be considered almost beneath the dignity of parliament; nevertheless I submit that, as in any ordinary business, these people should be treated fairly. I should be glad if the minister would consider the matter; if he did so I am sure he would easily come to a favourable decision.

Mr. MALONEY: Has the minister the power to grant holidays to charwomen and labourers?

Mr. ELLIOTT: No; but that is not what my hon. friend has suggested.

Mr. MALONEY: I want to know whether the minister has authority to do it.

Mr. ELLIOTT: The hon. member's suggestion was that I should make recommendations to the Civil Service Commission.

Mr. MALONEY: Has the Civil Service Commission control over the char service?

Mr. ELLIOTT: As to classification.

Mr. MALONEY: But as regards the granting of holidays. Have they control over that?

Mr. ELLIOTT: They can recommend—

Mr. MALONEY: But you have supreme authority as Minister of Public Works.

Mr. ELLIOTT: I am bound by the regulations.

Mr. MALONEY: But surely the minister must have authority if these appointments are made by him independently of the Civil Service Commission. The granting of holidays does not come under the commission. If the minister has authority to give these poor charwomen the odd holiday—and the labourers who, he says, are being paid fairly good wages, as we all agree—why should we discriminate against them? You allow the ordinary civil servant appointed by the Civil Service Commission the usual holiday each year; why deny that right to the labourer and to these poor women?

Mr. ELLIOTT: There would be something in the argument if my hon. friend's question were not based on a wrong hypothesis. We name the parties, but the Civil Service Commission classify them and fix the rate of wages and the terms of service.

Item agreed to.

[Mr. Woodsworth.]

Dominion public buildings—water, $83,000.

Mr. KENNEDY: What is this?

Mr. ELLIOTT: This covers water service to all Dominion buildings throughout Canada.

Mr. KENNEDY: Drinking water?

Mr. ELLIOTT: And for other purposes as well.

Mr. SPENCE: Is that water supplied under a meter system? That seems to be a high price for water such as we get in Ottawa.

Mr. ELLIOTT: We pay the ordinary rates in the different towns where we obtain the water supply.

Item agreed to.

Yukon public buildings—rents, repairs, fuel, light, water service and caretakers' salaries, $28,000.

Mr. MARCIL: Before we leave the Ottawa public buildings perhaps the minister might answer a question which has been asked me quite often. We are making an attempt to beautify Ottawa by removing a number of old structures in the vicinity of the parliament buildings, and I would like the minister to say whether it is possible to remove that old workshop on Sussex street by Major Hill park, which is an eyesore to those passing on their way to the Basilica and to Government House. Part of the building has been removed, but the other part is still there and it prevents people from enjoying the beauties of the park. What is the purpose of retaining that old building, which was put up some years ago when the Connaught building was erected? The Connaught building was completed years ago, and I see no reason why this old workshop should remain, because it disfigures the whole street.

Mr. ELLIOTT: I quite agree with what my hon. friend has said. This building was put up some years ago during the time of the construction of the parliament buildings; it has been used since for the preparation of stone being used in the parliament buildings, and for the last year or two in connection with the tower. We expect to have it removed within three or four weeks.

Mr. McGIBBON: I would like to ask the minister if the government have seriously considered removing from the estimates this item of $1,565,000 for rents, by putting up their own public buildings. It seems to me there is no excuse for the government of the Dominion of Canada paying such sums for rent. If it is found profitable by business people or friends of the government to con-

struct these buildings and lease them to the government, surely it would be good business for the government to own their buildings. I think the government own enough land now to contain all these buildings, and I would like to know if this question has been given any serious consideration.

Mr. ELLIOTT: Yes. I thought it was pretty well understood by hon. members of this house that the plan is to proceed with the construction of public buildings to house the various departments of the public service. That is our policy.

Mr. McGIBBON: When are the government going to start?

Mr. ELLIOTT: We are practically ready now to call for tenders on the first unit, the Confederation building, which will contain 175,000 square feet of floor space. Of course that is only a very small portion of the accommodation we will require, but this is only the first of a number of buildings which will be proceeded with, not all at once but gradually, and I hope not too gradually.

Mr. McQUARRIE: I would like to call the attention of the minister to the corner stone tablet at the northeast corner of the parliament buildings. Part of the lettering on this tablet has become almost entirely obliterated; I have seen a number of visitors looking at the tablet, and I think it would be a good thing to have that attended to and the lettering renewed so that anyone might be able to read the incription.

Mr. ELLIOTT: I have not had my attention particularly brought to this matter and I have not noticed it myself, but I will be glad to look into it. Certainly the corner stone and inscription should be kept in proper condition.

Mr. GEARY: I see that this final vote totals $5,536,500. A little while ago in discussing one of the items the minister took the opportunity to compare, in an impassioned manner, the expenditures on public works under this government with the expenditures for the year 1913-14, seeking to establish the economy of the present government by saying that amounts chargeable to income this year were something over $17,000,000, whereas I think he said they were about $22,000,000 in 1913-14.

Mr. ELLIOTT: No; I was dealing with the total expenditure of this department.

Mr. GEARY: Then we will take the amount chargeable to income, which is $17,000,000 this year as against $22,000,000 in the year mentioned. We were speaking of this particular item, which is a more or less general item and for which no immediate physical value is received.

Mr. STEVENS: And this is only a portion of it.

Mr. GEARY: That may be quite true. This is an item covering rents, repairs, furniture, heating and so on, and included in it are some of the items to which my friends to my left were referring. It was this particular item which induced the minister to launch into that defence to which I have referred. In the year 1913-14 the total under this item was $1,992,500, so the item is at least 150 per cent higher this year than it was then. It is quite true that the whole amount for improvements, buildings and so on exceeded the expenditure made this year by some $5,000,000, but we received value for that amount. For instance, in 1913-14 we spent $20,000 in Trail, which probably satisfied the demands of that town at that time. The other night we were told by the hon. member representing the constituency in which Trail is located that they are badly in need of a public building in Trail, yet nothing is being done this year. No one would complain if urgent requirements of that kind were satisfied, and in 1913-14 a good deal of money was spent for public buildings, post offices and so on for which value was received. When you come to these more or less general charges, among which are items which were defended by the minister, as I have said we find that the expenditure in 1913-14 was less than two-fifths of the expenditure to-day. I do not see any point in the minister going back to that year, the facts being as they are. At the same time he ventured into the Department of Trade and Commerce, referring to the trade of Canada at this time as compared with the trade at that year. It occurs to me that that was a bit gratuitious on the part of the minister. We are not saying that the value is not here; we do not contend that the increases are not due in some measure at least to the increased cost of material and labour, and it would have been well if the minister had defended these expenditures on that ground rather than to obtain an unfair result comparing them with what happened in 1913-14.

Mr. ELLIOTT: I cannot agree with what my hon. friend has said, and probably he does not expect me to do so.

Mr. GEARY: But the figures are there.

Mr. ELLIOTT: No. My hon. friend will be fair when I call his attention to the real point to which he is addressing himself, and that is that these services have increased since 1914.

Mr. GEARY: Certainly.

Mr. ELLIOTT: There is no doubt about that; the services have increased in various ways. Consider labour, with which this item deals very extensively; no one will deny that the cost of labour has increased at an enormous rate since 1914, and when that point is conceded I think the argument of my hon. friend must fail.

Mr. GEARY: Why?

Mr. ELLIOTT: Why? Because, not only has the number of employees increased enormously, but the cost of each employee has increased, so that we are having the only result that would be possible under these circumstances. I am afraid that my hon. friend has not just got the point.

Mr. STEVENS: Are you not going too fast?

Mr. ELLIOTT: We are always going too fast, when we attempt to answer criticism. I do not propose to let it go without an answer.

Mr. STEVENS: You will get one, too.

Mr. ELLIOTT: The point I was making to my hon. friend was that while you may find raises and increases in salaries, you will also find increases in the cost of materials. The cost of things is uncontrollable. The point I was trying to make to my hon. friend —I hope I did it with as good temper as my hon. friend displayed—is that the test, after all, is the comparison of our total to-day with the total in former years, when the business of the country was not nearly as great. My point was that with a business of a little over a third of what it is to-day, the expenses fourteen years ago were one and one-half times the total expenses of to-day.

Mr. GEARY: If my hon. friend were to decide this year that he required a house to live in, and ten years hence he does not require a house to live in, is it fair to compare his expenses ten years hence with his expenses to-day, when he has to pay out rent for a house to live in? That is exactly what has happened in this case. We required a large number of public buildings in those days, and for the expenditures in the year 1913-14 we got assets in lands and bricks and mortar. This particular item, which we are discussing at the moment, has increased 150 per cent.

[Mr. Geary.]

Mr. STEVENS: The minister did not include $6,500,000 of capital this year, which makes it $24,000,000 instead of $17,000,000.

Mr. GEARY: There has been a decrease, for instance, in the Yukon. In 1913-14 we were obliged to spend $128,000, while this year we are only obliged to spend $34,000, on account of the decreased business in that territory.

Mr. KENNEDY: Could the minister explain the meaning of the different items "Public works—chargeable to capital" and "Public works—chargeable to income"?

Mr. ELLIOTT: I must say that the very question my hon. friend has asked has caused me to make some investigation. It is a term used by the department presided over by my hon. friend the Minister of Finance (Mr. Robb), and apparently they draw the distinction between public buildings—capital, and public buildings—income. It is a distinction that is fairly hard to follow logically.

Mr. KENNEDY: It is just the name of an account?

Mr. ELLIOTT: That is the distinction.

Mr. COOTE: Just a distinction without a difference.

Mr. ELLIOTT: It seems to be a bookkeeping distinction, rather than anything else.

Item agreed to.

Mr. ELLIOTT: Perhaps this would be an opportune time to take up some matters that were held over for further information.

Victoria, B.C., astrophysical observatory (Little Saanich mountain) — maintenance, repairs and improvements, $3,000.

Item agreed to.

Saskatoon—public building, $150,000.

Item agreed to.

Dominion public buildings — improvements, repairs, etc., $102,000.

Mr. ELLIOTT: My hon. friend from Charlotte (Mr. Grimmer) asked for certain information as to why tenders were not invited for post office fittings, including boxes, at St. Stephen. The estimated cost was put at $1,300, in August, 1927. Two tenders were received, one from Joseph MacVay of St. Stephen, for $1,500, and the other was from George Stewart Ryder, St. Stephen, and was for $1,800. As the appropriation covering this work had been exhausted at that time, the tenders were not accepted, and the security furnished by the tenderers was returned. The item has been noted for consideration.

Mr. GRIMMER: I would like to ask the minister if it is the intention of the government to proceed at once with the repairs?

Mr. ELLIOTT: There is no vote yet. The item has been noted, along with many others, for the supplementary estimates; that is a matter of consideration in connection with the supplementary estimates.

Mr. GRIMMER: Is it the intention of the government to wait until such time as they receive tenders that will come within the estimate?

Mr. ELLIOTT: Our difficulty at the present time is not with the tenders; it is a question of there being no appropriation now. The first thing for the government to consider is whether or not an appropriation for this work will be inserted in the supplementary estimates.

Mr. GRIMMER: When does the government intend to take this into consideration? Will that come in in the supplementary estimates?

Mr. ELLIOTT: It will be considered.

Mr. GRIMMER: I think there are other things to be considered at the present time in connection with the matter. This question came up four or five years ago. I was not the one responsible for it, and was not the one that advocated it. No doubt this is a matter for the postal department. They found out that it was absolutely necessary in the interests of the department, to carry on the work, that the premises should be improved. At the same time, there were boxes which the public were willing to pay for. The government, through their engineers, had estimates prepared, and they took into consideration, for the benefit of the department and also for the benefit of the people in that vicinity, the proposition of at once proceeding with the work. That was in 1922 or 1923. It requires only a matter of probably $2,000 or less to cover these alterations. I cannot understand, nor can the people understand, why the Postmaster General does not see his way clear to spend this small matter of $2,000 in the interest of the department, and for the benefit and convenience of the public.

This building was built some thirty-five or forty years ago. No doubt it was then one of the best buildings in that community; it was adequate at that time. The first floor is occupied by the postal department; the second floor is occupied by the customs, and there is a storey and a half above that. Architecture at that time was up in the air, rather than just floor space. The upper storeys were used by the caretaker. I do not know whether they are using them at the present time or not. The arrangement of the building is such that there is not sufficient space to carry on the postal service satisfactorily. The government themselves decided that in the interests of the department they would make these alterations and the people were led to believe that this work would be done at once. As I said before, something else must be entering into the matter. I hope it is not unjust to the government to suggest that there is something in connection with the tenders; but I have been informed, although I do not know this to be a fact, that the tenders which have been received for making the alterations have been made by Conservatives in the town of St. Stephen. On the other hand I understand there is no one there who happens to be a supporter of the present administration who is equipped for making those alterations. If it is the intention of the government to wait until such time as they can get a tender from one of their own party, they will have to wait until the next generation grows up.

This matter has been hanging fire for the last five years and it is only proper that the government should understand the situation from the point of view of the people in the town. The whole patronage system in that county seems to be narrowed down to one person, and if a whole community is going to be subject to one person in respect to alterations and other matters of this kind, it is time that some of the conditions be changed. Here we have one man deciding not only in this matter but in everything else that comes up in connection with any expenditures in Charlotte county. He decides for the county whether or not the government should make these expenditures and it is time that the government take the people in the county into consideration and not one person alone. I hope what I understand to be the case is not so, but indications point that way.

The same thing has come under my observation in connection with two or three requests I have made of the government with respect to certain matters. Some members of the government promised me they would do certain things for the county in respect to little matters. When I would bring a matter before them, they would say: "Yes, I think that is absolutely necessary and I will look after it." But before they look after it, they

have to refer it to the gentleman I have in mind and what is his answer? He says: "No, if anything is wanted for the county, let them come to me and I will look after it for them." Therefore that is cancelled. I am afraid the same condition exists in regard to making a slight alteration that is so necessary in a public building in order that the work may be carried on in a satisfactory manner in the interest of the postal services. This is not a new building; it is a building which the government own; it is a building that needs repair. The amount required is only a small one, and therefore I ask: Why carry it over from year to year, going through the farce of asking for tenders and then throwing the whole thing down until the next session? What did the government say in 1921, 1925 and 1926? "The post office is going to be enlarged; there is no difficulty about that; the undertaking is to begin at once." But the day after the ballots were counted, they forgot all about the matter. I do not believe it has any bearing on the town of St. Stephen as far as the voting is cencerned, nevertheless on every platform one of the government's supporters appears before the public making not only that promise but others, promises which have never been carried out since this government came into power, and which I do not believe they intend to carry out. Therefore I say in connection with something the government started themselves, in connection with alterations that are necessary for the convenience of the public, for the satisfactory carrying on of the public business, it is up to the government now to spend that paltry sum of $2,000 and not to put the matter off until next year by calling for tenders and then making a farce of it.

Mr. ELLIOTT: So far as I am aware the reason why a contract was not given out was because the lowest tender was quite a considerable amount above that estimated by our architect as a fair value for the work. I do not mean by that that the architect is always correct as to what these things should cost. Sometimes when we call for tenders and they are near the amount estimated, we have to pay more; but in this case the lowest tender was considerably above the estimate and there was quite a difference between the tenders, one being $300 higher than the other. This is, however, not a large item and while I cannot make any promises to my hon. friend about what will happen to the supplementary estimates, the chance of an item of this kind getting in is much better than that of an item of a larger amount. I think those are all the items that were held up.

Mr. FRASER: Will the minister give me the information about the tractors?

Mr. ELLIOTT: I have obtained the information which I think my hon. friend wants. This is a gasoline tractor for Edmonton, costing $1,350. It consists of a four-cylinder gasoline engine with planetary gear, similar to a Ford truck, with rubber-tired wheels, etc., and it is used for the purpose of hauling mail trucks to and from mail cars on station platforms. All parts are made in Canada. It is assembled and supplied by A. C. Lariviere, 56 Colborne street, Montreal. It is the same type as those installed in Toronto and Moose Jaw and it is much cheaper than electric tractors which have been installed previously in many places where charging current is available, such as Montreal, London and Toronto. The price of the electric tractor is about $3,000. There was available in the department a photograph of the tractor and I have attached it to the memorandum which I shall be glad to hand to my hon. friend.

Mr. GARDINER: What is the horse-power of the tractor?

Mr. ELLIOTT: The information does not give the horse-power.

Mr. STEVENS: Twenty-five.

Mr. GARDINER: This tractor is very expensive for its size. It is only a very small horse-power. The minister should look into the matter further before he purchases any more.

Mr. ELLIOTT: The purchasing agent looked into the matter before this one was purchased.

Mr. LUCAS: What is the difference between this tractor and those previously purchased?

Mr. ELLIOTT: I assume this is a larger tractor. It is certainly a more expensive one.

Mr. GARDINER: I suggest that the minister look into the matter again. You can buy a Ford tractor for $500 or $600, and there is much more material in them than in these small things. The price is ridiculous when you consider what you get for your money, and I would ask the minister to look into it

Mr. ELLIOTT: I do not think you can do this work with any smaller tractors. These are for hauling trucks around the station platforms, and I am told they are suitable for that work and are good value for the money.

Mr. GARDINER: I have seen these tractors at work around the various stations, and there is nothing to them. They should not cost half that amount.

Mr. ELLIOTT: But they do.

Item agreed to.

Harbours and rivers—Nova Scotia—Bailey's Brook—repairs to pier, $2,500.

Mr. SMITH (Cumberland): Under the general vote for Nova Scotia harbours and rivers, I wish to bring to the attention of the Minister of Public Works, for the third successive year, the deplorable and inadequate condition of two harbours in the province of Nova Scotia with regard to public service and shipping facilities. As I said, this is the third session I have brought the matter to the attention of the Minister of Public Works, twice to the attention of the present minister, and once to his predecessor.

The first harbour I wish to speak about is that of Port Greville, on the bay of Fundy. The importance of that harbour may be realized from the business that passed through the harbour in 1926. Before giving that, let me say that this locality is not served by any other means of transportation. It has no railway facilities, and the business of that locality is absolutely dependent on the shipping facilities provided. To give the committee an idea of the importance of the harbour let me say that in 1926 there passed through the harbour:

5,000,000 feet of lumber.
31 three and four master schooners repairs.
14 large vessels cleared with lumber.
8 cargoes of piling.
16 cargoes of lumber in smaller vessels.
1,000,000 feet of lumber shipped in scows.

It amounted, in all, to over 30,000 tons, deadweight, of shipping.

In 1924 or 1925, I am not sure which year, certain repairs were made to the breakwater and certain beach protection work was done. A great deal of money was expended, and it is claimed not properly expended; that is, the expenditure did not give the service it should have provided; a lot of unnecessary work was done, and a lot of necessary work was left undone. The complaint is that the breakwater at this point does not extend out far enough to protect the harbour channel.

Mr. ELLIOTT: Just what was the date of that work?

Mr. SMITH (Cumberland): In 1924 or 1925, I am not sure which, but I think it was 1924. The chief complaint is that the breakwater does not extend far enough out into the harbour to protect the channel, and the result is that with the flow of the tide back and forth, sediment is deposited in the channel; the harbour is gradually filling up, and it will not be long before there will be no harbour there at all. The result will be that the people of that locality will be unable to ship their products to the markets of the world. I have a communication here from a member of a shipbuilding company in Port Greville, drawing my attention to the fact that this breakwater must be extended by the government, and also that the beach protection, which extends from the breakwater along the shore, must be repaired. He says in conclusion. "Unless something is done soon this harbour will be a thing of the past." It seems to me, Mr. Chairman, in view of all the money that has been lavishly expended by this government in different parts of the Dominion of Canada, and especially in the city of Ottawa, there should surely be enough money in the treasury to protect important public works that require immediate attention in order to enable the people to conduct their shipping business. Not only on that ground, but from the standpoint of good sound business this breakwater should be extended and the beach protection work repaired, because if much more time is allowed to elapse the cost of these repairs will be double or treble what it would cost to-day. I implore the minister to look into this matter very carefully, and to bring down an item in the supplementary estimates to provide for this service. I admit that this matter has been taken up by some of the persons in that locality with the engineers who are in charge of the government works in the province of Nova Scotia, but apparently the government's engineers there do not appear to understand the significance of what is required at this port. I would urge the government—and I make this plea on behalf of the people of that district—to have this very necessary work done in order that these people may be provided with proper shipping facilities.

The other harbour I wish to bring to the attention of the minister is that of West Advocate. Before speaking of that, I would ask the minister whether an appropriation is to be placed in the supplementary estimates to provide for extending the breakwater at West Advocate. In that case, I shall have nothing further to say, and it will save time.

Mr. ELLIOTT: The name of West Advocate is familiar to me. The work my

hon. friend mentions has been considered up to a certain point, but whether or not an appropriation will be included in the supplementary estimates, it is quite impossible for me to say at the present time.

Mr. SMITH (Cumberland): No definite decision has been arrived at?

Mr. ELLIOTT: The supplementary estimates have not been before the treasury board or council.

Mr. SMITH (Cumberland): I understand from parties living in that district that the rumour has been circulated there that an estimate amounting to $8,000 would be placed in the supplementary estimates to provide for the extending of the breakwater at West Advocate. As the minister says that this has not been definitely decided upon, I wish to bring to his attention the situation at this point. West Advocate is also a port on the bay of Fundy, and it has no other transportation facilities beyond the harbour; there is no railroad within a good many miles of this point, and all the lumber, all the pulp, and all the fish of that locality have to be shipped from these two important ports that I have mentioned. At West Advocate, on account of the shortness of the breakwater, vessels cannot get into the harbour, and all the lumber has to be shipped to them in scows and taken out and loaded in the vessels in the stream. The breakwater needs an extension of about 100 feet, I am told, and I would urge the minister to give this matter his serious consideration, because it is impossible for the people living in this district to conduct their shipping business properly and to get their products to market unless the shipping facilities are adequate. I plead with the minister to place in the supplementary estimates a sum sufficient to put these two breakwaters in proper repair, and to extend them at least one hundred feet so the harbours will be protected.

Item agreed to.

Blue Rocks—wharf repairs, $2,700.

Mr. ERNST: Mr. Chairman, I am not objecting to the item, but there are two Blue Rocks, one in the county of Antigonish and the other in Lunenburg county. In the one there is a government breakwater; in the other there is a government wharf. I assume that this item applies to the wharf at Blue Rocks in Lunenburg county, inasmuch as it is in a deplorable condition.

[Mr. Elliott.]

Mr. ELLIOTT: My hon. friend can rest assured that this applies to the place where the wharf needs repairs the most—at Blue Rocks, Lunenburg county.

Mr. ERNST: Thank you.

Item agreed to.

Bridgewater—repairs to and reconstruction of railway wharf, $30,200.

Mr. ERNST: In this connection again, Mr. Chairman, I have no objection to offer I understand that last year the wharves generally were taken over from the railways by the Public Works Department. The wharf at Bridgewater is in a deplorable condition, and a car went through the deck last year. I am very grateful indeed that the minister has seen fit to have this work included in the estimates. But I wish to call his attention to another railway wharf at Lunenburg. Both wharves are of equal importance to the communities they serve. The wharf at Lunenburg was constructed at considerable expense, and is the only wharf suitable for ships of any size. The outer portion is absolutely useless; there is no top on it whatsoever, and the bare piles are sticking out in the water. The inner portion is inadequate for the purpose for which it is needed. In the spring large quantities of bait are brought into Lunenburg by the railway, and it has been the custom for the freight cars to be taken on to the wharf and the bait loaded into schooners. Since the wharf is in such bad repair it is necessary to cart the bait from the railway yard down to the respective wharves of the fish merchants. At the time I brought the railway wharf at Bridgewater to the minister's attention I also mentioned this wharf. I sincerely hope that he will make provision in the supplementary estimates to look after these much needed repairs. It is not a question of politics. It is a question of saving an investment that is rapidly going to waste.

Item agreed to.

Dingwall (Aspy Bay)—breakwater, $16,000.

Mr JOHNSTONE: What is the total tender for this breakwater?

Mr. ELLIOTT: The amount of the contract was $73,569: The expenditure to date is $59,590.

Item agreed to.

Grass Cove—breakwater—wharf, $28,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: Part of it is a revote of $15,500.

Mr. GARDINER: Will this appropriation be sufficient to complete the work?

Mr. ELLIOTT: Yes.

Item agreed to.

Guysborough—dredging, $23,800.

Mr. LUCAS: Will the minister explain this item?

Mr. ELLIOTT: The work proposed to be done consists of dredging three areas: (1) Channel through the bar at Porter's beach; (2) Removal of point of bar at the beacon (Stoney Patch) 450 feet long, 120 feet in extreme width; (3) small area at Peart beach 250 feet long, 30 feet in extreme width. The total quantity to be dredged is 24,330 cubic yards place measurement, or 31,630 cubic yards scow measurement. The material consists of boulders, gravel and clay.

Mr. LUCAS: Will this amount complete the work?

Mr. ELLIOTT: It is expected to.

Item agreed to.

Harbours and rivers generally—repairs and improvements, $65,000.

Mr. SHORT: I wish to call the attention of the minister to a very small amount that is placed in the estimates for the constituency which I have the honour to represent, and which probably has as long a coast line as any constituency in Nova Scotia. In looking over the different items I find we have an appropriation of only $17,000 to take care of all the breakwaters in Digby-Annapolis. I think the records of the department will show that in the constituency there are as many breakwaters as in any other riding in the province. The neighbouring constituency of Shelbourne-Yarmouth, which is represented by the hon. Minister of National Defence (Mr. Ralston) has an appropriation of $74,500. I have not any complaint to make, because I have not the slightest doubt that the amount is justified and required; but the same thing applies to my constituency. I look again to the constituency of Antigonish-Guysborough, represented by my hon. friend Mr. William Duff, who sits on the other side of the house, and I find that for his riding the appropriation is $57,600. Why is my constituency discriminated against and allowed only $17,000, while the other two are so generously provided for? I certainly feel that there has been the greatest discrimination, and I am entitled to the same treatment for my constituency as these gentlemen get for theirs. The public service demands it. The government say that they want to do everything they can for the fishing industry in the maritimes, and they have gone to considerable expense appointing a commission to investigate the fisheries problems there. That commission will cost the country a great deal of money. It has made some splendid recommendations which I believe this government will carry out as far as they can. I do not think they can carry them all out, but the commission has recommended that every consideration be given the fishing industry of the maritimes. But that industry cannot be carried on successfully in Nova Scotia without these breakwaters to afford proper protection. In my constituency, more perhaps than in others mentioned, we have the greatest need; the industry there is quite important; yet I am put off with only a trifling sum of $17,000 to take care of breakwaters in that constituency, while others have been liberally looked after. It is in the public interest that the constituency of Digby-Annapolis should be treated just as liberally by this government as such places as Yarmouth and Shelburne or Antigonish-Guysborough. I trust the minister will put a sufficient amount in his estimates to provide for the much needed repairs and improvements in my constituency. There is hardly a breakwater in the constituency which is long enough to enable the fishermen to carry on their vocation satisfactorily; in fact nearly all of them need lengthening, and a great many of them dredging. Some time ago I called the attention of the minister to a petition, which I presented, signed by the residents of Salmon river, Digby county, asking for the dredging of the channel. But no action has been taken; nothing is contained in the estimates for this work. I hope the minister will see that an amount is included in the supplementaries for this dredging in Salmon river. There is also a very important breakwater in my constituency at East Ferry in Digby county, connecting the mainland with Long island and Brier island. It is absolutely necessary that some dredging be done there. The minister has a petition from the municipal council of Digby county asking that a new breakwater be built at this point. It is a very important place; it serves the whole of Long island as well as Brier island.

There is no means of communication except a ferry and the breakwater is in a very bad state of repair. If we do not build a new one there, important repairs will have to be made. Dredging is also necessary and ought to be done this year. I trust the minister will give instructions to the district engineer with regard to the breakwater on the Salmon river and also with regard to one at Victoria beach. Last year I called his attention to the fact that a dredge was working in Digby harbour and I asked him to endeavour if possible to have some work done at Victoria beach, which is an important station at the mouth of Digby harbour. For some reason or other, however, arrangements could not be made. I sincerely trust the minister will give the matter his serious consideration. Do not let him show such partiality when giving out his appropriations for the year. Let him treat us all alike and he will not have very much trouble getting his estimates through. Surely he will take these matters into consideration and try to treat us as liberally as he can.

Mr. ELLIOTT: Much as I should like to get my estimates through easily, I cannot get more money than the treasury board will allow me or council will pass. I know my hon. friend will revise his statements as regards discrimination when he considers what has been done for one of his colleagues. If he will look at Queens-Lunenburg he will see how much has been spent there.

Mr. SHORT: A good many of the items for Queens-Lunenburg relate to works which have been begun already. They are revotes.

Mr. ELLIOTT: They were represented by the same man last year.

Mr. ERNST: I thank the minister for treating my constituency as generously as he has done, although I do not mean to say that he has given us everything that we need.

Mr. ELLIOTT: At least you will say I have given the things that are urgent.

Mr. ERNST: The minister has treated the constituency fairly; I will say that. But there is one matter to which I wish to call his attention—something that has arisen since these estimates were compiled. I refer to the harbour of Liverpool. Liverpool is a town of 3,000 and is the capital of Queens county. Since the house convened, thanks to the activities of the government of Nova Scotia, Liverpool has been assured of a newsprint mill of 200 tons capacity daily. This mill is being set up there largely because the power facilities at that point are the best in the province, and the mill will be situate at tidewater. The harbour is open the year round. But if the venture is to be a complete success it will be necessary for the department to cooperate with the provincial government and with the company in improving the harbour facilities. There is a sand bar across the harbour. It was dredged some years ago but it has again accumulated to such an extent that large vessels cannot use the port. I will ask the minister to give every consideration to the needs of this port, not merely because it is the port of the capital of Queens county but because it is destined to be one of the ports of Nova Scotia. May I ask him to make the fullest survey of the harbour with a view to having everything done which is necessary to make this port what it is destined to be.

Item agreed to.

La Have river—dredging, $43,000.

Mr. GARDINER: What is the explanation of this?

Mr. ERNST: That is my constituency; it is all right.

Mr. GARDINER: Is that the explanation?

Mr. LAPOINTE: It doesn't hold water.

Mr. DUNNING: He is getting too much.

Mr. ELLIOTT: The work is under contract and this is necessary to complete it.

Item agreed to.

L'Ardoise—repairs to and extension of harbour protection, $1,800.

Mr. CAMPBELL: Those of us from the west are not in a position to vote intelligently on these items; we must take the word of hon. gentlemen from the maritimes. I repeat now what I have said before with respect to these grants for harbours: it seems to me that the proper thing to do would be to increase the indemnity to the provincial government. Go back over a period of years and see what it has cost to keep up these harbours. In my opinion the provinces could expend this money to better advantage than we can. The members of the provincial legislatures are more closely in touch with the situation and they would know what they were dealing with. If you take the records of the three maritime provinces you will see that they have had efficient and economical administration; I know enough about the maritimes to be able to say that. I think

the money would go further if spent by the provinces, and the government might take into consideration increasing the grant to the provinces and having these matters handled by them.

Mr. LAPOINTE: Does my hon. friend suggest that we change the British North America Act and give control of navigation to the provinces?

Mr. CAMPBELL: I do not know that that would be involved at all, although I am not a lawyer. However, I would not allow a little thing like the British North America Act to stand in the way.

Mr. LAPOINTE: But if there is one matter which is truly national in its character surley it is navigation.

Mr. CAMPBELL: I do not know that that has anything to do with my proposition, and I do not know that it would involve any change in the British North America Act, although I cannot say that with authority. If the administration of these matters were turned over to the maritime provinces my contention is that they could expend the money to much better advantage, more efficiently and more economically. The members of the legislative assemblies of those provinces are in a much better position to deal with these questions.

Mr. BRADETTE: But the members of this house from the maritime provinces should be able to deal with them.

Mr. CAMPBELL: Yes, but the members from all the other parts of the country have a responsibility, and in this case I suggest that the responsibility should rest entirely upon the members of the legislative assembly.

Mr. ROSS (Moose Jaw): I think the hon. member for Mackenzie is so accustomed to the efficient government of the province of Saskatchewan that he expects to find the same condition in other parts of the Dominion.

Mr. McQUARRIE: With regard to the legal problem I suggest that we have a new doctor of laws in the house, and we might put it up to him.

Item agreed to.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

The CHAIRMAN: There are quite a number of unopposed divorce bills. Will it serve the purpose of the committee to give the numbers of the bills and the names of the persons interested?

Bill No. 158, for the relief of William James Wall.—Mr. Jelliff.

Bill No. 159, for the relief of George Rubin Sanderowich, otherwise known as Rubin Sanders.—Mr. Geary.

Bill No. 160, for the relief of Kathleen Elizabeth Hedges.—Mr. Lennox.

Bill No. 161, for the relief of Lotus Henderson Conover.—Mr. Geary.

Bill No. 162, for the relief of Marguerite Trelawney Buller Allan.—Mr. McPhee.

Bill No. 163, for the relief of Alexander Graham.—Mr. Garland (Carleton).

Bill No. 164, for the relief of William Henry Phillips.—Mr. Young (Toronto Northeast).

Bill No. 165, for the relief of Marjory Elgin Burch.—Mr. Young (Toronto Northeast).

Bill No 166, for the relief of Frances Helen Renison.—Mr. Casselman.

Bill No. 167, for the relief of Katie Abramovitch.—Mr. Jacobs.

Bill No. 168, for the relief of Daisy Myrtle McPherson.—Mr. Pettit.

Bill No. 172, for the relief of Claire Ellen Burke.—Mr. Anderson (Toronto High Park).

Bill No. 173, for the relief of George Edgar Gooderham.—Mr. Young (Toronto Northeast).

Bill No. 174, for the relief of Pearl Hazel Clement.—Mr. Arthurs.

Bill No. 175, for the relief of John Arthur Towers Irvine.—Mr. Church.

Bill No. 176, for the relief of William Henry King.—Mr. Clark.

Bill No. 177, for the relief of John Pepper.—Mr. Garland (Carleton).

Bill No. 178, for the relief of Caroline Mildred Potter.—Mr. Edwards (South Waterloo).

Bill No. 179, for the relief of Fanny Alrheta Schaefer.—Mr. Clark.

Bill No. 180, for the relief of Ivy Ethel James Sergent.—Mr. Robinson.

Bill No. 181, for the relief of Angelo Spadafore.—Mr. Garland (Carleton).

Bill No. 182, for the relief of Lena Zimmerman Staples.—Mr. Hocken.

Bill No. 183, for the relief of Audie Bertha Stewart.—Mr. Pettit.

Bill No. 184, for the relief of Gertrude Aileen VanderVoort.—Mr. Casselman.

Bill No. 185, for the relief of Roy James Vollans.—Mr. McPhee.

Bill No. 186, for the relief of John Young. —Mr. Clark.

Bill No. 266, for the relief of Victoria May Cameron.—Mr. Bowen.

Bill No. 267, for the relief of Laura Esther Phillips Fortune.—Mr. Jacobs.

Bill No. 268, for the relief of Claude Frederick Gibbs.—Mr. Arthurs.

Bill No. 269, for the relief of Lillian May Gill.—Mr. Jelliff.

Bill No. 270, for the relief of Ruth Gray.—Mr. Arthurs.

Bill No. 271, for the relief of Isabella Muriel Holland.—Mr. Church.

Bill No. 272, for the relief of Lily Leona Letheren.—Mr. Casselman.

Bill No. 273, for the relief of Sarah Jane Pinkney.—Mr. Sinclair (Wellington North).

Bill No. 274, for the relief of Gwendoline Proctor.—Mr. Hocken.

Bill No. 275, for the relief of Frances Evelene Ross.—Mr. Hocken.

Bill No. 276, for the relief of Hazell Scelena Shaw.—Mr. Clark.

Bill No. 277, for the relief of Amy Simmons. —Mr. Boys.

Bill No. 278, for the relief of William Charles Worley.—Mr. Casselman.

Bill No. 279, for the relief of Gladys Ham. —Mr. Hocken.

Bill No. 280, for the relief of Arthur Joel Cox.—Mr. Casselman.

Bill No. 281, for the relief of Mary Ellen Gussie Edwards.—Mr. Casselman.

Bill No. 282, for the relief of William Henery Leonard Gale.—Mr. Church.

Bill No. 283, for the relief of Harriet Louisa Gates.—Mr. Ross (Kingston).

Bill No. 284, for the relief of Duke Mulloy Gordon.—Mr. Ross (Kingston).

Bill No. 285, for the relief of Victor Edward McPherson.—Mr. Ross (Kingston).

Bill No. 286, for the relief of Annie Schreiber.—Mr. Garland (Carleton).

Bill No. 287, for the relief of James Retson Watt.—Mr. Bell (St. Antoine).

Motion for third readings agreed to on division, and bills read the third time and passed.

GREAT LAKES AND ATLANTIC CANAL AND POWER COMPANY, LIMITED

The house resumed, from May 9, consideration of the motion of Mr. Denis (Joliette) for the second reading of Bill No. 152, respecting the Great Lakes and Atlantic Canal and Power Company, Limited.

[The Chairman.]

Mr. CHURCH: I would like to ask the promoter if he would kindly explain the bill.

Mr. DENIS (Joliette): I have already spoken once to the bill. I have no objection to giving an explanation if I am permitted to speak again.

Mr. SPEAKER: The hon. gentleman (Mr. Church) has already spoken on the bill and so has the hon. gentleman who has moved the second reading, so that both are precluded from again addressing the house.

Mr. CHURCH: I had not finished my remarks the other night.

Mr. SPEAKER: The hon. gentleman has already spoken.

Mr. WILLIAM IRVINE (Wetaskiwin): Before the motion passes, I want to offer a suggestion. We do not know anything about what is involved in the bill. The sponsor of it did not explain it and we have had this year the spectacle in parliament of bills being reported out of committee without the consideration of a single clause in them.

Mr. CANNON: Will my hon. friend permit me? If the motion passes the bill will be sent not to the committee of the whole but to the railway committee, where it will be fully examined.

Mr. IRVINE: I quite appreciate that; but it is the privilege of the house to discuss the bill on the second reading and before we endorse the principle of the bill to that extent, we should know what it is about. I am not going to insist on that if we are assured that none of the closure tactics which have been practised during the last week in the house will be applied to the bill until we know what it is about.

Mr. SPEAKER: I am informed by the hon. member for Toronto Northwest (Mr. Church) that he had not completed his speech the other night; that he intended to move the six months' hoist. Under those circumstances he should be allowed to speak.

Mr. DUNNING: How long did he speak the other night?

Mr. SPEAKER: He did not speak forty minutes. The hour of adjournment struck and he had not completed his speech.

Mr. T. L. CHURCH (Toronto Northwest): I move, seconded by Mr. Tummon:

That Bill No. 152, respecting the Great Lakes and Atlantic Canal and Power Company, Limited, be not now read a second time but that it be read a second time this day six months' hence.

I wish to raise the question whether the second reading of this bill is in order inasmuch as it is within the four corners of a reference to the supreme court on the St. Lawrence waterways question by the following order in council which the Prime Minister laid on the table on the 31st January, and the issues covered by this bill are sub judice and relate to the jurisdiction of the federal and provincial authorities over navigation—the surplus waters, who owns the bed of these streams and the banks and rapids, and generally the power question as follows:

The committee of the privy council have had before them a report, dated 17th January, 1928, from the Minister of Justice, submitting that at the Dominion-provincial conference, held at Ottawa in the month of November, 1927, the premiers of certain of the provinces questioned the right of the Dominion to dispose of water-powers brought into being by the erection of Dominion works for the improvement of navigation, and asserted a right on the part of the province to dispose of any such water-powers within the limits of the provinces.

This bill is largely a power proposition and it also proposes to give over to a private company a canal running from Cornwall through Montreal. If the bill goes through there will be no St. Lawrence waterways. It will mean that the Canadian section will be out of the question for all time. The bill deals with the very questions which are now before the supreme court. All the questions involved in the preamble of it and indeed in the whole bill are now sub judice and I should like hon. members from Ontario to understand that if this particular proposition goes through, we shall have no St. Lawrence waterway. This is the question involved in the reference to the supreme court:

The committee, therefore, on the recommendation of the Minister of Justice, advise that, pursuant to the powers in that behalf conferred by section 60 of the Supreme Court Act, Your Excellency may be pleased to refer to the Supreme Court of Canada for hearing and consideration the following questions.

If hon. members will look at the questions involved in this particular bill they will see that it involves the very question of the jurisdiction of the province as regards not only water powers but the construction of a canal. Therefore it covers questions that are now before the supreme court. It has been announced by one of the provinces that it is going to carry the matter to the privy council, the court of last appeal. There was a debate in the house on the 10th April in connection with the St. Lawrence waterway and the Prime Minister suggested that the bill should stand until the papers were brought down. If hon. members will look at the correspondence between Mr. Kellogg, Secretary of the United States, and the Ambassador at Washington of the government of Canada, and the government of Canada, they will see that it covers the very questions that are involved in this bill, namely, the right of the federal authorities on the one hand and the right of the state or province on the other, the international question, the federal division of authority with the provinces, and other questions regarding the canalization of the new St. Lawrence waterway. Further they are starting to divert water at Chicago right down to the Mississippi river for a canal there. Then there is a canal proposition at Ogdensburg going down to Albany. The third is the proposition before the house to-night for a canal running from Cornwall through the deep sections of the Canadian waterway to Beauharnois and right down to Montreal, and they propose to construct a private canal and upset all the settled canal policy of Canada for the past fifty years. I do not know what is to become of the port of Montreal if this bill goes through and if everybody is to have the right to divert water right from lake Michigan all the way down the great lakes to Montreal for canal and power purposes. Among the questions referred to the supreme court was this:

1. Has the province any proprietary interest in flowing waters within the province—

In this case the water is wholly within the province of Quebec:

—and if so, what is the nature of such interest?

That is covered by the preamble of the bill and the sections that follow. The next question submitted to the supreme court was:

2. Does the ownership by the province of the bed of any stream whether such bed be level or sloping, give to the province the ownership of water-powers?

It has always been upheld that subject to the rights of navigation, the surplus waters, the bed of the river, the banks and rapids belong to the provinces. The question raised by this bill is already sub judice before the supreme court and no doubt it will be appealed to the privy council. This same question came up in this house two years ago in connection with the Morrisburg dam. The province of Ontario wanted to build a dam at Morrisburg and develop power wholly within Ontario, and the Minister of the Interior read an opinion in the house in the year 1926 to the effect that there was no doubt that so far as navigation was concerned the interest of the Dominion in international streams was paramount, but that the surplus waters and the bed of the river and the banks

and rapids belong to the province after the rights of navigation were satisfied. The province applied under the Boundary Waterways Protection Act for power to build that dam, and plans were filed by Sir Adam Beck on behalf of the Ontario Hydro Commission and the Ontario government, but the application stood for three or four years, and never was granted. If that dam had been built, it would have been of benefit to the whole of eastern Ontario. It is true that the power to be developed under this bill which is now before us is from a river that is wholly on the Canadian side in Quebec, but what about the rights of the people farther up the lakes? What about the several other canals? And if the province of Quebec is to have this right, Ontario will also claim the same right, and so will the state of Illinois, New York, and other states, and you will find yourself on very dangerous ground. To continue with the questions referred to the supreme court:

2. Does the ownership by the province of the bed of any stream, whether such bed be level or sloping, give to the province the ownership of water-powers:

(a) created thereupon by dominion works for the improvement of navigation; or

(b) existing thereupon by nature?

3. Has the province any proprietary interest in or legislative control over:

(a) the canals, with lands and water-power connected therewith, and the lake and river improvements which were conveyed to the dominion by section 108, schedule 3, of the British North America Act, 1867, or in or over the disposal of any water-powers created thereby or existing thereupon from time to time; or

(b) water-powers created by works for the improvement of navigation constructed by or under the authority of the dominion since confederation; or

(c) works constructed wholly for power purposes by the dominion out of moneys appropriated by parliament for such purpose?

Part of this canal is for navigation purposes:

If so, what is the nature of such interest or control?

4. Has the dominion exclusive legislative power to regulate waters for the purposes of navigation:

(a) in navigable waters; and

(b) in non-navigable waters?

5. Where the dominion, for navigation purposes, expropriates or uses any part of the bed of any stream vested in the province, is the province entitled to any compensation for such expropriation or use?

6. Has the dominion the exclusive legislative control over and proprietary interest in water-powers brought into being by works authorized by parliament to be erected in an international stream for the purpose of carrying out an agreement between Canada and any foreign country looking to the creation of joint works for the improvement of navigation in such streams?

If not, what are the powers and rights of the province with regard to such water-powers?

[Mr. Church.]

That is the very question which this bill brings up. To continue:

7. Where the bed of a navigable stream is owned by the province or by a private individual, is the title of such owner subordinate to the public right of navigation, and to the provisions of any statute which may be enacted from time to time by parliament, within the powers conferred by section 91 (10) of the British North America Act, 1867?

In conclusion, I wish to quote May's Parliamentary Procedure, at page 709, in regard to what principle is involved in the second reading of a bill. He says:

The second reading of a private bill corresponds with the same stage in other bills, and in agreeing to it the house affirms the general principle, or expediency, of the measure. There is, however, a distinction between the second reading of a public and of a private bill, which should not be overlooked. A public bill being founded on reasons of state policy, the house, in agreeing to its second reading, accepts and affirms those reasons: but the expediency of a private bill, being mainly founded upon allegations of fact, which have not yet been proved, the house, in agreeing to its second reading, affirms the principle of the bill, conditionally, and subject to the proof of such allegations before the committee. Where, irrespective of such facts, the principle is objectionable—

As it is in this case, because the question is sub judice:

—the house will not consent to the second reading; but otherwise, the expediency of the measure is usually left for the consideration of the committee.

The time to enter a protest against the principle of a bill is on the second reading, and I am opposed to this bill in principle. I say further that in view of the order in council which I have read, this bill should not be gone on with on grounds of law and of public policy, and in view also of the exchange of correspondence between Washington and Ottawa on the whole question of the St. Lawrence deep waterway. The interests of navigation are paramount.

Mr. SPEAKER: On the point of order, if the question before the courts was exactly the same as the one that is being debated by the house, I would have no hesitation in saying, as I have said in similar circumstances, that the question, being sub judice, was not debatable before the house. But it is not the same question.

As regards the general point raised by the hon. gentleman, I find, according to Bourinot:

The Speaker will not give a decision upon a constitutional question, nor decide a question of law, though the same may be raised on a point of order or privilege.

That disposes, I think, of the question of the point of order.

The question now before the house is that this bill, respecting the Great Lakes and Atlantic Canal and Power Company, Limited, be read a second time, and in amendment thereto Mr. Church moves that the said bill be not now read a second time, but that it be read a second time this day six months hence. The question is on the amendment.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Just before the question is put, while my views on the bill would probably coincide with those of the hon. member who has moved the six months hoist, it is customary to allow petitioners for private bills to appear before a committee of the house and there state their views, what they want, and why they want it, and the normal course to follow in the case of a bill of this character would be to refer it to the select standing committee on railways and canals. While I cannot predict the outcome, the very fact that the six months' hoist has been moved indicates that the bill would be very carefully scrutinized by that committee, and I submit that that work can be done very much better by a committee of the house than by our summarily disposing of the matter on the second reading of the bill. I think we would all agree that we reserve our right to destroy the bill on the third reading even if it does come back from the committee. The work of the house in connection with a bill of this kind can be done much more conveniently by one of the standing committees, and for that reason I am opposed to the six months' hoist.

Mr. G. R. GEARY (South Toronto): I think one would not take exception as a general rule to what the minister has just said. The ordinary course is to allow such a bill to be passed on to a committee in order that it may be explained there by its promoters, but that, of course, is subject to consideration of the general situation which follows the passing of the second reading, that thereby the principle of the bill is more or less adopted. It seems to me that this bill can have no possible chance of success. On principle it is wrong in the circumstances, because we have the very recent declaration of the government that the whole question of the St. Lawrence waterway is to be considered; that not only have negotiations been entered into and correspondence passed between Washington and Ottawa, but that the government has the matter under consideration. I have forgotten the exact language used, but that is the effect of it. This bill is diametrically opposed to any fair consideration of the St. Lawrence waterway proposition. If this bill were passed granting the promoters power to construct the projected canal, it would be an absolute bar to the deepening of the St. Lawrence waterway as a national undertaking. One has only to look at the powers contained in section 17 and the other powers scattered throughout the bill to realize that it is not at all the sort of measure which the house should consider at the moment. It is directly opposed to ownership by the Dominion of the deepened waterway when and if it be completed. The bill is studded with provisions that will interfere with and endanger action by this house on the St. Lawrence waterway project.

Now, we have not reached the position where the St. Lawrence waterway deepening can be discussed, but I think I may express it as the general feeling of the house that this great undertaking will come eventually. So the right hon. Prime Minister (Mr. Mackenzie King) has put it, and so most of us in the house believe. But to place in the hands of private owners navigation rights through the St. Lawrence is beyond belief. I do not know of a case where such rights have been granted, either by the federal or the provincial authorities, to private individuals. Nor should they be so granted, because as a highway on land should be free to the passer-by, so should the road by water be free to those who seek to use it. No private corporation is entitled to come to this house and ask to be given powers which will override the natural rights of the people to the ownership of their own water courses.

Mr. DUNNING: Might I interrupt my hon. friend just there? He says that no private interest should have the right to come to this house and ask. I think it is the fundamental right of every citizen to come and ask. To receive is another matter, but to come and ask is the undeniable right of anyone.

Mr. GEARY: I accept the hon. minister's correction. I may not have stated the position in apt terms, but my meaning is surely evident. Perhaps a private person has the right to come and ask for anything—

Mr. DUNNING: That is right.

Mr. GEARY: —but no private person has the right to expect that he may get something of this kind.

Mr. DUNNING: I agree.

Mr. GEARY: So, Mr. Speaker, it is so obvious to me that the principle should not be accepted by this house that I concur fully in the motion to read the bill this day six months. We are shortening discussion of the bill perhaps, but its purpose requires no explanation or discussion; those who run may read; and the dangers that would follow the passage of such a bill are so manifest that I submit the house should not at this moment advance it even by a second reading.

Mr. A. E. ROSS (Kingston City): Mr. Speaker, if we give this bill second reading we accept its principle. I do not think any member is prepared to endorse it. Having, as the minister says, given the bill a little chloroform, I think we should not prolong the agony by allowing it to go to committee for further discussion. I am absolutely opposed to the principle involved, and I do not see any reason for allowing the bill to proceed a step further. Therefore, I support the amendment.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, this bill, as the member for Toronto Northwest (Mr. Church) intimated, involves the pretty wide question of navigation rights. I had not known, until he drew my attention to it, that the question of navigation was involved, and with all due deference to the Minister of Railways (Mr. Dunning) I submit that no bill involving this question on such an important body of water as the St. Lawrence should receive the recognition of this house even to the extent of sending it to committee. I have not heard any satisfactory explanation of the bill. The minister will doubtless reply: Wait until the bill goes to committee and then you will get a full explanation. But the fact of the matter is that if we give the bill second reading we are virtually telling the committee to consider the possibility of granting to private interests navigation rights on the St. Lawrence. The whole situation is so ridiculous that I cannot imagine even the Minister of Railways countenancing it. Frankly, I am in agreement with him on the general principle that private individuals are entitled to fair consideration for their bills.

Mr. DUNNING: That is all I am asking.

Mr. GARLAND (Bow River): I think the minister is quite right in that regard, where questions of this nature do not arise. but in my opinion this house would make a grave mistake if it were now to give its imprimatur to the possibility of private interests receiving navigation rights on the St. Lawrence. I am therefore going to vote for the amendment of the hon. member for Toronto Northwest.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I am absolutely opposed to this bill, and have been since I first read it. I was prepared to allow it to go to committee and do my best to kill it there, which is really the normal course; but I find myself in a position where I cannot vote against the six months' hoist because I believe the bill merits it. Had that motion not been made, I should not have grievously objected to the second reading simply as a matter of form. Under the circumstances I shall vote for the amendment, for I do believe this bill is bad in principle.

Mr. A. J. ANDERSON (Toronto-High Park): Mr. Speaker, I associate myself with the mover of this amendment (Mr. Church). We have spent a large amount of money in getting reports on the deepening of the St. Lawrence waterway. The government has not declared its policy with respect to the project, but it has submitted certain questions of federal and provincial jurisdiction to the supreme court. The province of Quebec is not the only province interested in the result; Ontario and the western provinces are also concerned. The province of Quebec may have the right to grant incorporation to this company which proposes to build a canal, but the canal would really form part and parcel of the St. Lawrence waterway. The deepening of the St. Lawrence waterway is not only an interprovincial matter, it is international.

There is sufficient in the preamble of the bill to show just exactly what is intended by the promoters. The principle involved is absolutely contrary to what this parliament should sanction. The United States have treaty rights with regard to the navigation of the St. Lawrence, and this canal, if constructed, would very materially interfere with those rights. This would bring up the question of damages and other collateral matters. I am strongly opposed to the bill on principle, for it affects the question of navigation; and, further, the question of federal and provincial jurisdiction, which at present is under consideration by the supreme court. This is simply trying to get certain powers which will create a complication when we come to deal with the whole question. The preamble itself is quite wide. It says:

Whereas a petition has been presented by the Great Lakes and Atlantic Canal and Power Company, Limited, a body politic and corporate,

duly incorporated under the Companies Act, chapter seventy-nine of the revised statutes of Canada, 1906, hereinafter called "the company", praying that it may be authorized to construct and operate a deep waterway from the western end of lake St. Francis at or near the town of Cornwall in the county of Stormont, in the province of Ontario to Hungry bay in the county of Beauharnois in the province of Quebec, and to build a canal from said Hungry bay to a point at or near Melocheville, in the said county at Lake St. Louis, and a deep waterway through lake St. Louis to a point at or near Caughnawaga in the county of La Prairie; or by an alternative route to build a canal from Lake St. Francis at Hungry bay in the county of Beauharnois, through the said county of Beauharnois and thence through the counties of Chateauguay and La Prairie, to some point on La Prairie basin, in the latter county; to create a deep waterway from La Prairie basin to deep water in the harbour of Montreal, so as to make and complete throughout the entire distance from Cornwall aforesaid to the harbour of Montreal as aforesaid, a navigable canal—

And so on.

That is involved in the St. Lawrence scheme, and, as I say, it is merely an attempt to anticipate action in regard to the entire question. If this bill were passed it would thwart the whole scheme. I am opposed to it on principle and I shall vote for this amendment. No doubt if it went to the committee there would be ample opportunity to discuss it, but I do not think it deserves the consideration that was shown a similar bill last year. On principle that bill was wrong but it was sent to a committee and it was there for a considerable time before it was killed. I am satisfied to support this amendment and I think it would be the part of wisdom for the house to accept it.

Sir GEORGE PERLEY (Argenteuil): Inas much as I am paired with the hon. member for Bonaventure (Mr. Marcil) and therefore am unable to vote, our pair being binding at all times, I rise now to say that I am strongly opposed to this bill—as strongly opposed as anyone can be. I can see no purpose in considering the matter at all under present conditions. The government have referred to the courts the question as to the respective rights of the provinces and of the Dominion, and the adpotion of this bill would create complications for the administration in any future settlement of that question. I merely rise now to express my opposition to the bill.

Mr. JAMES ARTHURS (Parry Sound): I have no hesitation in saying that I am opposed to this bill on general principle, especially in view of the fact that there has been so much agitation in Canada and the United States in relation to the deep waterway, with a part of which this bill must interfere. There can be no doubt that the question now before the courts as to the respective rights of the provinces and of the Dominion is involved in this measure, as it is in all legislation along the same line. I am therefore opposed to any measure of this kind at the present time.

Mr. JOHN EVANS (Rosetown): If this bill passes and becomes law it will give power to a private concern to interfere with a part of what is known as the deep waterway from Montreal to the great lakes. I thought we had practically laid down a policy regarding utilities of this kind when a similar bill was defeated last year. In my opinion it is time this parliament adopted a definite policy governing such great public utilities, particularly one of such magnitude and importance to the whole country as the project under consideration. I am on principle opposed to placing any public utility in private hands and I shall vote for the amendment. There should be no possibility of a bill of this kind passing this house.

Mr. M. N. CAMPBELL (Mackenzie): I wish to add my word of protest against the bill and to express my approval of the amendment. Among the powers asked for in the preamble is this:

So as to make and complete throughout the entire distance from Cornwall aforesaid to the harbour of Montreal as aforesaid, a navigable canal or canals and ship channels of a depth of not less than thirty feet between said points for the passage of ocean-going vessels—

This is an important part of the bill.

—and to generate, distribute and sell such electrical energy as may be available.

As the hon. member for Rosetown (Mr. Evans) has said, this bill is very much like the one rejected by the committee last year and known as the Georgian Bay Canal bill. That bill was turned down and I can hardly conceive of parliament accepting a similar bill at the present time. The government should come forward with some definite policy so that parliament and the country may not be left in a maze concerning projects of this character. It is time the government came forward and definitely stated their attitude towards such bills. It seems a remarkable situation that a bill of this importance, involving a project of such magnitude, should be introduced by a private member without any expression of opinion from the government regarding not only the question under consideration at the moment but all other matters of this nature. I hope that in the few minutes left for the discussion of the bill some member of the government will tell us where the administration stands with respect to it.

Mr. DUNNING: I did so.

The house divided on the amendment (Mr. Church) which was negatived on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Arthurs,
Barber,
Bell (St. John-Albert),
Black (Yukon),
Black (Halifax),
Bowen,
Brady,
Campbell,
Cantley,
Chaplin,
Church,
Coote,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Gardiner,
Garland (Bow River),
Garland (Carleton),
Geary,
Grimmer,
Irvine,
Kellner,
Kennedy,
Lang,
Lucas,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
MacNutt,
Macphail (Miss),
McGibbon,
Neill,
Pettit,
Price,
Quinn,
Ross (Kingston City),
Ryckman,
Short,
Sinclair (Wellington North),
Speakman,
Spence,
Spencer,
Stevens,
Stinson,
Stirling,
White (Mount Royal),
Woodsworth,
Young (Toronto Northeast).—52.

NAYS

Messrs:

Bancroft,
Beaubien,
Blanchard,
Blatchford,
Bock,
Bourgeois,
Bradette,
Brown,
Casgrain,
Chevrier,
Denis (Joliette),
Descoteaux,
Dionne,
Donnelly,
Dunning,
Fiset (Sir Eugene),
Forke,
Foster,
Gervais,
Glen,
Goodison,
Hall,
Hay,
Hepburn,
Howden,
Ilsley,
Jenkins,
Johnston (Long Lake),
King (Kootenay East),
Laflamme,
Lapierre,
Lapointe,
Letellier,
MacLean (Prince),
McIntosh,
McKenzie,
McMillan,
McPhee,
Malcolm,
Millar,
Morin (St. Hyacinthe-Rouville),
Motherwell,
Perras,
Ralston,
Robb,
Ross (Moose Jaw),
Sanderson,
Séguin,
Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Telford,
Thorson,
Totzke,
Veniot,
Young (Saskatoon),
Young (Weyburn).—58.

PAIRS

Mr. TUMMON: I was paired with the hon. member for Chambly-Verchères (Mr. Langlois). Had I voted I would have voted for the amendment.

[Mr. Campbell.]

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted I would have voted for the amendment.

Mr. SPEAKER: The hour for private bills has expired.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public Works — Malagash — wharf repairs, $3,600.

Mr. SMITH (Cumberland): I would like to ask the minister whether this amount is for repairs in addition to the amount voted last year?

Mr. ELLIOTT: Yes. If my hon. friend will look at the column showing the revotes he will see that none of this money is being revoted.

Mr. SMITH (Cumberland): This amount is to continue the repairs which were started last year?

Mr. ELLIOTT: To repair the pierhead by driving creosoted close-piling along both sides and across the end, and renewing and repairing the decking, guard, stringers and so on. This is all new work.

Mr. SMITH (Cumberland): I should like to draw the attention of the minister to the fact that I am instructed that the shipping facilities at this point are inadequate. This is a very important port on the straits of Northumberland and is quite near a salt mine which has expanded rapidly during the past few years. I am told that they require more adequate shipping facilities than they have at present at this point, and I would like the minister to take this into consideration when bringing down the supplementary estimates.

Mr. ELLIOTT: I might tell my hon. friend that it is largely on account of these requirements of the salt industry that this vote is included in the estimates. I will read our report:

> This wharf is the shipping point for the output of an important salt product industry, which is growing rapidly. The anticipated value of water shipments of salt for 1927 is approximately $28,000; the value of products and supplies shipped and received over this wharf in addition to the above amounts annually to approximately $15,000.

It is to provide shipping accommodation that this work is being done.

Mr. SMITH (Cumberland): I am not objecting to the amount; I say it should be increased. This is an important industry and

the surrounding country is so rich in agriculture as well that everything possible should be done to see that proper and adequate shipping facilities are provided.

Item agreed to.

Murphy's Pond, Port Hood—harbour improvements, $6,000.

Mr. McQUARRIE: I see there is a revote of $6,000. Will the minister explain why the money was not spent last year?

Mr. ELLIOTT: This work is under contract, and it has not been completed.

Item agreed to.

New harbour — (Antigonish-Guysborough county), breakwater extension, $25,000.

Mr. GARDINER: Will the minister explain why this item is required?

Mr. ELLIOTT: It is required in order to complete the work.

Mr. BLACK (Halifax): I do not rise to oppose the vote to my hon. friend from Antigonish-Guysborough (Mr. Duff) but I want to call attention to the fact that there is some $60,000 voted for wharves, and so on, in the county of Antigonish-Guysborough. For the county of Halifax, with the indented coastline that they have, to say nothing of the harbours, and so on, there is a vote of some $16,000. Sixty thousand for Antigonish-Guysborough, and sixteen thousand for Halifax! It seems to me that there is discrimination there, and it is hardly fair to the county I represent.

Item agreed to.

Parrsboro—repairs to harbour protection works, $3,600.

Mr. SMITH (Cumberland): Will the minister explain this item?

Mr. ELLIOTT: It covers repairs to the harbour, protection work. They have to tear down and rebuild a portion 160 feet long, 10 feet wide, and 10 feet high. This work has greatly deteriorated, and has been damaged by storms. This is one of the important shipping ports of the province; the lumber shipments are valued at $750,000 to $1,000,000.

Mr. SMITH (Cumberland): Is this under contract?

Mr. ELLIOTT: No, it is a new work.

Item agreed to.

Pictou—repairs to railway wharves, $25,000.

Mr. CANTLEY: I would like to ask the minister a question in regard to the control or ownership of these wharves and the other railway wharves in the province of Nova Scotia. Would the minister be good enough to tell me if the Public Works department has taken these wharves over from the railway department?

Mr. ELLIOTT: The transfer is hardly completed, but negotiations have been under way and are very nearly completed for the taking over of these wharves by the Public Works department.

Mr. CANTLEY: I presume that that will apply to the other railway wharves in the province of Nova Scotia?

Mr. ELLIOTT: It applies to a number of them, but not all of them.

Mr. CANTLEY: Will the minister be good enough to tell me the exceptions?

Mr. ELLIOTT: I have not that information here, but I can give it to my hon. friend later.

Mr. CANTLEY: You will let me have that later?

Mr. ELLIOTT: Yes.

Mr. CANTLEY: I presume this amount will be expended by the Public Works department?

Mr. ELLIOTT: Oh, yes.

Mr. CANTLEY: I want to thank the minister for the vote, and also for the small vote to cover repairs to pier at Bailey's Brook. Both were urgently needed, and the repairs to the railway wharves at Pictou should have been made some considerable time ago. I want to thank the minister for undertaking it at this time.

Mr. BLACK (Halifax): Would the minister be good enough to tell me what has led up to the transfer to an outside department of these railway properties and railway wharves which are necessary for the operation of the railway? It would appear as though only a portion of them were being taken over. Why a portion, and not the whole? If the policy is to take them over, why not take them all? What led up to it, and what is the real policy with regard to it? Why should a railway wharf be taken over by another department of the government? They

are part and parcel of the railway, operated and used by the railway, and the Public Works department has nothing whatever to do with them.

Mr. ELLIOTT: One of the reasons why we are not taking all the wharves over, as I answered my hon. friend, is that there is a difference between those which are public wharves and those which are mostly railway wharves. It was thought by the railway authorities, as this department is charged with the construction and repair of wharves throughout the country, that they could look after the work perhaps more conveniently, having facilities already available, than the other department. There was the additional reason that they were not wholly railway wharves, but served the public generally, and it was contended that they should come under the Public Works department.

Mr. CANTLEY: That remark cannot apply to the railway wharves at Pictou, which are wholly railway wharves, serving only the railway or the customers of the railway.

Mr. ELLIOTT: Our information is to the effect that this wharf is used for various purposes. It is used extensively for the shipment of timber on vessels, loading, of course, from railway cars. This is one of the notes that our representative gives us:

> The Canadian National Railway wharves at this place afford the only adequate wharf accommodation for all traffic.
>
> This wharf (shed wharf) is a transfer wharf for freight, mail and passengers to Magdalen islands, via steamer Lovat; Prince Edward Island via steamer Hochelaga, and other traffic to local ports.

Mr. CANTLEY: That information is quite correct so far as it goes, but it is not strictly accurate in this respect; the railway wharves are used exclusively in connection with the railway. It is quite true that the coastal boats land their freight and their passengers.

Mr. ELLIOTT: Would my hon. friend say that the vessels going to the Magdalen islands are railway vessels?

Mr. CANTLEY: No. If my hon. friend will wait a moment I will make myself clear. It is quite true that the coastal boats use these wharves, but they use them to land passengers and freight which come over the railway. That is the point. Ninety-nine per cent of the freight handled by these boats passes over the railway either inwards or outwards. As a matter of fact they are feeders to the railway. Any local freight coming by these boats is infinitesimal, probably not more than one per cent. These wharves are strictly railway wharves. The east wharf which the minister referred to as handling lumber, handles nothing but deal and lumber of that character which is largely shipped abroad. There are several other wharves which are used by other shippers. I may add further that both these wharves were built by the Intercolonial prior to its being taken over by the Canadian National railways and they are essentially and entirely railway wharves. I want to make that clear. I asked whether they were now being taken over by the Department of Public Works as I have been endeavouring to get authoritative information for six or eight weeks. I asked a question in regard to it in the house some few weeks ago and was told that the wharves had not been taken over. I now note from the explanation made by the minister that while they are not yet actually taken over, the matter is under negotiation and the intention is to take them over.

Mr. ELLIOTT: The intention is to take them over but—

Mr. CANTLEY: Then I understand their administration will be by the Department of Marine and Fisheries as is the custom in regard to wharves under the control of the Department of Public Works?

Mr. ELLIOTT: Yes.

Item agreed to.

Round Hill wharf repairs, $5,000.

Mr. SHORT: Is this Round Hill, Annapolis county?

Mr. ELLIOTT: Yes.

Mr. SHORT: These repairs are very much needed. In fact the wharf was in such a condition last year that steamers could not call at it, and I would request the minister to be kind enough to give instructions to have the repairs made just as soon as possible.

Item agreed to.

Soldier's Cove wharf replacement, $4,200.

Mr. MACDONALD (Richmond): I should like to ask the Minister of Public Works if his department still persists in the stand which they have pursued so far in building a new wharf at Soldier's Cove.

Mr. ELLIOTT: That is the intention.

Mr. MACDONALD (Richmond): What explanation does the minister offer for this extra expenditure?

Mr. ELLIOTT: District Engineer Locke has reported under date of November 4, 1927, recommending that the new wharf be built of creosoted substructure pile type on the eastern side of the cove. The Chief Engineer reports as follows:

The petition sets out various reasons whereby it is considered the present site of the wharf would be the proper one and from the reports on file, dating from 1902 to date, I have excepted the following summary of statement as to actual conditions as reported by the engineers from time to time, and which deals with the points raised in the petition as well as such other features as seem to me to be pertinent to the question.

	East side	West side
Shelter	Well sheltered	Well sheltered
Cost	$4,150	$5,150

Or $1,000 more.

Location

In centre of district — At one side of district

Warehouse

To be provided, included in cost — Private owned, for sale

It is also stated that the east side is easier to keep in shape. The report continues:

I am not yet in a position to deal with the fifth point raised in the petition, that the highway from suggested site would be so steep as to make it impractical to haul more than one-third the average load from the wharf to the main highway, since Mr. Bernasconi, when assistant engineer in 1909, reported that the grade of the road from the eastern site would not be less than one in ten, which grade would render the hauling of loads a difficult matter.

However, in the report of October 25, 1927, by Assistant Engineer Gregory, forwarded with Mr. Locke's report of November 4, it is stated "and that the then objection, that the main highway was too far away from the site, had now been overcome by the provincial main highway coming closer to the site through diversion along the shore of the lake."

Mr. MACDONALD (Richmond): Are those the only reasons that the minister's department now gives for the building of a new wharf in that locality?

Mr. ELLIOTT: It is reported to us to be cheaper and better. Those are the reasons.

Mr. MACDONALD (Richmond): I have taken the matter up with the Minister of Public Works and he has made the statement that the petition states so-and-so. I know of no petition that has been passed through my district except one and that is a petition in opposition to the new site of the wharf, a petition which the minister has in his possession and which is signed by 153 residents of the district and vicinity which the proposed wharf would serve. The question came up in 1921 and the same engineer who has handed in the report which the minister to-day reads, reported that the site of the existing wharf was the site that should be chosen. The people in that vicinity claim that this new wharf is an unnecessary expenditure of public money. We need public money. I make the statement that I am not opposed to the expenditure of public money in my constituency and I say that we have not so far received a sufficient quota of public moneys that are expended in Nova Scotia and in the Dominion generally. The county of Richmond is entitled to far more money but that money should be expended properly. It should not be expended as this $4,200 is to be expended in Richmond where it is being spent wholly and solely for political purposes. It is being spent in order that a vacant farm in that constituency may be sold at a better price. That is the whole statement. There are not six people in that community who want this new public wharf. It is only the patronage holder, my opponent in the last election, and the individual who owns the property, who are interested in having this new wharf built. As my hon. friend knows, his department must function when they are asked to do so by departmental heads, and that is the reason why such a report is in the department to-day. I have here a petition which was presented to the hon. Minister of Public Works, signed by 153 residents of that district. They are not all of one political faith, but of all political faiths. There are only three or four people in that district who have not signed this petition. Those people have signed because they want public money spent for public service. They do not want to see public money wasted. They want the present wharf which was built in 1921 to be repaired by this government. They do not want the new wharf built, and the minister knows that full well. This is the petition which has been signed by 153 persons of that district:

We, the undersigned residents of Soldier's Cove, Grand River and vicinity, humbly petition your department to reconsider the matter of constructing a wharf at Soldier's Cove, opposite the site of the present wharf, for the following reasons:

Whereas, the location on the opposite side of the harbour is not suitable for shipping—

They make the statement openly, that it is not suitable for shipping. Further, let me state that the only marine captain in that district, Captain D. L. Stewart, a man who has sailed the Bras d'Or lakes for the last twenty-five or thirty years, is the man who signs second on this list, and he should know whether the above statement in the petition is right. The petition goes on:

—is not suitable for shipping, because of its exposure to the Bras d'Or lakes, for a distance of twenty miles, with north and northwest winds prevailing;

Whereas, ships could not moor at suggested site of new wharf, with above-mentioned winds prevailing;

Whereas, wharf site would have to be purchased and the department put to the expense of building a new wharf, where one now exists;

I repeat, Mr. Speaker, only one or two people in that whole district are interested in the purchase of this site. It goes on:

Whereas, a highway would have to be constructed for a distance of half a mile;

Imagine it! A new highway will have to be built although a highway already exists leading to the present wharf. It goes on:

Whereas, the highway from suggested site would be so steep as to make it impractical to haul more than one-third the average load, from the wharf to the main highway;

Whereas, the construction of a wharf on the suggested site would increase the distance now traversed to Lewis Cove road, by at least one and a half miles;

The people who are mainly served by this wharf are the people in the Grand River district, and the petition of 1921 which caused the government to take action was largely signed by the people of Grand River district. They wanted that wharf, and they want the wharf that exists to-day. It is only the few who have a piece of property at the lower end of Soldiers' Cove who want this new wharf—a wharf, mind you, to reach which the people will have to go one and a half miles further. As the petition says:

Whereas the present site of the wharf at Soldier's Cove is most easy of access—

The people who are to be served say that the present wharf is most easy of access. The petition goes on:

We further petition your department to effect the necessary repairs to the present wharf, which we consider would be of greater service to the community which it serves and a great saving to the treasury of this dominion.

In 1921 this same engineer, Mr. Locke, investigated both sites through his resident engineer, and when no political pressure was being exerted, he selected the site on which the present wharf is built and recommended that to the department, but to-day on account of the little bit of political pressure that has been exerted by my opponent in the last election, and by one or two people who want to make a little divvy out of the sale of a piece of land, this government throws discretion to the winds. Our fishing communities need the expenditure of public money on every part of the Atlantic seaboard, and all they are asking for in this case is a little bit of repairs to the present wharf. Owing to the action of provincial government officials in 1925 the old wharf was broken, and this government has never seen fit to repair it. There was an item in the estimates of 1926 for repairing that wharf, but this government did not see fit to expend that money when they came back into power, and to-day we find in the estimates an item of $4,200 for the building of a new wharf in a different locality altogether. As the representative of that community, as the one who receives the large support of that district and the support of the adjoining districts, I make the statement here that I am opposed to that sort of public expenditure. I want public money expended for public service, and not to gratify a few barnacles that are hanging on to this government.

The CHAIRMAN: Shall the item carry?

Mr. MACDONALD (Richmond): No. I move to amend the item by striking out the words "wharf replacement" and substituting therefor the words "repairs to present wharf." It may be necessary to reduce the amount from $4,200. I am opposed to this item absolutely.

Mr. GARLAND (Bow River): The house has no doubt been impressed by the excellent case presented by the hon. member who has just taken his seat, and although I know nothing about the situation my curiosity has been aroused, and I would ask the minister to explain the situation, or to answer the allegations that have been made by the hon. gentleman.

Mr. ELLIOTT: I did not notice whether my hon. friend was in his seat when I made the explanation in regard to this item. If he was, I suppose he heard me.

Mr. GARLAND (Bow River): I am sorry I did not catch what the minister said.

Mr. ELLIOTT: I gave a full explanation, but I shall be glad to give it again. This is not a new matter. It has been a matter of controversy in that community since this wharf was first proposed in the year 1902, and there has been a serious difference of opinion with regard to it. For that reason a very careful examination was made and greater care was taken in ascertaining the relative merits of the two sites than otherwise would have been the case.

Mr. CHAPLIN: Will the minister explain how it happens that a report evidently came from the engineer three or four years ago in

favour of one site, and now another report comes from the same engineer in favour of a different site. I should be glad if the minister would elucidate that.

Mr. ELLIOTT: The first recommendation was in favour of the site that we now propose.

Mr. CHAPLIN: By the same engineer?

Mr. MACDONALD (Richmond): I take exception to the minister's statement. In 1902 there was no such thing as a wharf in that district. I have been practising medicine for fifteen years in that community, and I take exception to the minister's statement.

Mr. ELLIOTT: If my hon. friend was following me—

Mr. MACDONALD (Richmond): I have the floor, and I am going to keep it.

Mr. DUNNING: You have not. You gave it up and the minister took it.

Mr. MACDONALD (Richmond): I have as much right to it as the hon. Minister of Railways.

Mr. GARLAND (Bow River): I rise to a point of order, Mr. Chairman. I asked the hon. minister a question, and I thought he was doing his best to answer it. He had reached a comparison between the statement of the engineer a few years ago and his statement of to-day. I think he ought to be permitted to conclude his statement, and then I shall be delighted to hear the hon. member for Richmond-West Cape Breton finish his oration.

Mr. ELLIOTT: I was stating that this is an old controversy, and if my hon. friend from the riding had been paying attention to what I was saying, he would know perfectly well that I did not say there was a wharf there in 1902. I said that there had been an agitation between two contending parties in that riding as to the best site, each side wanting their own site ever since 1902. My information is that when the people of Soldier's Cove discovered it was proposed to reconstruct the wharf they started an agitation to build a new wharf at another location, the reasons for the change being: (1) The present wharf was at one end of the district, while the proposed site would be in the centre; (2) that when the present wharf was built the majority of the local people were in favour of having it at the site of the now proposed wharf; (3) and that the objection that the then highway was too far away from the site has now been overcome by the provincial main highway coming closer to the site through a deviation along the shore. I hope hon. members will not think that this decision was arrived at without the most careful consideration. One cost $4,200; the other will cost over $5,000. My hon. friend will not contend for a moment that the old wharf is suitable at the present time, or that it does not need complete reconstruction at the expenditure that I have stated. Those are the circumstances. The department takes full responsibility, and has arrived at this judgment after the most careful consideration.

Mr. CHAIRMAN: The hon. member's motion is in direct conflict with standing order 56, section 510:

> It is not allowable to attach a condition or an expression of opinion to a resolution in the committee of supply, or to change the destination of a grant.

Mr. MACDONALD (Richmond): Mr. Chairman, the minister states that an agitation had been conducted since 1902. No doubt when his party was in power from 1902 to 1911 the same people were interviewing the government and doing their utmost to have a wharf built in a locality where only one or two families lived. In 1921 the public placed before the government a petition, signed, as is the present petition, by 153 residents of the district. As a result of the petition the Department of Public Works, through this very same engineer, Mr. Locke, selected the site of the present wharf in Soldier's Cove. I may state that he selected it without political pressure being exerted, as is stated in the petition. Political pressure had been exerted, and was effective for fifteen or twenty years in preventing the wharf being built in that district. There is now a wharf at Soldier's Cove, and it will not take very much money to repair it. The top is in perfect repair; but in 1921 the Department of Public Works, through its engineer, used ordinary native wood instead of creosoted timber.

Mr. ELLIOTT: What year?

Mr. MACDONALD (Richmond): 1921. You cannot say that the engineer is bad from the political standpoint, for he has been as good a tool of this government as any that I have ever known. Now, Mr. Chairman, as the representative of that district, thoroughly conversant with every step that has been taken in the construction of this wharf, and knowing the interests that it must serve, I strongly object to the minister's statement. If we do our duty to-day we will repair the present wharf at Soldier's Cove and not incur this additional expense. Instead of handing out public money to a few of his heelers, I

would ask the minister to extend some of it on wharves along the coast for the benefit of our fishermen; I would ask him to spend it in the opening up of the Grand river; I would ask him to spend it in building a public wharf at Louisburg, or in aiding the districts of Main à Dieu and the Lorraines, L'Ardoise, and so on; I would ask him to spend it in giving us a life saving station at Scatarie island.

The CHAIRMAN: Shall the item carry?

Some hon. MEMBERS: Carried.

The CHAIRMAN: Carried.

Mr. QUINN: It is not carried yet. Mr. Chairman, I would ask the minister who requested the repairs to the breakwater at Devil's island, $1,400.

Mr. ELLIOTT: That item was passed some time ago.

Mr. QUINN: Who requested the repairs?

Mr. ELLIOTT: I do not propose to go back to the discussion of an item that was passed some time ago while another item is still under consideration.

Mr. QUINN: Is the item, Soldier's Cove, still under discussion?

Mr. ELLIOTT: Yes.

Mr. QUINN: I noticed that the minister did not reply to the hon. member for Richmond-West Cape Breton (Mr. Macdonald). This discussion comes under item 134. I am asking for an explanation about Devil's Island breakwater repairs in order to ascertain whether the telephone and telegraph communication between the island and the mainland has been re-established.

Mr. ELLIOTT: I shall be glad to give my hon. friend the information when I have the data relating to telegraphs and telephones. It is about three books from these items.

Mr. QUINN: May I ask if the item Dover, wharf repairs and extension, refers to Dover in Halifax county?

Mr. ELLIOTT: That is Antigonish-Guysborough.

Mr. QUINN: Who directed the minister's attention to the wharf repairs at Owl's Head, $1,200? At whose request was it placed in the estimates?

Mr. ELLIOTT: It was supported by the engineer.

[Mr. J. A. Macdonald.]

Mr. QUINN: Who directed the engineer's attention to the weakness of the breakwater and the necessary repairs?

Mr. ELLIOTT: As far as I know the engineer is supposed to examine these wharves and report on their condition.

Mr. QUINN: At whose request?

Mr. ELLIOTT: On his own responsibility. That is what he is there for.

Mr. QUINN: Then we have Sheet Harbour wharf repairs, $1,000. I suppose the same answer applies to that. Then Tangier.

Mr. BANCROFT: I rise to a point of order. We had better call in all the Nova Scotia members so that we shall not have to go over this again. This is the second time we have gone over the list; they have all been discussed.

The CHAIRMAN: I would point out to the hon. member that we are taking this vote item by item.

Mr. QUINN: I am discussing vote 134.

The CHAIRMAN: The committee is now discussing Sydney wharf, $27,000.

Mr. QUINN: I am speaking to vote 134.

The CHAIRMAN: But the committee decided to take it item by item.

Mr. QUINN: Vote 134 is the whole item.

The CHAIRMAN: The committee decided to take vote 134 item by item and we are now at Sydney wharf.

Mr. QUINN: Then am I precluded from discussing any item that has been previously dealt with under this specific vote, 134?

Some hon. MEMBERS: Certainly.

Mr. QUINN: I am asking the Chairman, not you.

Sir GEORGE PERLEY: The hon. member was not here this afternoon and it has always been customary—it is an act of courtesy on the part of the minister—to answer reasonable questions regarding one of the items in a vote such as this.

Mr. LAPOINTE: One, yes; but he is going over the whole list.

Mr. CHAPLIN: Probably it would take less time if the question were answered.

The CHAIRMAN: The rule states:

Sometimes there are a number of items in a resolution. Each item may then, if the committee think proper, be taken up as a distinct

question, and so discussed and amended. The debate in such a case must be strictly relevant to the item, and when it has been disposed of, no reference can be again made to it when the subsequent items are under consideration.

The committee decided to take vote 134 item by item, and to revert to items already passed is not in order.

Mr. McGIBBON: If we are to adhere to the letter of the rule we shall not make much progress. The minister and the government this afternoon absolutely blocked their own estimates; there is no question about that. The hon. member is asking a simple question and there is no reason why he should not get an answer. There has not been much opposition, but if an hon. member is to be prevented from asking questions because of a technicality we must take some other means of getting our rights.

The CHAIRMAN: The hon. member was not interfered with until he got beyond the item under discussion. He went down the list until he passed the item now before the committee. I called "Soldier's Cove" which was carried, and the committee is now considering Sydney wharf.

Mr. MACDONALD (Richmond): I want to ask the minister a few questions. I am not through.

Mr. QUINN: He will be here another week now on account of this.

Mr. DUNNING: Perfectly proper; that is your right.

Mr. MACDONALD (Richmond): Did I understand the minister to say that the repairs to the old wharf would cast $5,000? It would cost only $4,200 to build a wharf on the east side of Soldier's Cove. Will it take $5,000 odd to repair the old wharf?

Mr. ELLIOTT: My hon. friend is right in his understanding of what I said.

Mr. MACDONALD (Richmond): As I understand it, we are going to spend $4,200 in the purchase of a site to construct a half mile of highway and build a wharf; and the wharf will be built at a point which is not feasible. The first name on the petition to which I have referred is that of a shipper, the only man who ships out of that port, and in his opinion and in the opinion of the others the site is not feasible. These people state that you cannot build that wharf for that money; you cannot purchase the site and construct the highway for the money. The old wharf, constructed on the other site, did not cost more than $3,000, and all that is required to-day is a little creosoted timber. I cannot see how the minister can stand up and advance that sort of argument and expect this committee to accept it.

Mr. MacNUTT: It is a most unusual occurrence for a representative of a maritime riding to get up and ask for a vote to be reduced, and I am sure the hon. minister, after the many statements he has made in the last few days as to the amount of sweat he has lost in securing money from this wonderful treasury board, should welcome an opportunity to accept the suggestion offered by the hon. member for Richmond-West Cape Breton (Mr. Macdonald). I have some knowledge of the district which is under discussion, and I may tell the minister that if the hon. member has a petition bearing 150 signatures or more he has a petition that covers pretty nearly all the people who are living in that community. I also have some knowledge of the situation in respect of the two wharves, and I am free to admit that there is a good deal in what has been said regarding the prevailing winds affecting shipping on that side of the harbour. The present wharf was built in 1921, and if I know anything about construction work it is about wharf building. In my opinion no wharf built in 1921 out of native Nova Scotia timber is to-day in very bad condition. I should be inclined to regard the charges made by the hon. member as somewhat serious and I would advise the minister to make haste slowly in this matter and prosecute some further investigation.

Mr. CHAPLIN: Will the minister tell us what the estimate consists of? I know nothing about the matter, but I should like to know what the estimate is for the right of way as well as for the wharf itself.

Mr. ELLIOTT: The cost of the new structure—including right of way, $75, and warehouse, $200—is $4,150 and it is placed at $4,200.

Mr. CHAPLIN: What about the site itself?

Mr. ELLIOTT: That is included; there is $75 for the right of way.

Mr. SMITH (Cumberland): Has the minister the two reports of the engineer, one made in 1921 and the other on which this item is based? If so, it would be interesting to have those reports read.

Mr ELLIOTT: Yes; we have all the data including the correspondence and—

Mr. SMITH (Cumberland): And the reports?

Mr. ELLIOTT: And the reports. We have all the correspondence that has passed ever since the matter was first agitated. I may say to my hon. friends that I have no desire to force a wharf on an unwilling people in that section of the country and I am perfectly satisfied to let the matter stand.

Mr. MACDONALD (Richmond): In view of the stand the minister has taken I want to ask this question: Is he in favour of repairing the present wharf which the government built in 1921?

Mr. ELLIOTT: Not in view of our information.

Mr. CANTLEY: Has any work been done on the new wharf?

Mr. ELLIOTT: No.

Mr. CANTLEY: No provision made for the highway leading up to it?

Mr. ELLIOTT: We have nothing to do with the roads. A road has been built by the province which comes near the site of the new wharf, but we have made no expenditure in connection with it.

Mr. CANTLEY: How near does it come?

Mr. ELLIOTT: The main highway has become the provincial highway, and is closer to the wharf.

Mr. CANTLEY: I can tell the minister it is not very close. In view of the fact that he has received a petition bearing over 150 names asking that the existing wharf which has been there since 1921 be repaired, I think he would be well advised to let the item stand and change it to a repair item.

Mr. ELLIOTT: I will probably drop it altogether; I do not want to force a wharf on people who do not want it.

Mr. MACDONALD (Richmond): The minister has received a petition signed by 153 people, including the Liberal counsellor in the district of Grand River, asking that the wharf at Soldier's Cove be repaired. This wharf was built as a public convenience and for the public service, and I state distinctly to the committee that the proposed new wharf would not be of public service and would not serve the community. I think the minister is ill-advised when he makes the statement that he will not repair a public wharf which this government allowed a provincial government to destroy in 1925 by placing upon it some 50 or 100 tons of sand. This money has been appropriated by the treasury board, and it is the duty of the minister to give those 153 people the public service which they require. I make the statement advisedly that it will not cost anything like $5,000. You must have creosoted timber to put in a new wharf, so why not put it in the old wharf which is there with a warehouse right alongside? In 1922 a merchant of Grand River constructed his own warehouse for perishable goods, and it still exists.

Mr. ELLIOTT: I am very much obliged to my hon. friend for the information he has given and for the manner in which he has given it. I do not propose to prolong the controversy, so I will let the matter stand and if I find anything to lead me to change my view to that which my hon. friend has expressed I will do so; otherwise I will drop the item.

Mr. QUINN: The minister has just stated he will allow the matter to drop.

Mr. ELLIOTT: I will let it stand for the present.

Mr. QUINN: That means it is wiped out for this session, or that it will come up some day when no one is here to oppose it, and it will go through flying like many other things toward the close of the session. I want to place myself on record as not opposing any small vote such as this amount of $4,200 for Soldier's Cove, or any other votes for the province of Nova Scotia, although we are only spending the paltry sum of $492,100 on harbours and rivers in the province of Nova Scotia which is absolutely surrounded by water, where we would expect a comparatively larger vote than any other province in Canada. What I want to ask the minister is this: When a requisition is made for a public work in any constituency of Nova Scotia or any other province, who recommends that expenditure and why is not the elected representative of the people for that particular constituency consulted? He is the man who is logically and rightfully the most interested and best informed on matters in his own riding. Why is he not consulted, and why do we find in the estimates votes for some constituencies larger than they should be, while in other constituencies there is no appropriation at all?

Mr. ELLIOTT: I suppose my hon. friend is referring to the constituency of Queens-Lunenburg, in which the largest vote is being spent?

Mr. QUINN: I did not mention Queens-Lunenburg; we are dealing with Soldier's Cove. I was called to order by the chairman a short time ago because I referred to Devil's Island; my hon. friend is now referring to Queens-Lunenburg and I hope the chairman will rule him out of order.

Mr. ERNST: Again I want to thank the minister for listening so attentively to my persuasive eloquence; I hope it will continue to be persuasive with him.

Item stands.

Sydney—wharf, $27,000.

Mr. MacDONALD (Cape Breton South): Will the minister kindly give us some information about this vote? What is to be the total expenditure for the site and the wharf?

Mr. ELLIOTT: This is an amount required to complete the wharf at Sydney, to finish the work now under contract with the Cook Construction Corporation of Montreal.

Mr. MacDONALD (Cape Breton South): What is to be the total cost of the wharf and the site?

Mr. ELLIOTT: The total will be probably $135,000.

Mr. MacDONALD (Cape Breton South): For both?

Mr. ELLIOTT: The site cost $68,000; amount of contract $59,755; inspection and other expenses, $7,245, making a total of $135,000.

Item agreed to.

Tangier—wharf repairs, $1,300.

Mr. QUINN: May I ask the minister who recommended this vote?

Mr. ELLIOTT: The report of the engineer, in all these cases.

Mr. QUINN: That is the answer in all cases. At whose request would the engineer go to Tangier? There are 150 coves and harbours in the county of Halifax; why should they pick out Tangier?

Mr. ELLIOTT: It is the duty of the engineer to go round to the various wharves and inspect them. They make reports, and from these reports and all the other information which we can obtain we come to the best conclusion possible with regard to the necessity for repairs or construction.

Mr. QUINN: Tangier happens to be sixty miles east of the city of Halifax, and I wonder why the resident engineer of Halifax or the province of Nova Scotia should particularly pick out that place. I am not saying that Tangier is not an important settlement, but there are others just as important in the constituency of Halifax. I cannot understand why the engineers should pick out that place, sixty miles from Halifax, and find there a necessity for a $1,300 expenditure.

Mr. ELLIOTT: Our report is that this work is required for the maintenance of the structure which provides facilities for a fishing industry valued at $15,000 annually. Fishing is the only means of support for a population of 400 people. If my hon. friend objects to it, I am willing to let this item drop.

Mr. QUINN: I do not object to the item. My hon. friends say "drop it", but let me tell my hon. friends from the province of Quebec that they are feeding out of the public trough to a greater extent than the province of Nova Scotia.

Mr. DUSSAULT: I suggest to my hon. friend that he is spending more than the wharf would cost by taking up the time of the committee for half an hour on an item of $1,300.

Mr. QUINN: I have the utmost respect for the hon. member for Levis (Mr. Dussault), but while we may be on a very small item of $1,300, my hon. friends from the province of Quebec will be talking about $8,500,000 worth, and they will fight very hard for it. I am not objecting to the principle, nor am I objecting to this vote.

Mr. ELLIOTT: I would not say that you are supporting it.

Mr. QUINN: I am supporting it.

Mr. CASGRAIN: We cannot see it yet.

Mr. QUINN: Why is there such a small vote for the constituency of Halifax? Why should we get $1,300 for Tangier, and not get more in other districts? There have been many requests made for the county of Halifax, and they have not been granted. I cannot understand why this particular district has been picked out for an expenditure of $1,300. I would like to know who requested the engineer to go down there?

Mr. POULIOT: If my friend—

Mr. QUINN: I am asking a question of the Minister of Public Works and my hon. friend from Temiscouata (Mr. Pouliot) may keep his seat.

Item stands.

Westport—wharf repairs, $3,500.

Mr. SHORT: I am very glad to see that the minister has a small appropriation for this very much needed wharf.

Mr. ELLIOTT: I hope my hon. friend is not going to insist on this item standing, because I will have to meet his wishes if he does.

Mr. SHORT: I just want to find out whether this will include some dredging that is needed at this breakwater. It is a very important breakwater.

Mr. ELLIOTT: There is no dredging included in this; it is to cover repairs to the wharf. Our report is that the repairs will consist of rebuilding a section of the pile wharf, 90 feet by 30 feet, on which the piling has been destroyed and eaten off by the limnoria; replacing 30 brace and fender piles, also destroyed, and 10,000 feet board measure of bulkhead. This is one of the most important fishing centres in Digby county, the annual value of the fishing catch amounting to between $200,000 and $300,000. On account of this report, we feel that the repairs should be done, and that they are all needed.

Mr. SHORT: This is a very valuable breakwater, and a lot of money has been spent on the construction of it. It needs these repairs very badly, but the appropriation now made is totally inadequate. This is a large piece of work, and there is some dredging that is very urgently needed. I hope the minister will give instructions to his resident engineer that a dredge be sent there during this coming summer. Perhaps this can be provided for out of the $65,000 for harbours and rivers generally. I hope the minister will give the necessary instructions to have this work carried out as quickly as possible.

Mr. ELLIOTT: I may say that there is some money being expended out of the general vote to repair the incline slip, bulkhead, refoot some of the piling that was destroyed by the limnoria, and make the wharf safe and secure for the winter. This amounts to about $550, and will somewhat increase the amount. Apparently it is a necessary work at a very important point.

Mr. SHORT: I am sure it would be in the public interest if the minister would recommend to the engineer that the necessary dredging be done there.

Mr. ELLIOTT: I shall be very glad to look into it.

Item agreed to.

[Mr. Quinn.]

Yarmouth bar — breakwater repairs and improvements, $4,000.

Mr. QUINN: I presume that has been recommended by the district engineer.

Mr. ELLIOTT: Certainly.

Mr. QUINN: Without any suggestion from the representative of that county.

Mr. ELLIOTT: I could not say as to that.

Mr. QUINN: I thought that would be the answer.

Mr. BLACK (Halifax): I want to correct the statement I made a short time ago in reference to the expenditure under this vote No. 134, in the counties of Antigonish-Guysborough and Yarmouth. I stated that there was about $60,000 voted for these two counties, but I find, on going carefully over the figures, that out of nearly $500,000 these two counties are getting $135,800, or 27 per cent of the whole vote. Halifax county, the most populous in the province of Nova Scotia, does not get $16,000, as I said, but $8,500. I would ask the Minister of Public Works not to hold up that item for Tangier, because it would reduce the $8,500 to about $7,200, and that would look very small. I feel that the minister would almost be ashamed of such a small amount.

Mr. ELLIOTT: When my hon. friend was making his estimate I am sure that he wanted to be absolutely fair and not leave the impression that on account of the riding being represented by some particular party it was being discriminated against.

Mr. BLACK (Halifax): Oh, no, I just took the figures as they were.

Mr. ELLIOTT: Did my hon. friend take the trouble to see how much was being expended in Queens-Lunenburg? Does he know that about $120,000 is being expended in that riding?

Mr. BLACK (Halifax): It is needed.

Mr. ELLIOTT: I have no doubt it is. It is because it is needed that it is being spent.

Mr. BLACK (Halifax): I am not opposing that vote.

Mr. ELLIOTT: It is being spent because our reports show that it is a little more needed there than in the riding represented by my hon. friend.

Mr. ILSLEY: I want to say a word in answer to the suggestion made by the senior member for Halifax, namely, that public money spent in Nova Scotia should be op-

portioned in proportion to the population or something of that sort. If we adopt that suggestion we shall be following an entirely wrong principle. The money should be spent in accordance with the needs of the various constituencies. There is a feeling in Nova Scotia that a good deal of money is spent in the county of Halifax. We in the other parts of Nova Scotia do not object to that if the money is needed; but it is an entirely erroneous doctrine to be propounded in the house that because the constituency of Halifax does not get a very large proportion in any particular year of the money spent in Nova Scotia, something is wrong. I, as a representative of one of the rural constituencies of Nova Scotia, wish to protest against the idea going out that we from that province are always trying to get all the money we possibly can regardless of the needs of our various constituencies.

Item agreed to.

Prince Edward Island—harbours and rivers—Bonshaw freight shed, $2,900.

Mr. QUINN: Why is this freight shed needed?

Mr. ELLIOTT: This is to construct a freight shed, 30 feet by 60 feet. Warehouse facilities are urgently required on account of the development of the seed potato industry in the district. The annual business over the wharf is between $30,000 and $40,000.

Item agreed to.

Charlottetown — reconstruction of railway wharf, $140,000.

Mr. MACDONALD (Kings): Is this wharf being taken over from the railway department by the Public Works department?

Mr. ELLIOTT: An order in council was passed on October 19, 1927, granting authority to transfer from the Canadian National Railways to the Department of Public Works certain wharf properties including the railway wharf, freight shed and portion of coal shed at Charlottetown.

Item agreed to.

West Point wharf repairs, $4,000.

Mr. MACDONALD (Kings): Before the items for Prince Edward Island are all through, while I do not like to follow the suggestions that were made in the house this afternoon and evening with regard to favouritism in the matter of distributing the money in the Public Works department, yet having regard to the situation that existed last year and that exists this year in Prince Edward Island, I feel it is almost impossible to get away from that idea. A year ago I drew the minister's attention to the fact that out of an amount of $107,000 voted for harbours and rivers for the three counties of Prince Edward Island, the sum of $1,000, which was a revote from the year before, was voted for Kings county. This year I find a similar condition existing although not to quite so bad an extent. Out of a total vote of $229,800, an amount of $13,000 is voted for Kings county. It seems to one representing the county in opposition and remembering that the other counties have government representation, that our county is being penalized because two years ago it voted against the government. I hate to make that suggestion. I know the minister does not want to play that kind of politics, but it is pretty difficult, in view of the facts as we find them, to entertain any other idea. If we did not have needs, and very serious needs, I would not say a word, but I want to call the attention of the minister to this fact. In 1925 a vote of $36,500 was put through the house for a very important piece of work, namely for the strengthening of the Souris breakwater. Souris is one of the most important towns in Kings county and it is an important point serving a large section of the people. As I say, in the session of 1925 an amount of $36,500 was voted for this work and a contract was let, but for some reason or another the contractor did not perform the work. In the session of 1926 the appropriation was dropped; the contract was not renewed and the work has not yet been done. The breakwater is in imminent danger of going to pieces, and if this occurred Souris property would be destroyed. I should like to ask the minister why the vote of $36,500 passed in the session of 1925 was dropped and not renewed, in view of the fact that he has the government engineer's report of the urgent need of the work and the imminent danger of the breakwater being destroyed if it is not strengthened.

Mr. ELLIOTT: Do I understand my hon. friend, who is the representative for Kings county, to say that there was just $1,000 expended in that constituency a year ago?

Mr. MACDONALD (Kings): I said that out of the votes passed in the house a year ago, amounting to $107,000 for harbours and rivers in the whole province, the sum of $1,000 was earmarked for Kings county.

Mr. ELLIOTT: If my memory serves me aright, an amount of $30,000 was expended on a potato warehouse on a wharf in Kings county, my hon. friend's riding, which he says was discriminated against.

Mr. MACDONALD (Kings): I was not speaking about the votes which were the result of the recommendations of the Duncan commission. As a result of the recommendations of that commission there were three votes, one for Prince, one for Kings and one for Queens. I was leaving those out altogether because they are not ordinary votes by this parliament. I was referring to the votes for harbours and rivers for the three counties, and for that reason I did not take into account any particular county.

Mr. ELLIOTT: If my hon. friend wishes to be fair, does he mean to suggest that Kings county last year and this year has not been very generously treated by the Department of Public Works?

Mr. QUINN: I may say, Mr. Chairman—

Mr. ELLIOTT: I am not asking you.

Mr. MACDONALD (Kings): I will reply to the minister's question, by asking him another. Does he think it is fair when he votes $170,000 for the three counties for harbours and rivers generally that only $1,000 should be granted to my county, which needs public works even more than the other counties? I say this to the minister, and he should know it, that in our county we have a larger proportion of harbours and rivers than in any other county in the province.

Mr. ELLIOTT: My hon. friend sees, does he not, that $145,000 of this $229,000 is a revote?

Mr. MACDONALD (Kings): I am aware of that. I have asked the minister a direct question twice about the Souris breakwater, but I will repeat it. In the session of 1925 this government voted $36,500 for the purpose of strengthening the Souris breakwater. That work was needed at that time, and it has been needed ever since. A contract was let by the government, but through some inadvertence the contractor did not complete his work. The vote was dropped in 1926 and again in 1927. That work is very much needed, because there is imminent danger of the breakwater being destroyed if it is not strengthened. Why was that vote put in the estimates in 1925 and then dropped, and why is it not being renewed now when there is very much greater need for the work?

Mr. ELLIOTT: I suppose the various officials who have had to pass upon these votes from time to time have decided that something else was more urgent. That is all that I can say.

[Mr. Elliott.]

Mr. MACDONALD (Kings): Does the minister expect me to be satisfied with suppositions? If so, he is making a mistake. I am not satisfied to take what he supposes at all, and it is not fair to ask a member to accept his suppositions in the matter. If anything could most strongly bear out the charge of favouritism and discrimination against Kings county it is that one fact that a vote was put in for this work when the county was represented by a Liberal, and dropped out of the estimates the following year when he failed to secure re-election, and the vote has been dropped ever since. The minister's answer is not satisfactory. I want something better than that; I want some facts.

Mr. JENKINS: I should not like the impression to go abroad that Kings county had been discriminated against in any way by the other members from the province. I know my hon. friend from Kings wants to be fair to the representatives of Queens and Prince. At all times I have endeavoured personally to co-operate and do anything I could to help the people of Kings county. I want that distinctly understood. When construction of a warehouse at Georgetown was mooted last year we did everything we could to support that request. Even from a selfish point of view, Mr. Chairman, it was our duty to do what we could to establish a warehouse at that point, because Georgetown harbour is open very much later in the season than Charlottetown harbour, and a considerable quantity of our potatoes and other produce going forward must be shipped through that port. Therefore, as I say, it was essential that we should push for Georgetown if only from a selfish point of view. I think my hon. friend from Kings would not want the impression to go abroad that my colleagues and myself from Prince Edward Island were in any way responsible for votes not being put in the estimates for his county. Kings county needs more money, Mr. Chairman, and I think there should be more warehouses established there, because the potato business is growing very rapidly, and I feel sure if the minister can see his way clear to do anything for Kings county next year, or even in the supplementary estimates this year, my colleagues and myself will be only too pleased. I am quite sure that the member for Kings would not want to convey the impression that we were endeavouring to block expenditures for his county. Personally I say from the floor of this house that I am not doing so. On the contrary, I repeat that my colleagues and I

are endeavouring in every way to co-operate with the people of Kings county. I only make that statement in order that my position may be clear before the people of my province.

I want to thank the Minister of Public Works for the consideration he has given to our province. A great deal of fault has been found with him to-night, but I sincerely appreciate all he has done for our county, for the building of a wharf at Charlottetown, and numerous other works throughout the province, all of which were necessary. I am sorry to hear so much criticism of the Public Works department because, speaking personally I have always found the minister a first-rate fellow. He is willing to meet any reasonable demand. Our friends on the other side must remember that a great deal of money is being spent in places where we have not representation in accord with the government, notably in Toronto, for instance, and I think the minister has been very fair to constituencies that did not send representation to this side of the house. I have always found him very reasonable and wish to add my word of tribute for the good work he is doing.

Mr. QUINN: I would not say a word at this stage of the debate but for an interjection of the Minister of Public Works when I was endeavouring to answer a question. He said that the had not asked me the question which I attempted to answer on behalf of twenty-five per cent of the representation from Prince Edward Island. The last speaker, who represents part of seventy-five per cent of the representation of Prince Edward Island, has tried to point out that the Department of Public Works has been very fair, but I ask was the minister fair when he tried to place to the credit of Kings county an expenditure of $60,000? May I say, and my friends to the right of the Minister of Public Works will bear me out in this, that Kings county is the only county in Prince Edward Island whose harbours are open to shipping throughout the winter, and naturally a cold storage potato warehouse would be placed in that county. Now when this expenditure is made in Kings county to look after the shipping requirements of the whole province, why should the minister endeavour to place that expenditure to the credit of Kings county?

Mr. MACDONALD (Kings): I was glad to hear the remarks of my hon. friend from Queens (Mr. Jenkins). I wish to assure him that there was no intention on my part to charge either him or any of his colleagues from Queens or Prince with being a party to discriminating against Queens county. I want to be fair to them because I have always found them absolutely fair with me. But certainly the votes that have gone through the house to-night are not fair to the Island, nor were the votes that were passed last year. With regard to the frostproof warehouse which the minister referred to as having been built in Kings county last fall, I think the remarks of the member for Queens make it clear that that was not a county affair, but provincial. I wish to express the appreciation of the people of Kings county for the building. It was late in the season before the contract was let, but from December up to the 4th of January five large steamers loaded at the warehouse. I think this justifies the expenditure. But I do wish to get an answer from the minister in regard to the vote for the Souris breakwater which was placed in the estimates, passed by the house, and the contract let in 1925. Why has not the work been carried on since?

Mr. ELLIOTT: Mr. Chairman, I move that the committee rise and report progress.

Progress reported.

LIVE STOCK AND LIVE STOCK PRODUCTS ACT

The house in committee on Bill No. 61, to amend the Live Stock and Live Stock Products Act—Mr. Motherwell—Mr. Johnston in the chair.

On section 1—Regulations—Beef for domestic consumption.

Mr. TOLMIE: Will the minister explain the bill?

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Chairman, this is a bill to provide for the voluntary grading of beef for domestic consumption. It is the result of the work of a committee that entered very fully into the whole question throughout western Canada. They also visited Chicago to ascertain how the grading system was working there. As a result they recommended that this system of voluntary grading should be adopted. Their recommendation was endorsed by the Western Canada Live stock Union. The bill passed through the committee on agriculture without change, and at this hour of the night I can safely recommend it to the consideration of the house.

Sir GEORGE PERLEY: Does the minister suggest that it would not be all right in the morning?

Mr. MOTHERWELL: It would be all right both morning and evening.

Mr. TOLMIE: Are you adopting the United States stripe system of branding?

Mr. MOTHERWELL: That was discussed in the report, and it was thought to be a very handy way. I may say that we are not accepting in toto the recommendations of the committee to which I have referred. We propose to call together all parties who are interested in the grading of beef, that is, a representative butcher, a representative abattoir man, and a representative producer, in order to work out the grades. It is important to ascertain just how many grades are required. The committee recommended that there be two grades only—choice and fancy. There is a difference of opinion whether those would be suitable names. To make quite sure that that is what the country desires one of the first steps to be taken will be to call together, as I have said, a fully representative committee of all the various interests, and so work out a system of grades.

Mr. TOLMIE: Have the United States added a third grade yet?

Mr. MOTHERWELL: I do not think so.

Mr. TOLMIE: Has it worked out fairly successfully in the United States?

Mr. MOTHERWELL: It seems so. Some are not enthusiastic over there, but I think the system has come to stay. There seems to be a very general opinion in favour of it, especially in western Canada. I found a much greater number of people supporting the system than I anticipated, especially the small butchers, who find it necessary in the summer time to order their meat from the abattoirs. They never know what they are getting. Under this system they would order by name the grade they want, and if not supplied they would have some redress against the abattoir.

Mr. TOLMIE: I do not think you need the system so much to protect the dealer—he is a pretty good judge of beef—as the consumer, who when he ordered prime steer beef steak was sold cow beef of second quality. Cut up into steaks, he could not tell what grade was being supplied. With this system of branding in force the grade will be indicated, no matter how thin the steak may be. In that way the consumer will be educated to buy the better grades. This will have beneficial effect on the producer, inasmuch as he will receive a little more for first class beef. That has been the great trouble all the way through—the ability of the middleman to sell second or third grade steer beef for first class. I notice this simply gives you power to work out your system later on.

Mr. MOTHERWELL: Yes.

Mr. GARLAND (Bow River): I am a little disappointed, Mr. Chairman, that the minister now intimates that the form which the brand is to take is to be left open. In committee we were advised that the roller system would be adopted. I hope he is not going to retire from the position then taken and that possibly the stamp system may be adopted. This would not cover every cut of beef, and, as the member for Victoria (Mr. Tolmie) points out, it is the public that must be protected.

Mr. MOTHERWELL: After this committee works out a system of grades which it is prepared to recommend, such system will first of all be submitted to the trade, and to the consumers and producers, to see how acceptable it will be. It will have to be done quickly, on the roller system, just as we brand the top of a box of butter. It is the same system. We shall have to work out some system and submit it to the interested public and find out whether they have any suggestions to offer before it is finally adopted.

Mr. GARLAND (Bow River): That is all I wanted to know. The bill is a good one and I approve of it. The minister is of the opinion that the roller system is a good one?

Mr. MOTHERWELL: Yes; it is the most expeditious.

Mr. CANTLEY: The minister probably knows already that a considerable number of cattle are being slaughtered in some provinces and are reacting from the tuberculin test. How will he indicate beef of that character?

Mr. MOTHERWELL: That opens up a considerable problem which we can more properly discuss on the vote for the administration of the Health of Animals Act.

Mr. CANTLEY: Is not this a good time to take it up?

Section agreed to.

Bill reported, read the third time and passed.

On motion of Mr. Lapointe the house adjourned at 10.55 p.m.

Monday, May 14, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

On motion of Mr. Vallance, seconded by Mr. Bothwell, the following bills were read the first and second times on division:

Bill No. 305, for the relief of Florence Reno Moxon Attewell.—Mr. Casselman.

Bill No 306, for the relief of Mary Irene Boyd.—Mr. Hepburn.

Bill No. 307, for the relief of Augustus Vernon Ellis.—Mr. Church.

Bill No. 308, for the relief of Agatha Jean Hobbs.—Mr. Anderson (Toronto-High Park).

Bill No. 309, for the relief of Hazel K. Clunie Howard.—Mr. Howard.

Bill No. 310, for the relief of Helen Stewart Graham Lovell.—Mr. Casselman.

Bill No. 311, for the relief of Marie-Anne Palardy Murphy.—Mr.

Bill No. 312, for the relief of Joseph Patrick Nolan.—Mr. Stinson.

Bill No. 313, for the relief of John James Ward.—Mr. Anderson (Toronto-High Park).

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FEDERAL APPEAL BOARD

Mr. ESLING:

1. Since the institution of the federal appeal board how many sittings has the board held, (a) on the mainland of the British Columbia unit, and (b) on the Vancouver island district of the British Columbia unit?

2. On what dates and at what points were sittings held?

3. Who are the official soldiers' advisers for the mainland district and for the island district, and what salaries do they receive?

4. At what sittings of the appeal board on the mainland of British Columbia and at what sittings on the island were the official soldiers' advisers in attendance?

5. What are the names of the official soldiers' advisers for each of the other units in Canada and what salaries do they receive?

6. How many appeals were heard by the federal appeal board during the year 1927?

7. How many appeals are pending in each unit or district throughout Canada?

Mr. KING (Kootenay):

1. The federal appeal board was instituted on August 17, 1923. Since that date there have been sittings on (a) the mainland of British Columbia, and, (b) Vancouver island as follows:

(a) Mainland: At Vancouver 79 days; at Kamloops (including Tranquille sanatorium) 9 days; at Nelson 5 days; at Prince Rupert 1 day; (b) Vancouver Island: at Victoria 42 days.

2. Vancouver: January 11 to January 16, 1924; March 17 to March 24, 1924; May 19 to May 29, 1924; September 15 to September 26, 1924; January 26 to February 6, 1925; June 15 to June 19, 1925; September 14 to September 18, 1925; May 31 to June 11, 1926; September 22 to October 8, 1926; June 6 to June 10, 1927; September 16 to September 21, 1927.

Kamloops (including Tranquille sanatorium): February 9 to February 11, 1925; June 21 to June 24, 1926; June 20 to June 21, 1927.

Nelson: September 22 to September 24, 1925; October 18, 1926; September 23, 1927.

Victoria: January 18, 1924; March 18 to March 20, 1924; May 15 to May 16, 1924; May 30, 1924; September 29 to September 30, 1924; January 19 to January 23, 1925; June 22 to June 26, 1925; September 8 to September 11, 1925; June 14 to June 18, 1926; October 11 to October 15, 1926; June 13 to June 17, 1927; September 12 to September 15, 1927.

Prince Rupert: June 29, 1925.

3. The official soldiers' advisers in British Columbia and their salaries are as follows:

Mainland: Capt. Ian A. MacKenzie, headquarters at Vancouver. Salary, $3,000 per annum.

Vancouver Island: Lieut. G. H. Sedger, headquarters at Victoria. Salary, $2,400 per annum.

4. The official soldiers' adviser for Vancouver Island has been in attendance at all sessions of the board in his district. The official soldiers' adviser for the mainland has been in attendance at all sessions except those at Vancouver on September 23, 24, 25, 26, 1924, during which imperial appeals only were heard and his presence was not required; and June 18 and 19, 1925, at Vancouver, June 29, 1925, at Prince Rupert, during the occasion of the annual convention of the Dominion Great War Veterans' Association and the convention of the British Empire Service League in Ottawa. On these three days Mr. MacKenzie was represented by his law partner Mr. Bruce Boyd.

5. The following are the names and headquarters of each of the official soldiers' advisers in Canada, and their salaries: H. F. Hamilton, Halifax, $3,000 per annum; C. Robert Hawkins, Fredericton, $1,800 per annum; H. D. Johnson, M.D., Charlottetown, $1,200 per annum; A. Pettigrew, Quebec, $1,800 per annum; V. J. Locke, Montreal, $3,600 per annum; Chas. Askwith, Ottawa, $2,000 per annum; J. V. Conroy, Toronto, $3,600 per annum; E. N. Fremlin, London, $2,400 per annum; J. R. Bowler, Winnipeg, $3,600 per annum; F. E. Rutland, Asst. to Mr. Bowler, $1,680

per annum; F. J. Rowan, Regina, $2,400 per annum; S. G. Petley, Calgary, $2,400 per annum.

6. There were 1, 647 appeals heard by the federal appeal board in the year 1927 including 123 imperial appeals and 63 applications under the meritorious clause.

7. Appeals are pending in each district throughout Canada as follows:

District	Ready for Hearing	In preparation	Awaiting further information
Halifax	119	2	18
St. John	26	0	9
Charlottetown	13	0	2
Quebec	21	3	2
Montreal	73	228	30
Ottawa	139	0	35
Toronto	333	0	54
London	74	0	27
Winnipeg	24	0	600
Regina	41	13	14
Calgary	85	0	16
Vancouver	115	0	15
Victoria	60	7	28
Totals	1123	253	850

In addition to the above, imperial appeals are pending in each district as follows:

Halifax	2
St. John	0
Charlottetown	0
Quebec	0
Montreal	0
Ottawa	2
Toronto	7
London	5
Winnipeg	2
Regina	4
Calgary	9
Vancouver	11
Victoria	2
Total	44

CANADIAN NATIONAL RAILWAYS—BUFFALO OFFICES

Mr. EDWARDS (Frontenac-Addington):

1. Did the Canadian National Railways have offices in the city of Buffalo in what is known as the Ellicott square building, and at what rent per month or year?

2. Have the Canadian National Railways offices been changed to the Liberty bank building, and, if so, when, for what reason, and at what rental?

3. At what cost were new furnishings supplied, and what was done with the furniture formerly in use?

4. Is it correct that from $90 upwards were paid for chairs for the offices in their new location?

Mr. DUNNING:

1. Yes; rental $3,000 per annum.

2. Yes; May 1, 1928. The management state that the Ellicott square building, formerly occupied, was on a side street, with no advertising value and the railway was seriously handicapped in consequence. The present location is in the heart of the best shopping district on Main street, which is the chief artery of traffic in the city of Buffalo. The rental of the new office is $15,000 per annum.

3. To fit up the new office and furnish it in keeping with the surroundings and also the offices of other railways, an expenditure of $4,600 was made. The furniture formerly in use in the Ellicott square building was turned in to the railways' stores department for use at other points as required.

4. No.

HUNTER BUILDING

Mr. STEVENS:

1. What was the total cost of the Hunter building: (a) amount paid for land, (b) amount paid for building, (c) amount paid for furnishings?

2. What amount has been paid each year for (a) lighting, (b) heating, (c) annual upkeep and repairs, (d) cleaners and cleaners' supplies?

3. What is the total floor space of the said building?

4. What proportion of the said floor space is occupied by offices?

Mr. ELLIOTT:

1. (a) $242,136.59 (including $2,662 paid as tenants' compensation); (b) $1,434,164.67; (c) Furnishings brought in by the departments occupying the building from their previous offices.

2.	(a)	(b)	(c)	(d)
1919-20	$ 980 04	$ 8,174 82	$	$16,033 40
1920-21	4,595 52	29,806 79	1,525 10	31,099 66
1921-22	5,033 70	30,270 01	2,251 14	32,643 11
1922-23	4,481 42	14,213 43	6,726 50	41,852 88
1923-24	4,734 24	14,039 88	4,677 60	37,639 04
1924-25	4,517 25	17,739 89	3,165 29	38,222 85
1925-26	5,198 05	22,168 40	8,386 53	34,872 61
1926-27	4,778 11	19,171 31	7,356 13	39,558 09
1927-28	5,544 85	16,982 88	3,408 66	39,636 99

3. 231,498 square feet, including basement, storage and boiler room.

4. 149,734 square feet.

IMMIGRATION MEDICAL OFFICERS

Mr. HOCKEN:

1. How many Canadian doctors are there in Great Britain appointed to examine intending immigrants?

2. What are their names?

3. Where did they reside when living in Canada?

Mr. KING (Kootenay):

1. 26.

2. See attached list "A".

3. See attached list "B".

Names of Immigration Medical Officers in Great Britain

Name List "A"	Canadian Residence List "B"
Jeffs, H. B.	Toronto, Ont.
Parney, F. S.	Edmonton, Alta.
Parks, M.	St. John, N.B.
Archibald, C. H.	Toronto, Ont.
Arpin, C. N.	Regina, Sask.
Audet, G.	Quebec, P. Q.
Bain, T. D.	Dashwood, Ont.
Currie, G. C.	Regina, Sask.
Cock, J. L.	Halifax, N.S.
Delamere, H. D.	Toronto, Ont.
DuPlessis, F. X. L.	Richmond, Que.
Douglas, J. S.	North Bay, Ont.
Egan, W.	Ottawa, Ont.
Ferguson, G. B.	Hamilton, Ont.
Grant, J. E.	Lockeport, N.S.
Hames, C. F. W.	Birtle, Man.
MacDermott, W. B.	London, Ont.
Nodwell, G. R.	Grand Valley, Ont.
Rolland, R.	Montreal, P.Q.
Savoie, A. M.	Regina, Sask.
Turnbull, A.	Flesherton, Ont.
Boyce, G. J.	Windsor, Ont.
MacLeod, C.	Halifax, N.S.
Neelin, W. E. E.	Mountain, Ont.
Henderson, R. S.	Lilloet, B.C.
Boyd, W. J.	Estevan, Sask.

DIGBY, N.S., PREVENTIVE OFFICERS

Mr. SHORT:

1. How many preventive officers are there in Digby country, Nova Scotia?

2. What are their names?

3. When were they appointed?

4. What is the salary of each?

5. How many seizures, if any, have been made by each officer?

Mr. EULER:

1. Two.

2, 3 and 4. Henry W. B. Warner, appointed May 27 1927. Salary $1,200 per annum. Joseph J. Oakes, appointed October 13, 1927. Salary $1,700 per annum.

5. Officer Oakes, 5. Officer Warner, nil.

Note.—Officer Oakes has been assigned to duty from time to time in other parts of the province since the date of his appointment. The preventive service is a mobile force and officers are appointed for the whole province and not for any particular county or district.

BUSINESS OF THE HOUSE

SATURDAY SITTINGS

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

That on Saturday, May 19th instant, and every Saturday thereafter until the end of the present session, the house shall meet at 3 o'clock in the afternoon, and the order of business and procedure shall be the same as on Fridays.

Hon. R. B. BENNETT (Leader of the Opposition): In view of the fact that Thursday the 17th and Thursday the 24th instant are holidays, this is a most inconvenient motion to many hon. members. There are many pressing reasons why some hon. members, especially those who sit on this side of the house, will be absent on Thursday and Friday, and to come back on Saturday is a highly inconvenient procedure to everybody who has to be absent from this city.

In addition to that the motion is objectionable inasmuch as it provides that the procedure shall be the same as on Fridays and Friday is one of the days when the Speaker leaves the chair without motion for supply. That the procedure should be the same as on Mondays would not, I think, be an unfair suggestion, because the rule permitting the Speaker on two days to leave the chair without motion for the house to go into supply is only a recent innovation, as a matter of fact dating back to 1913. Prior to that a motion was required whenever the Speaker left the chair for the house to go into supply. If the procedure on Saturdays is made the same as on Fridays, when there is practically nothing but estimates left to deal with, this house will have but one day on which to present its grievances and there are many grievances which the house has to present between now and the end of June. I suggest to the Prime Minister that with the motion as it now stands it is very inconvenient for many members to sit on these two Saturdays, whatever may be done on succeeding Saturdays.

Mr. LAPOINTE: Will the house be sitting on succeeding Saturdays?

Mr. BENNETT: It certainly will be beyond all doubt. The other part of the motion is highly improper as it places in the hands of the government the suggestion that the procedure shall be the same as on Fridays so that the Speaker will leave the chair without motion for supply and I think we should subsitute for the word "Fridays" the word

"Mondays". I hope that suggestion will meet with the approval of the government; but if not, we can do nothing more than present our position and if necessary move that the word "Mondays" be substituted for the word "Fridays".

Mr. MACKENZIE KING: Towards the end of every session for years past the house has met on Saturdays and the order of business on the Saturday has always been similar to that on the Friday. I might mention this further feature which may have escaped the attention of my hon. friend, namely, that on Friday the order provides for the first hour in the evening being devoted to private bills. The government felt in that particular it would perhaps be furthering the wishes of a large number of members if we followed the same procedure as on Fridays.

Mr. BENNETT: Make it Tuesday then.

Mr. MACKENZIE KING: If the question is only one of moving an amendment on going into supply my hon. friend will find that he will have plenty of opportunities. There will be the following Monday, Tuesday and Wednesday. If such a really serious situation were to develop that an amendment on going into supply on some subsequent Saturday were desirable I have no doubt he will wish to have the house continue in session, for a day or two longer, in which event he will have an opportunity of moving his amendment the following Monday. The government has sought to ascertain, through the whips and in other ways, the general wish of the members; the motion has now been discussed two or three times, and so far as I am able to learn it is as nearly in accordance with the general wish of hon. members as any motion is ever likely to be. In the circumstances I would ask my hon. friend to allow the motion to pass.

Mr. E. J. GARLAND (Bow River): Whilst I agree with the motion of the Prime Minister as to taking Saturday afternoons for the business of the government, I must at the same time express my understanding of and sympathy with the attitude taken by the hon. leader of the opposition (Mr. Bennett) as to the matter of going into supply. I think it is only right, if Saturdays are to be taken, that every opportunity should be given for presenting whatever grievances hon. members of this house may have.

The complaint, however, of the hon. leader of the opposition, that the taking of Saturdays is objectionable on the ground that hon. members want to leave the house on Friday or Wednesday night and be away until the following Monday is not an argument that is very potent with those of us who have to stay here from the beginning till the very conclusion of the session. Although I have a very deep sympathy with hon. members whose business or social engagements entice them away from the happy surroundings of this house for several days at the end of the week, I do not feel that public business should be held up on that account. But I do think that the Prime Minister should give to the hon. leader of the opposition the opportunity of allowing supply to be moved in the ordinary way on Saturday, if Saturdays are to be taken from this on.

Mr. MACKENZIE KING: May I say, Mr. Speaker, that rather than have it appear that the government is in the least concerned about any motions on going into supply, I have no hesitation whatever in changing the Friday to Tuesday. It will be the wish of hon. members to have the first hour in the evening reserved for private bills, should that be necessary. If that meets the wishes of my hon. friend, as I think it will, and generally the wishes of the house, I will move to amend the motion accordingly and to strike out the words "and procedure."

Motion as amended agreed to.

KINGSVILLE, ONT., DREDGING

On the orders of the day:

Mr. E. J. GOTT (South Essex): I would like to inquire from the Minister of Public Works (Mr. Elliott) if there is any dredging to be proceeded with in the near future at the port of Kingsville, Ontario, and if so, if he will make an endeavour to proceed with it as quickly as possible.

Hon. J. C. ELLIOTT (Minister of Public Works): I have no knowledge of any dredging to be proceeded with in the immediate future at Kingsville, but I shall make inquiry.

IMPORTATION OF EGGS FROM CHINA

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I would like to ask two questions of the Minister of Health (Mr. King); first, when he is going to bring down his estimates. I have been waiting for years to see them, and I have not seen them yet. Secondly, I want to ask him if he will, in the interests of the health of the people of Canada, investigate the statement that was made to a committee in this building by supporters of the government in connection with the con-

ditions under which the eggs imported into this country from China are produced. I cannot repeat in the house the language that was used in describing those conditions because it is too filthy to be repeated, but if the conditions are as indicated, these eggs are certainly a menace to the health of the people of Canada. I would ask the minister to investigate the matter and, if the conditions are found as reported, to exclude those eggs from the country on the ground of public health.

Hon. J. H. KING (Minister of Health): In reply to my hon. friend's first question, I would suggest that he inquire of the Prime Minister as to the time when those estimates will come before the house. They have been tabled, but I have not yet had them before the committee. They will be brought before the committee at the convenience of the government as directed by the Prime Minister.

In relation to the importation of eggs from China, I shall be very glad to look into the information which I understand has been placed before the committee; I shall have inquiries made to ascertain just what that statement was. I am not familiar with it, not being a member of the committee.

Mr. McGIBBON: The minister was present, also the Minister of Agriculture (Mr. Motherwell) and the Minister of Finance (Mr. Robb).

Mr. KING (Kootenay): My hon. friend is referring—

Mr. McGIBBON: To the meeting in the railway committee room.

Mr. KING (Kootenay): I know what my hon. friend is referring to now. I shall be glad to have that matter inquired into.

CHINA-JAPAN RELATIONS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Under article XI of the treaty of Peace it is declared to be the friendly right of each member of the League of Nations to bring to the attention of the assembly or of the council any circumstances whatever affecting international relations which threaten to disturb international peace or the good understanding between nations upon which peace depends. I should like to ask whether Canada, either as a member of the council or of the assembly, is taking any action with regard to the trouble which now exists between two members of the league, China and Japan.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Unfortunately up to the present time Canada has no source of official information regarding what is taking place in the orient other than the British government. It would seem that if the situation were such as to require the intervention of the league of nations on behalf of these two oriental countries, it should come in the first instance from Great Britain rather than from Canada. I have been given to understand that some other member of the league or some other power has already made representations with respect to the situation. But Canada has not, for the reason that we have not received any official information at first hand to guide us in the matter.

DEPARTMENT OF THE INTERIOR

INVESTIGATION OF MCCLYMONT CHARGES BY ALEXANDER SMITH, K.C.

On the orders of the day:

Mr. H. E. SPENCER (Battle River): Some days ago an order of the house was passed for the production of certain papers with regard to the Smith inquiry of last year, and also with regard to certain reports brought up by one McClymont, at the request, I understand, of the Deputy Minister of the Interior. I should like to inquire when these returns will be tabled.

Hon. CHARLES STEWART (Minister of the Interior): So far as the papers in connection with McClymont are concerned, they will be tabled at once. I did not quite catch what else my hon. friend was referring to.

Mr. SPENCER: It was with reference to the report of Commissioner Smith.

Mr. STEWART (Edmonton): That report was tabled long ago.

Mr. SPENCER: And the motion called for the production of the exhibits.

Mr. STEWART (Edmonton): Oh, the exhibits, yes.

PENSION ACT AMENDMENT

The house resumed from May 9 consideration in committee of Bill No. 289, to amend the Pension Act.—Mr. King (Kootenay).—Mr. Johnston in the chair.

The CHAIRMAN: When the committee last sat, certain sections were adopted, certain other sections were allowed to stand, and certain sections were not considered at all.

Mr. KING (Kootenay): We were dealing only with those sections which the pensions

committee had passed unanimously, and I think we had reached section 11.

The CHAIRMAN: Sections 3, 5, 6 and 10 stood.

Mr. McGIBBON: Mr. Chairman, may I be permitted to revert to section 4—not by way of objection at all, but simply to point out that I do not think it goes as far as the committee intended. The intention was that a man should receive all information uopn which an appeal could be based.

Mr. KING (Kootenay): I have no amendment.

The CHAIRMAN: Is it the desire of the minister to take section 5?

Mr. KING (Kootenay): That is a committee section.

Mr. BENNETT: As I understand it, we are passing without much discussion those sections of the bill that were agreed to by the select committee, and the sections that are purely departmental and amend the existing law have not yet been considered by the house.

Mr. KING (Kootenay): Exactly.

The CHAIRMAN: Sections 5, 6 and 10 are not dealt with.

Mr. ROSS (Kingston): Will the minister allow reconsideration of section 4?

Mr. KING (Kootenay): I am told that the section as now drawn meets the situation and was accepted by the committee; but if there is good reason why it should be reconsidered, I have no objection. I would, however, prefer completing the other sections and coming back to section 4 if it is thought advisable to reconsider it.

Sections 11 to 18 inclusive agreed to.

On section 19—Time from which payment of pension for disability shall commence.

Mr. KING (Kootenay): An amendment has been suggested to this section to clarify it. It has received the approval of the committee. I move that the following be substituted for the present section:

19. Paragraph (b) of section twenty-seven of the said act is repealed and the following is substituted therefor:—

"(b) in the case in which a pension is awarded to an applicant the appearance of whose disability was subsequent to his retirement or discharge from the forces, in which case a pension may be paid from a date six months prior to the day upon which application for pension has been received or from the date of the appearance of the disability whichever is the later date, or from the day upon which application was made to the department for treatment in respect of the injury or disease resulting in disability for which pension is awarded provided that if treatment was commenced under the jurisdiction of the department in respect of such injury or disease resulting in disability a pension may be paid from the day following that upon which the treatment of the applicant by the department was completed."

Amendment agreed to.

Mr. BENNETT: The old section left out the word "disease" and simply referred to "disability".

Mr. KING (Kootenay): Yes.

Mr. McGIBBON: Is it definitely plain that the primary treatment must be for the same disability as that for which the pension is awarded?

Mr. KING (Kootenay): Yes.

Mr. VALLANCE: Mr. Chairman, there are some of us over here interested in this bill, but we cannot hear what is going on.

Mr. ADSHEAD: We cannot hear at all.

The CHAIRMAN: Order.

Sections 20 to 26 inclusive agreed to.

On section 27—Pension to unmarried wife at discretion of commission.

Mr. KING (Kootenay): That, Mr. Chairman, is also a committee section. I wish to change the wording of the side note to read:

Pension at discretion of commission in certain cases.

It does not affect the section at all.

Mr. BENNETT: That seems to be somewhat pertinent to the question I mentioned to the minister the other day.

Mr. THORSON: It is a different principle.

Mr. BENNETT: Your saying so does not make it so.

Amendment agreed to.

Section as amended agreed to.

Section 28 agreed to.

Sections 29 and 30 stand.

Sections 31 and 34 inclusive agreed to.

On section 4—Information to be placed on file.

Mr. KING (Kootenay): Section 1 passed the other day, but I may explain that it involves merely a change in the title of the

amalgamated departments. As regards section 4, this is in accordance with the recommendations of the committee.

Mr. McGIBBON: I spoke to the minister the other day in regard to this provision, pointing out that in my opinion the intention of the committee had not been borne out. Let us take the case of a man living in British Columbia who applies for a pension which is refused: the intention was that the file should show all the reasons on which the decision was based and on which he might wish to establish his appeal.

Mr. THORSON: Section 4 as it stands in the present act is in accordance with the suggestions made by the Canadian Legion, and I believe it carries out the suggestions of the committee, based upon the recommendations of the legion. Those suggestions have been incorporated practically verbatim in this section 4.

Mr. ROSS (Kingston): I do not wish to create any difference of opinion, but it will be remembered that during the discussion of this question in the committee, while the point of view of the legion was undoubtedly as indicated, there was something else implied. There was evidently a desire that the reasons, or the evidence upon which the decision was based, should be fully set forth. I have been speaking to a representative of the legion since and he said, "We should like to go that far, but we don't know whether it will be granted". I think it is only fair that this should be done. For example, a man applies for a pension and the information comes back, "Your application has been considered by the board and it has been decided that the bronchitis in your case is pre-enlistment". To enable this man to go on to an appeal, it is desirable to know upon what evidence it has been decided that the bronchitis is pre-enlistment so that the appellant may be in a position to furnish counter evidence. That is only fair. And it is only for purposes of appeal. If we included in this section a stipulation that there should be disclosed such evidence as is required for these purposes, the reasons would have to be given for the decision that the disability was either pre-enlistment or post discharge. Only upon that evidence can the man make his appeal.

Mr. RALSTON: The section as drafted is word for word the recommendation of the committee.

Mr. McGIBBON: We agree.

Mr. ROSS (Kingston): But the discussion went further.

Mr. RALSTON: On the file there would appear all the evidence submitted. I do not think you could expect, in the judgment of the board, which is inserted in a form, that there should be a complete consideration of all the certificates pro and con and of all the medical evidence upon which it was found that the disability was either post discharge or pre-enlistment. That is on the file and is available to the soldier's adviser. What the ex-service man really wanted was some provision which would obviate the clash, which apparently has frequently occurred, between the board of pension commissioners and the federal appeal board in connection with the diagnosis. In some cases a man was suffering from a disability which the doctors found it impracticable to actually name; as to the disease which gave rise to the disability there was a difference of opinion between the board of pension commissioners and the federal appeal board, and it was held that the federal appeal board had no jurisdiction. It is this difference of view which the present section is designed to meet. The old section set forth the ground on which pensions were awarded or refused, and that has been amplified into three subsections setting out, first, the medical classification of the injury or disease causing the disability on which the claim is based; secondly, the medical classification of every injury or disease which the board considers in dealing with the application; and, thirdly, an absolute statement as to whether the board found that the injury or disease was either post discharge or pre-enlistment or whether it was an aggravation of a condition resultant from service. I do not think you could give very much more in the way of particulars in a judgment unless you set out the file.

Mr. ROSS (Kingston): But the information desired is not on the file. Let me give a concrete case. A certain ex-service man applies for a pension on account of asthma and the board decide that the asthma was pre-enlistment. The man has submitted all the evidence he can possibly get to prove that it was not pre-enlistment and there is nothing on the file to show on what ground the board concluded that it was. There should be some evidence in that direction; they might get the evidence from some neighbour or other person to show that the man had suffered from asthma before enlistment. But, as I say, there is nothing on the file to that effect. It is cases of this description to which we refer; you do not get on the file the reasons for the board's conclusion. We want to know just why they have come to a certain conclusion—what evidence there is for their decision.

Mr. RALSTON: I am not a medical man; the hon. gentleman has the advantage of me. Generally speaking, however, if there is a decision that the asthma—or whatever the disease may be—was pre-enlistment there would surely be evidence forthcoming, from the family or from someone who knew the man, in regard to the attacks from which he had suffered. That evidence might come from a great many sources and it is all on the file. I will quite agree with my hon. friend; if it is a case where the board deliberately made a finding with no evidence at all, the file itself would show that, but this is only asking them to set out what is not on the file. I do submit that we are getting into the realm of administration and out of the statutory provisions altogether. I have repeatedly urged that the pension board, when they advise a man as to pension being refused, should give him some idea of the ground on which the refusal is made, to let him know what kind of evidence he should adduce in order to support his case. That was one of the reasons why the soldiers' advisers were appointed, in order that they might go over these files and tell the man what sort of evidence he should have.

Mr. McGIBBON: I believe the committee did not quite know really what they wanted. If you consider these first three subsections, they could be answered by one word, such as bronchitis, tuberculosis, arteriosclerosis or something of that kind.

Mr. RALSTON: In order that we might have something concrete before us I wonder if my hon. friends think their case would be met if, in addition to the three subsections we have already, we re-enacted the old subsection (b), which required that the board of pension commissioners set out the grounds on which pension was awarded or refused.

Mr. McGIBBON: I think that would help.

Mr. RALSTON: That has been cut out, but if that were reinserted I think it would provide the particulars my hon. friends want.

Mr. ROSS (Kingston): The minister has the point; that information should be on file, because in many cases there is nothing to show why the board came to a certain decision, and in those cases the man cannot go to appeal without being at a disadvantage.

Mr. RALSTON: I would suggest that we add as subsection (iv) "The grounds on which pension is awarded or refused." That was in the old act.

Mr. ADSHEAD: Has the soldiers' adviser or his agent full access to these files?

[Mr A. E. Ross.]

Mr. RALSTON: Yes.

Mr. KING (Kootenay): I move that we amend section 4 by adding the following subsection after subsection (iii):

(iv) The grounds on which pension is awarded or refused.

Amendment agreed to.

On section 5—Commission attached to department.

Mr. BENNETT: Does the minister think this section gives effect to the proposals mentioned in the explanatory notes with respect to it? There is no provision covering appeals to the federal appeal board, which was included in the old section.

Mr. RALSTON: Under the old act the federal appeal board was attached to the Department of Justice.

Mr. THORSON: My friend is thinking of subsection 2 of section 7. That is incorporated in section 51 of the act, so provision is made elsewhere.

Mr. BENNETT: Without going through it, will the hon. gentleman say it is sufficiently clear that there is no doubt about it?

Mr. THORSON: I think so.

Mr. BENNETT: What about the question of clerks and employees attached to the commission being subject to the Civil Service Commission?

Mr. KING (Kootenay): They will be.

Mr. BENNETT: Is that clear?

Mr. KING (Kootenay): Yes, I think so. I understand that is the case at present, and this makes no change in that regard. The change here is more in administration; it has been felt that a saving could be made and equal efficiency given if the routine auditing and accounting were done by the officers of the department rather than by the pension board themselves, they confining themselves strictly to the adjudication of applications and being relieved of the necessity of carrying accountants and auditors and so on. This will bring the staff under the control of the departmental heads.

Mr. BENNETT: Does not this amendment limit to some extent what you might call the independent character of the commission?

Mr. KING (Kootenay): I do not think so; that is not the intention.

Mr. BENNETT: It may not be the intention, and I say this with no desire to give offence, but does it not place this com-

mission practically under the control of the minister as a sub-department of his department, which I think was not the intention of parliament when the commission was created? The Minister of National Defence will remember that one of the points strongly urged was that this should be a commission more or less lifted out of politics, if I may use that expression in no offensive manner, and certainly the effect of this amendment is to make the commission nothing more or less than a branch of the department.

Mr. RALSTON: It is always attached to the department.

Mr. BENNETT: But this is the way it reads:

> The commission shall be attached to the department and the expenses required to be incurred for the discharge of its duties, including the salaries of its officers, clerks, and other employees shall be met out of the moneys provided by parliament for the purposes of the department.

I speak subject to correction, but my memory is that we dealt with the commission as a distinct branch of government with regard to appropriation and so on, and now it must rely entirely upon the departmental appropriation.

Mr. KING (Kootenay): That is true.

Mr. RALSTON: That is the case now.

Mr. KING (Kootenay): The commission has its own vote of $80,000 or $90,000. A great deal of the trouble that has arisen between the pension board and the department, in the matter of administration, has been in the control of certain individuals who are merely carrying out routine. I have provided that the pension board, in order that they may be more independent and be better able to carry out their work, should have under their control the officers on whom they are depending to secure information regarding the pensioner or proposed pensioner. Heretofore, the medical men in the field were in the offices of the Department of Soldiers Civil Re-establishment, and that department reported through to the pension board. It is now proposed that they will have the control of their medical officers and the officers in the field, the men securing information, investigators and so on. We believe that considerable economy can be effected by one auditing organization and one accounting organization, without in any way interferring with the commission or its independence. It is merely a matter of administration.

Mr. BENNETT: I am sure the minister is very anxious to have this matter removed from the field of political activity. Will he be good enough to look at the old and the new section? Under the old section the commission had the powers and duties of a deputy head of a department for the purposes of the Civil Service Act. The bill, as now drawn, gives effect to a principle entirely opposed to what the minister has now stated. Section 5 says that the expenses:

> including the salaries of its officers, clerks, and other employees shall be met out of the moneys provided by parliament for the purposes of the department.

In other words, the commission may require help and it may not be able to get it; if the minister says, "I am not going to provide it," that is the end of it. Heretofore, the commission has functioned as an independent branch, receiving a direct appropriation from parliament which was subject to the supervision of the Auditor General. You have reversed that exactly. The minister said a moment ago that questions relating to clerks, and matters of that kind, would be determined by the board. What he proposes to do now is to take these matters out of their hands. The section says: "Shall be met out of the moneys provided by parliament for the purposes of the department." In other words, if he thinks that they should not have additional men to carry on their activities, they cannot have them because the minister is not going to provide the money to pay them. He is in supreme control of the whole fund under which this commission is to operate, and, heretofore, that was not so. I cannot think that this is a step in advance, nor will it promote economy.

When I asked the minister a moment ago about appointments, he said that they were now under the Civil Service Commission, but will they be hereafter?

Mr. KING (Kootenay): Yes.

Mr. BENNETT: Where is that in the act?

Mr. KING (Kootenay): That is provided for in the act we passed a day or two ago, bringing about the amalgamation.

Mr. BENNETT: That does not touch the question at all, and we must not evade it. The minister is well aware, if he will consider it at all, that that does not touch upon the question. The old act said that the commission shall have all the powers and duties of a deputy head of a department for the purposes of the Civil Service Act. This will make this service a special branch of the department, and provides that the salaries of clerks and other employees shall be met out

of the moneys provided by parliament for the purpose of the department. The effect of that is to take the appointment of these clerks out of the Civil Service Act. I do not say that that is intended, but that is the effect of it. I think the minister sees my point and I hope he will make the matter a little clearer.

Mr. KING (Kootenay): How would it be if we amended that section by dropping the words, "for the purposes of the department." Would that make it clearer?

Mr. BENNETT: I was going to suggest that the salaries of officers, clerks and other employees, should be paid out of moneys provided by parliament for the purpose. Does not the minister think that it is desirable to add those words to make that abundantly clear? We want to have it perfectly clear that these employees and officers will undoubtedly be under the Civil Service Act.

Mr. KING (Kootenay): Or we could insert the old section, which says:

> The commission shall have all the powers and duties of a deputy head of a department for the purposes of the Civil Service Act.

Mr. BENNETT: Having regard to how this provision has worked out in the past, I think it will be more satisfactory just to add that subsection. Speaking subject to correction, I understand that under the old act, this has worked out satisfactorily. Is that correct? The Civil Service Commission made the appointments from time to time on the requisition of the commission?

Mr. KING (Kootenay): Yes.

Mr. BENNETT: Under those circumstances, I think the minister's suggestion would meet the case.

Mr. RALSTON: We can reinsert the old section.

Mr. BENNETT: Exactly. Do I understand the minister to suggest, as an amendment that the salaries of officers, clerks, and other employees shall be met out of the moneys provided by parliament, and the words "for the purposes of the department" shall be struck out?

Mr. KING (Kootenay): I would like to let this section stand for a moment, because it is rather important. It was drafted with some care in order that we might have better administration. That is really what we are after.

Mr. BENNETT: We all want that.

[Mr. Bennett.]

Mr. KING (Kootenay): I would like the section to stand for the time being, until we can give it further thought.

Section stands.

On section 6—Additional duties.

Mr. BENNETT: That is merely a re-enactment of the old section?

Mr. KING (Kootenay): Yes.

Section agreed to.

On section 10—Pension suspended on imprisonment or paid to dependent.

Mr. BENNETT: The other day I mentioned to the minister a case that was brought to his attention some time ago. I fancy that several members have had the same kind of case brought to their attention. However, I do not think that this question can be dealt with usefully under this section.

Mr. KING (Kootenay): I do not think it could be done under this section.

Section agreed to.

On section 30—Federal appeal board.

Mr. BENNETT: It was section 30 that I desired to discuss with the committee in connection with section 5. Section 30 reads as follows:

> Such officers, clerks, and other employees as may be required for the proper discharge of the work of the board shall be furnished by the department, and the salaries of all such officers, clerks and other employees, together with all other expenses incidental to the carrying out of the work with which the board is charged, shall be paid by the department and shall be charged against the salary or other appropriations of the department.

It is very desirable to make this provision absolutely clear.

Mr. KING (Kootenay): I suggest that the section stand for further consideration.

Section stands.

On section 29—Term of office.

Mr. KING (Kootenay): This section deals with the term of office of the appeal board. There is a suggestion that this section should be amended to give more permanency to the appointment. The section as drafted reads:

> Of the members first appointed to the board, other than the chairman, one-half shall be appointed for a term of two years and the other for a term of three years, and they shall be eligible for re-appointment for such further terms of two or three years, as the governor in council may deem advisable.

The words "two or three years" were substituted for the words "not to exceed five years". I understand in the committee there was some doubt as to whether the use of that term "not to exceed five years" would exclude them from further appointment, and they decided to reduce the term to from two to three years. A term of two to three years seems to be rather a limited term; at least it would not attract the type of men we would like to have act on the board.

Mr. BENNETT: Was that not what was intended by the Ralston report, namely, that it would not be a permanent body, but rather that to clear up the situation they would be a charge on the public service for a limited number of years?

Mr. KING (Kootenay): That is true.

Mr. RALSTON: It turns out that they are going to be as permanent as the pension board. They are still operating.

Mr. BENNETT: But in view of the amendments that are now being made to the act in the endeavour to meet the situations that experience has taught us should be met by legislation, the necessity for this board will become less and less apparent. That is, in the operation of the act as the committee has now amended it, there should be less necessity for the appeal board to act.

Mr. RALSTON: We are now giving the appeal board direct jurisdiction over the meritorious clause, which is the one which will be invoked more and more as the years go by.

Mr. BENNETT: That is the minister's personal view?

Mr. KING (Kootenay): In consultation with the Department of Justice we have had the following amendment suggested which would replace the amendment as it came from the committee:

> Every member of the board shall hold office during pleasure or such limited period of time not exceeding five years as the governor in council may prescribe, and shall be eligible for re-appointment from time to time as in the case of the first appointment, provided that any member who is appointed for a fixed period of time shall be removable for cause.

It is just a question whether the period of two or three years will attract the men that we should have on a board of that character, or whether we should extend the period to five years.

Mr. BENNETT: There seem to have been a good many applicants for the job.

Mr. McGIBBON: I am unalterably opposed to long appointments, I do not care whether they are on committees or on the bench or anywhere else. When you appoint a man to a position for ten or twenty years, no matter who he is, where he is responsible practically to nobody, he becomes autocratic, domineering and instead of being more efficient, he becomes less efficient. There is nothing like keeping people keyed up to their jobs. I am opposed to extending the time limit. In fact I moved in the committee that the pension board be brought under the same regulations as the appeal board, and I can see no reason why there should be a distinction between them. I am not impressed with the idea that you have to make long-term appointments in order to get good men. If a man has the ability, the inclination, the ambition, he will take chances on making good. All he wants is the chance, and you are making a mistake in fixing long-term appointments for these offices. Nearly everyone who is on the committee was impressed, rightly or wrongly, with the fact that there was a lack of harmony between the soldiers and both of these boards. It is no use endeavouring to disguise that fact. The soldiers were complaining not so much about the law and the bulk of the regulations as about the spirit in which the act was being administered. A large part of our work was to correct the act so as to make it absolutely compulsory for both of these boards to do what we wanted them to do. As a matter of fact we were restricting what you might call the liberty of each of these boards and compelling them to carry out the specific desire of parliament.

It is a mistake to increase that tenure of office of this board and the board of pension commissioners could to advantage be put under similar regulations as the appeal board. If you have good men on the board, you have the privilege of reappointing them. If you do not have good men, they automatically fall by the wayside and you do not have to cause ill feeling by dismissing them. In the end if you limit the term of office of these boards you have greater harmony and greater satisfaction expressed by the soldiers. If you are going to make the term ten years with eligibility for reappointment, that means twenty years, which will carry them through the lifetime of a large number of the soldiers. I am positively opposed to long appointments. On one occasion I suggested to the Minister of Justice that he should get the senators to retire at a certain age. In the railway commission I think the ten-year limit is the right

principle to follow. We should place in these positions younger men who will be more energetic, more ambitious and who will probably throw greater enthusiasm and energy into the work.

Mr. BOYS: How many members are there on the board?

Mr. KING (Kootenay): Seven.

Mr. BOYS: Does the minister think this section is workable? I understand there are seven members on the board and it reads:

> Of the members first apointed to the board, other than the chairman, one-half shall be appointed—

That would mean three and a half.

Mr. THORSON: Other than the chairman. There are seven including the chairman.

Mr. BOYS: Excuse me.

Mr. RALSTON: You will not have to split them up. I took some interest in this and I think the hon. member from Muskoka perhaps misapprehends the section as drafted and the suggestion made by the minister. The section in the original act is rather peculiar. Section 50, strangely enough, provides no limitation whatever for the appointment of other than the first members. That is to say, after you have appointed your first members, the other members may be appointed under the statute for a certain specified time without limit. There appears to be some ground for that for the reason that it does not seem to be implied that they are appointed during pleasure, because it is expressly inserted in the act that any member may be removed for cause. If they were appointed during pleasure, there would not have to be any provision for removing them for cause. I understand that there was considerable discussion in the committee about the fact that the section as it stands does not permit anybody to be reappointed for an aggregate term of longer than five years, no matter whether there may be two or three reappointments.

Mr. BENNETT: How long is the chairman appointed for now?

Mr. RALSTON: The chairman holds office as chairman at pleasure. The chairman is one of those as to whom there is no provision in the act, limiting or extending his appointment.

Mr. BOYS: Does the minister say that the chairman is not appointed for any specified period?

[Mr. McGibbon.]

Mr. RALSTON: As to the chairman as a member of the board, there is no provision limiting his appointment.

Mr. BOYS: If he is appointed as one of the seven, he should start—

Mr. RALSTON: For instance, I think he might under this act be appointed for ten years.

Mr. BOYS: I realize that I was wrong in the observation I made at first, but suppose we apply it now: If there was a provision which said that the chairman shall be appointed for five years, and of the remaining six, half shall be appointed for two years and half for three years, then it would be all right, but in a hurried glance I do not see anything in the act which says that the chairman, apart from the other six, is appointed for a specified period.

Mr. RALSTON: I quite agree.

Mr. BOYS: Then we start with an appointment of seven members, and we look to this section, which says that half are to be appointed for two years and the other half for three years.

Mr. RALSTON: No, we do not.

Mr. BOYS: Then under what section is the chairman appointed separately from the other members of the board.

Mr. RALSTON: He is appointed under subsection 2 of section 50. Section 50 says:

> There shall be a board known as "The federal appeal board," consisting of not less than three nor more than seven members appointed by the governor in council on the recommendation of the Minister of Justice.

There is no limit whatever. Then you come to subsection 4, which says:

> Of the members first appointed to the board, other than the chairman, one-half be appointed for a term of two years and the other for a term of three years, and they shall be eligible for reappointment for such further terms, not to exceed five years, as the governor in council may deem advisable.

I understand that in the committee there arose the question as to whether or not the phrase "not to exceed five years" did not mean the aggregate of all the reappointments which could be made; in other words, that if a man were appointed for two years and then for three years, would not the power of reappointment be deemed to be exhausted? And it was suggested that it should be provided that he might be reappointed for as many terms as was thought proper, because by reappointing him you would get the benefit of his experience and information.

The other point is this: Under the act, and the suggestion of the committee, there is no limit, as I have pointed out, to the appointment of the chairman or to the appointment of any other member that the first member of the board, and it has been suggested by the minister, and is embodied in the section which he proposes, that everybody shall be limited. If they are first appointments, they would not be for more than two or three years, and they never can be reappointed at any one time for longer than five years. It seemed to me that that was advisable.

My hon. friend the leader of the opposition referred to the report of the commission with which I happened to be connected. I find here that their recommendation for the period of appointment to the federal appeal board was five years. It seemed to me that was sound. In the first place, it did not provide for life appointment or for a long permanency, but for some permanency so that a man might have the expectation of some reasonable period of employment, and thus be willing to cut himself off from something else and perfect himself in this work. The suggestion made here is that if you appoint a man first for two years, and he is a good man and you want to reappoint him, you cannot reappoint him for more than three years at the very outside.

Mr. BOYS: But you could continue to reappoint him.

Mr. RALSTON: Quite right.

Mr. BOYS: I would certainly agree with that.

Mr. RALSTON: And the five years makes it so that the man can feel, "I do not have to depend upon the whim of somebody to reappoint me; I have at least five years service before me, so I will take my chance and go into the service."

Mr. BENNETT: There are a great many applicants, unfortunately.

Mr. RALSTON: Yes, and perhaps they are not all qualified. It is not everybody who is qualified for the pension board or the appeal board. A man requires not only medical and legal or business experience, but he has to be wise as a serpent and harmless as a dove as well.

Mr. BENNETT: Some of them are the latter.

Mr. RALSTON: And therefore it seems to me that it is worth while to consider giving some permanency to the appointment, providing you have a good man who has served for two or three years—

Mr. BENNETT: What are the salaries?

Mr. RALSTON: For the chairman, $7,000, and $6,000 for the others. The amendment which the minister suggests does two things. It puts a limit on everybody's appointment —the chairman's and appointments which would be called first appointments; they are not to exceed five years—and secondly it puts a limit on reappointment, which is not to exceed five years. As the leader of the opposition says, in the course of time the federal appeal board may work itself out of a job, but that is not going to be for a long time yet, I am afraid, and the amendments that are passing this year are the reverse of cutting them out of work; they are giving them additional work and additional responsibility, and perhaps imposing qualifications which were not thought of when the board was first appointed.

Mr. McGIBBON: I do not think the minister just caught my point. It is pretty hard to discuss this matter without being considered personal, but I do not wish to be considered personal in what I say in regard to either the federal appeal board or the pension board. As a matter of fact, I know very few of the members. But the point is this: If the minister goes on the assumption that he has a perfect board now, and wants to keep them all on, he might just as well pass an age limit for their retirement at seventy-five or eighty years, but the impression we got in the committee was not that the board is perfect, but that it is far from being perfect, and the federal appeal board is just as bad as the pension board, or worse. If the minister is going to raise the period—

Mr. RALSTON: He is not raising it.

Mr. McGIBBON: I thought you were making it five years.

Mr. RALSTON: It is five years now. This is cutting it down to two and three years, but it is making it so that you can reappoint a man.

Mr. McGIBBON: I thought the minister was proposing an amendment to make it five years.

Mr. RALSTON: It is five now under the act, and the committee suggested an amendment cutting it down to two or three years, but providing that you could reappoint him. The minister's suggestion is that when the reappointment comes, it may be for a period of at least five years.

Mr. McGIBBON: That is my point. It should be for two or three years.

Mr. RALSTON: It is five years under the act now.

Mr. McGIBBON: I would suggest dealing with the pension board in the same way you deal with the federal appeal board.

Mr. RALSTON: That is another question.

Mr. McGIBBON: I am not saying that in a personal way at all, but I think you would get better satisfaction that way.

Mr. BOYS: As I understand it, the reappointment is given by subsection 4 of section 50, which reads:

> Of the members first appointed to the board, other than the chairman, one-half shall be appointed for a term of two years and the other for a term of three years, and they shall be eligible for reappointment for such further terms, not to exceed five years, as the governor in council may deem advisable.

Under the present law they may be reappointed for five years. I think there should be a limitation, but no disqualifications. Because there is the right to reappoint for five years, you are not obliged to exercise it; discretion may be used under that section. I am strongly inclined to think that if you got a good man, and offered him a reappointment for one or two years, he might not care to accept it. It seems to me that a person would have very carefully to consider accepting a five-year appointment, because after that time, if his services were dispensed with, what would he do? I prefer leaving the law in its present form.

Mr. RALSTON: Would my hon. friend have that apply to everybody? In other words, cut out the word "first" in the first line of subsection 4?

Mr. BOYS: Yes.

Mr. RALSTON: As it is now there is a question whether the governor in council could not appoint some of them for ten years.

Mr. BOYS: It would work no hardship to put them all on the same basis.

Mr. RALSTON: It keeps them "on their toes", as one hon. member put it.

Mr. BOYS: I quite agree.

Mr. McPHERSON: Under clause 4 in the original act there was power to reappoint "for such further period, not to exceed five years." This amendment says that they "shall be eligible for reappointment for such further terms of two or three years." Would not this be restrictive to one reappointment? I agree with my hon. friend from Muskoka-Ontario (Mr. McGibbon) that the advantages of a shorter term were shown before the committee. It was the general opinion that the appointment should be made for a nominally short term, but that the appointees might be reappointed even to the extent of ten or fifteen years so long as they were giving good service. I rather think the proposed amendment would limit the term either to two or three years. The minister suggests a five-year term. Personally I am not very much interested in whether the term be two, three or five years, provided there is a reasonably short appointment and a short reappointment so these men wil be kept on their toes and give good service to the public by looking after the soldiers properly.

Mr. RALSTON: This is the amendment suggested, and I think it will meet my hon. friend's views:

> Every member of the board shall hold office during pleasure, or for such limited period of time, not exceeding five years, as the governor in council may prescribe; and shall be eligible for reappointment from time to time in the case of a first appointment, provided that any member who is appointed for a fixed period of time shall be removable for cause.

That gives the governor in council power to appoint members of the board to hold office during pleasure, which, should occasion arise, would enable council to cut them off immediately. A member of the board might be reappointed for a further period, but not longer than the original term. All the members would be removable for cause.

Mr. BENNETT: The words "during pleasure" would have no value at all.

Mr. RALSTON: If you appoint them during pleasure the appointments are probationary.

Mr. BLACK (Yukon): This was all carefully considered in the special committee, and the amendment in section 29 represents the conclusion arrived at, with the possible exception of the word "first" in the third line. I think if you eliminate that word the subsection represents exactly what the committee wanted in the way of legislation. It was the intention of the committee to recommend that the reappointment should be made at pleasure for the period of two or three years, as the government saw fit, and not for a period of five years. Of course, if the minister is not prepared to accept the recommendation of the committee, that is a different matter.

Mr. RALSTON: Does my hon. friend find in the subsection any power at all for a recurrent reappointment?

Mr. BLACK (Yukon): Yes. He "shall be eligible for reappointment for such further terms of two or three years."

Mr. BOYS: There are two classes of terms, but surely it does not limit the reappointments.

Mr. RALSTON: Is not that just what it does do?

Mr. BOYS: I would not think so. The language may be ambiguous, but it can be clarified.

Mr. RALSTON: Is it not to provide for staggered appointments, one for two years and the other for three?

Mr. BOYS: Yes.

Mr. STEWART (Leeds): Could not the subsection be clarified by making it read, "for one or more periods of two or three years"?

Mr. RALSTON: With all respect, I do not think much of the two- or three-year limitation.

Mr. BOYS: I suppose this is to ensure that you will always have some members on the board who had been on previously, the first half being appointed for two years, the other half for three years, and they would be reappointed respectively for three and two years.

Mr. RALSTON: Yes.

Mr. BOYS: Then why not put in the words "from time to time," thereby removing any ambiguity as to reappointment?

Mr. RALSTON: I do not think that will remove any ambiguity. The suggestion here is to give the governor in council power to appoint up to five years; then they can regulate any man by reappointing him for a shorter or longer period.

Mr. MANION: But you have your different periods in your original appointments, some for two and some for three years. The future appointments could all be for two or three years. You do not need to step them; you have already done so. Some will drop out in 1940, some in 1941, and so on.

Mr. KING (Kootenay): When the appeal board was first formed I think it was expected that it would not continue for more than five years.

Mr. MANION: I am speaking of the amendment to subsection 4 to section 29.

Mr. KING (Kootenay): Quite so. But if this bill is accepted the appeal board will be continued for a considerable period, and it seems to me you will find difficulty in getting the type of men you need to accept appointments for such a short term.

Mr. BENNETT: You would get as good as you get now. I will give you a hundred of them before six o'clock.

Mr. KING (Kootenay): To get the better type of men we have to extend the period to five years; I am not sure it should not be ten.

Mr. BENNETT: The period of time should not be longer than five years, having regard to the conditions which first brought this court of appeal into existence. The Minister of National Defence in dealing with the matter originally did not contemplate the possibility of the board being in existence for any length of time. Circumstances have now made it likely that it will continue for many years. Under those conditions it is essential, as the member for Portage la Prairie (Mr. McPherson) and the member for Muskoka-Ontario (Mr. McGibbon) said, that these men should have a continued thought of the importance of their office and not get into a state of mind where they would not be as desirous of discharging their duties as they were when originally appointed. If you appoint them during pleasure, or for a period not exceeding three years, it seems to me you have done justice to the whole situation by imposing on them always the thought that they must discharge their duties properly, because there has been much complaint that the entire personnel of the board is of one political faith. That in itself is wrong. I put it to the minister, if in a board like this a total disregard of political considerations should not prevail. I have been told so frequently by returned men, "They are all of one political faith on that appeal board. What hope is there for me?" That is a wrong state of mind on their part, but it is brought about by a wrong attitude on the part of the government who appoint the appeal board. The appeal board should be appointed without regard to anything of this sort. That is my view at any rate.

Mr. McGIBBON: I may call the attention of the minister to the fact that the chairman of the appeal board was at one time on the pension board and was removed.

Mr. KING (Kootenay): He was at one time chief medical adviser, but not a commissioner.

Mr. McGIBBON: One point I would emphasize is this: These appointees should be men who served in France and had some experience in the front line. This is coming to them. There are a good many men who were smashed to pieces in war service and they ought to get the preference in all these appointments. I move that the five year period be reduced to three years.

Mr. KING (Kootenay): The amendment is only proposed; I have not moved it. The committee reported unanimously and the house accepted their recommendation and it is not my purpose to bring about any disagreement between its members. I argued that it was advantageous in the interests of the soldier as well as of the men who compose the board that the appointment should be for a period of five years. I have not changed my mind, but rather than have a division of opinion on the resolution as it has come from the committee I withdraw my amendment and allow the section to stand as it is.

Mr. McPHERSON: In my view the amendment as suggested by the minister is preferable to the amendment as it appears in the printed bill. It covers the case fully.

The CHAIRMAN: Shall section 29 carry as it stands in the printed bill?

Mr. BOYS: I thought the minister was allowing the section to stand.

Mr. KING (Kootenay): I am withdrawing my proposed amendment and allowing the section to go through as it is.

Mr. BOYS: Are you not going to meet the doubt expressed by the Minister of National Defence (Mr. Ralston) as to the possibility of the section, as it stands, limiting reappointment? If it does limit it provision should be made for reappointment. I would suggest the words "from time to time" after the word "reappointment" in the thirty-seventh line.

Mr. KING (Kootenay): If there is no objection on the part either of members of the special committee or of this committee I move that the words "from time to time" be inserted after the word "reappointment" in the thirty-seventh line.

Amendment agreed to.

Section as amended agreed to.

Progress reported.

[Mr. McGibbon.]

SOLDIER SETTLEMENT ACT AMENDMENT

The house resumed, from May 8, consideration in committee of Bill No. 288, to amend the Soldier Settlement Act.—Mr. Forke.—Mr. Marcil in the chair.

The CHAIRMAN: Section 1 was called at the last sitting of the committee. Section 2, "Revaluation of land".

On section 2—Revaluation of land.

Mr. BENNETT: I am told that the department has ruled, under the authority of the Department of Justice, that when a settler buys a property—at least when he receives money from the board and pays for the property and gives the mortgage back—his lands cannot be revalued. I think that parliament intended that these lands—

Mr. STEWART (Edmonton): That is section 2.

Mr. BENNETT: The chairman called section 2. Should we not apply the same principle to those who get money from the board, buy land, give a mortgage and take title, as in the other cases where there are agreements outstanding?. It was certainly intended by parliament last year that we should.

Mr. FORKE: That is section 2.

Mr. BENNETT: The chairman called section 2.

The CHAIRMAN (Mr. Marcil): The leader of the opposition is right. At the last sitting of the committee section 1 was considered and I have initialed it as carried.

Mr. BOYS: It certainly was not carried.

The CHAIRMAN (Mr. Marcil): Then we will revert to section 1.

On section 1—No patent to issue until amount owing to board is repaid.

Mr. ADSHEAD: I must say that I object to this section as much as ever. I will outline to the committee exactly the process through which the soldier passes in obtaining land. In the first place, the soldier did not know when he bought land that his homestead would be encumbered in consequence. I want the committee to follow the process throughout and see whether we ought to have the soldier's homestead, as well as the land, encumbered. First of all he had to go to the settlement board and satisfy them that he was

capable of farming and after he passed the board he picked out his land. The board said, "We will not allow you to pay for the land the price which you think you ought to pay because you do not know very much about it." They wanted to get full value for their money, so they sent an inspector to value the land at a price at which the board would be able to recoup themselves if the land ever came back on their hands. As soon as the inspector came back to the office of the board the applicant was informed that the land had been valued at so much, and the soldier was asked to pay one-tenth of the price in cash. If he bought a $4,000 farm he had to put his hand in his pocket and pay over $400 to the board as further security. Then they bought the land, taking the deed in the name of the crown, and the soldier settler having paid his $400 took back an agreement for sale.

After having gone through all that he went on the land, but he could not sell a bushel of grain except with the consent of the soldier settlement board. I have documents on file to the effect that the soldier settlement board had to give their consent before grain could be sold, and they stated how much of the sale price they were to receive. In addition to that they sent out inspectors who watched the settler to satisfy themselves that he was doing right with the land and that their security was still good. If he secured a loan on cattle, those cattle remained in the name of the board; he could not sell a cow and could do nothing with the products of those cattle unless he received the approval of the board. The inspector would come around and say, "Where are those cattle; where is the increase? What have you done with it?" He was restricted in all quarters; he could do nothing except with the consent of the board. The whole purpose of that procedure was to make certain that the land would be valued at a price at which the board could recoup themselves; then they received one-tenth of the amount from the settler, and finally they made sure that the settler could not dispose of anything unless the board were satisfied that they would get their share of the sale price. Nothing was said to the settler about a homestead which he might take up, but after all that procedure the board now propose that when the settler fails and they have to take back that land, as would be done by a mortgage company, they shall put their hands on his homestead as security for the amount still owing.

An hon. MEMBER: No.

Mr. ADSHEAD: Who said no? The amendment states:

> When a settler obtains Dominion lands, whether by soldier grant or otherwise, and thereafter secures the approval of the board to any advance to him pursuant to this act, while there is owing by him to the board any sum or sums of money...

If the settler has taken up a homestead, that homestead is encumbered with a charge for the debt he may owe the board. A mortgage company would not proceed in that way, and I do not see why a soldier settler should have land which was not considered when the original agreement was made encumbered in this way.

Mr. STEWART (Edmonton): I think my hon. friend is wrong there, if the settler did not have the homestead at the time he secured the advance.

Mr. ADSHEAD: But nothing was said about it in the agreement; if it had been included then, there could be no objection. if the agreement under which he bought the land from the government included the homestead, there would be no need for this act.

Mr. CAMPBELL: I am not sure that I quite understand how this amendment will apply. I will just give the minister a specific case. Here is a soldier who recently lost not only the land he had purchased from the board, but his homestead which was encumbered according to his agreement. The board have foreclosed on the land he secured from them and on his homestead. Under the act recently passed by this house this soldier settler wants to take up a second homestead, and in that case I wonder if that second homestead will be encumbered to secure any indebtedness which might be still charged against him?

Mr. THORSON: I think it is quite clear that any homestead he may take up subsequently will not be charged with any previous debt owing by him to the board.

Mr. ADSHEAD: It says, "When a settler obtains or has obtained."

Mr. THORSON: I am referring to the question put by the hon. member for Mackenzie. If he will look at the language of the new section 26 he will find the following:

> "When a settler obtains or has obtained Dominion lands, whether by soldier grant or otherwise, such lands shall be subject to a first charge in favour of the board for any sum owing to the board in respect of any sale or advance thereafter approved for and made to him by the board pursuant to this act and no patent shall be issued to such settler for such lands until the amount of such sum so owing with accrued interest has been fully repaid."

So if there were a sale made to him before he gets his homestead, or if any advance were made to him before then, his homestead will be free from the charge.

Mr. NEILL: There is one word which I think should be changed; I refer to the word "sale" in line twelve. This section says that such lands shall be held as security for any sum owing in respect of such sale. It is not in respect of a sale but in respect of a purchase; the debt is owing by the man who bought the land. I did not think any obligation rested upon the man who sold the land; I thought the obligation was on the man who bought the land and did not pay for it.

Mr. STEWART (Edmonton): It deals with the sale to the soldier or the advance made to him.

Mr. STEWART (Leeds): I think it is covered by the words, "sale made to him."

Mr. BOYS: It refers to the sale made to him, which is the same as a purchase by him.

Section agreed to.

On section 2—Revaluation of land.

Mr. BENNETT: I would like to ask the minister the question which I propounded a moment ago, as to whether or not section 68 could not be further amended by providing that lands which have been purchased with money advanced by the board, for which mortgages have been given, should be subject to revaluation in the same way as other lands mentioned in the section. It seemed to me incredible that such a limitation should exist, having regard to what parliament did last year, yet the Department of Justice has told the department presided over by the Minister of Immigration and Colonization that we could not revalue those lands.

Mr. STEWART (Edmonton): I understand that this matter was very thoroughly discussed in the committee, and perhaps there were good reasons why that is not embodied in this bill.

Mr. THORSON: It is included, if I might say a word in explanation. I think the purport of section 2 is to cover just those cases which the leader of the opposition has in mind. There were two soldier settlement schemes, the one of 1917 and the other of 1919. Under the 1919 scheme title was taken by the board, who sold the land to the soldier under an agreement for sale. Under the 1917 scheme there was no such procedure; the money was advanced to the soldier, who bought the land, obtained title in his own name and gave a mortgage back to the board. The purpose of this section 2 is that the revaluation scheme shall be applied to those persons who had obtained an advance under the 1917 act, which advance was used in the purchase of agricultural land. I think section 2 carries into effect the very object which the leader of the opposition referred to.

Mr. BENNETT: It occurs to me, Mr. Chairman, that the language should be sufficiently comprehensive to cover the point I have raised, as that appears to have been the intention of the committee. I shall treat it as though it were, although I was somewhat surprised when the department ruled that they could not deal with it. Subsection (a) of section 2 will meet the situation with respect to indebtedness to the board, and subsection (b) will meet the situation where the price has been paid, with the approval of the board, for the land and improvements. I do not think it is made abundantly clear that that is what was intended to be done, but we will take it for granted.

Mr. THORSON: It was because of the ruling of the Justice department that this question came before the special committee.

Mr. BOYS: It is next to impossible for any member to appreciate what this does. I am not saying that there is anything wrong with it, but we have not the act before us. If we had the section of the act we would know what it covers, and then we could see if there was an error made. All I have to say is that if there is any distinction between the soldier who gets an allowance and a revaluation where there is no mortgage, and the one who cannot have a revaluation where there is a mortgage, it would seem to be most inequitable. A mortgage should not control the thing at all. What does control it is the first sale, and if that sale was made at too high a price; if the revaluation shows that he paid $5,000 for lands that were worth only $3,000, he should be allowed the difference; there is no doubt about that.

Mr. RALSTON: Only the first sale, with the participation of the board.

Mr. BOYS: I have heard what my leader says regarding what is intended, and I have heard the hon. member say that this implements that intention, but I have not heard anybody quote the act. I do not say that this does not cover it, but surely it could be made clear and we would not have to guess at it. The Minister of the Interior did not seem to have any too much confidence about it, but possibly he was just speaking

with that usual caution that characterizes him. Let us have the section read to us, and also the amendments.

Mr. STEWART (Edmonton): I shall be very glad to do that. My reason for being cautious is that I have found it pays to be cautious when I am talking to a group of lawyers. Section 68 reads as follows:

Notwithstanding anything in this act, a settler who has agreed to purchase any land from the board, who has not assigned or transferred his interest in his land—

That is amended in the following manner:

(a) by inserting immediately after the word "who' where it first appears in the second line thereof, the following:—

"is indebted to the board in respect of an amount loaned to him by the board under the former act for and expended in the purchase of agricultural land or"

And then follows the wording of section 68:

who has not assigned or transferred his interest in his land,

Then (b) amends subsection (c) of section 68. My hon. friend does not want me to read the whole section? I will just read the amended sections.

Mr. BOYS: That will be all right.

Mr. STEWART (Edmonton): I will read down to where the amendment takes place:

(c) The depreciation in value to be determined shall be the amount by which, through no neglect or mismanagement on the part of the settler, the price at which the board agreed to sell the land and improvements to the settler

Then comes the amendment:

—or the price under the former act paid by the settler with the approval of the board for the land and improvements

Then the section goes on:

—exceeds the present value, and in determining the present value of the land, improvements made by the settler shall not be included.

Mr. CLARK: I made a proposal to the minister the other day that when he brought this act back he include in it a provision to make the employees of this department permanent. The same day the Minister of Health, in his bill to amalgamate the departments of Health and Pensions, brought in a provision which, in effect, makes the employees of that department permanent, and thereby subject to the Civil Service Act and entitled to superannuation. The employees of this department are in exactly the same position. They have been in this department nearly ten years, and they have done and are doing very important work. I understand that they are doing the colonization work for the Immigration department, in addition to administering the Soldier Settlement Act. I understand also that they are doing colonization work, or a large portion of it, for the railway. Surely under the circumstances these men should be made permanent and should be given the same opportunity and treatment as the other civil servants. The fact that they are, in the main, soldiers in my opinion makes their case that much stronger. I cannot understand why they have been kept out of this right for ten years. I think this offers a very convenient opportunity to make these employees civil servants and entitled to the provisions of the Civil Service Act and superannuation.

Mr. FORKE: I was considering bringing them under the Civil Service Commission at the next session of the house. However, if there is any strong desire in the house that it should be done this session, it probably could be done. I should prefer, however, to wait until after the report comes from the committee that is now inquiring into immigration matters.

Mr. CLARK: Is it true that they are doing colonization work for the Immigration department?

Mr. FORKE: Yes.

Mr. CLARK: And it is true that they are doing a large portion of the colonization work for the railway?

Mr. FORKE: The railways do not admit it.

Mr. CLARK: Is it true they are doing something?

Mr. FORKE: I think they do.

Mr. CLARK. Then is not their case unanswerable?

Mr. FORKE: I think they have a very good case.

Mr. CLARK: Is it not a very simple amendment that is required?

Mr. STEWART (Edmonton): Having had some experience myself, I did not wish to stand in the way of any department of the government coming under the Civil Service Act. That is not my intention, but I think it would be well to wait at least until the report of the committee now dealing with immigration matters is made, because it will have some bearing, undoubtedly, on whether this organization known as the soldier settlement board is to be a permanent one or not. They certainly are not required to be permanent to administer this act alone. They have been doing, as my hon. frend has pointed

out, a considerable amount of colonization work; there is no doubt about that. I think the committee which is inquiring into these matters will have something to say as to that, and I suggest that it might be well to leave this matter until the committee has reported.

Mr. BENNETT: Mr. Chairman, I hope the minister will deal with this matter at this session. I have received a very large number of letters and telegrams from gentlemen whom I do not know, residing in various parts of western Canada, asking that the matter be impressed upon the attention of the government at the present session of parliament. Having regard to the service they have rendered and the responsibilities they discharge, and the willingness of the minister, as he has himself stated, favourably to consider the matter, I think that this should be dealt with at the present session. We hope that he will do this without necessitating our endeavouring to move an amendment on the third reading of this measure in view of the representations that have been made from various parts of Canada, if the bill could be dealt with by an added section at the instance of the minister himself, that would be much more pleasing to us than if we were compelled to make a motion which I suppose the government, with its majority, could easily vote down.

Mr. FORKE: I have no serious objection to that. Of course I would have to consult the Prime Minister and the government before introducing an amendment of this kind.

Mr. BENNETT: Quite so.

Mr. COOTE: There is just one objection that might be offered to that suggestion and that is whether it is necessary to have the organization made permanent in character. It is quite fair for the employees to ask to be placed on a permanent basis, but I question whether Canada should contemplate making the soldier settlement board a permanent body in the government service. Surely the work of the settlement board will be completed in a few years and therefore I do not think we should say definitely now that for a long period of years we shall require a number of these men in colonization work. I do not really know whether that is necessary.

Mr. FORKE: My experience is that the colonization end is the bigest end of the immigration work. As Minister of Immigration my opinion is that their work will be necessary for many years to come.

Mr. NEILL: I should like to ask the minister in charge when we are going to get some action on this revaluation. I think the question is appropriate as the title of the section is "revaluation of land". Revaluation was long overdue when the act was passed in 1926. The legislation was delayed a year owing to the defeat of the government. It has been passed for more than a year now. All claims had to be entered before October last; that is seven months ago, and as yet I have not heard that any of the settlers in my district have had their claims finally settled. Their claims have been investigated and I think, generally speaking, a number of claims throughout Canada have been satisfactorily arranged so far, but they have not yet the authority of law. These men are kept sort of dangling between the devil and the deep sea, not knowing what they will get or whether they will get anything in the way of revaluation. I should like to know whether any progress has been made. Can the minister give me some definite assurance when the matter is to be, if not wound up, at least proceeded with to the extent of making progress.

Mr. BENNETT: Without repeating it, I should like to associate myself with what the hon. member for Comox-Alberni has so well said. The other day there came to my attention a case of considerable hardship. As the hon. member said, the settler is left suspended between the devil and the deep sea. He is perfectly willing to take a swim if the opportunity offers, but he must resist with all his power the effort made to drive him to the gentleman to whom the hon. member has referred, and in terms meaning the government itself.

Mr. FORKE: I can assure the committee that every endeavour is being made by the land settlement board with extra assistance to have the settlements made as quickly as possible. Many difficulties have arisen but the board is doing its best. My intention was that when my estimates came up I would give a complete report upon the parcels of land examined, the percentage of reductions made, and all other data in connection with the work carried on during the past summer. When my estimates come up I shall be glad to make a statement of that kind.

Mr. BOYS: Have any settlements actually been concluded?

Mr. FORKE: Quite a number.

Mr. ADSHEAD: Supposing the settler bought school lands, would they be covered by this?

Mr. FORKE: I think so.

Mr. SPEAKMAN: I should like to suggest that the hon. member for East Calgary has certainly left upon those who have not studied the act the impression that this is a new and stringent regulation. As a matter of fact it is a modification of an act which has been in existence since 1919. That is, under the general act all Dominion lands, whether obtained before or after the receipt of a loan, were brought in. Now this is restricted to those he obtained before a loan was made. I may say frankly that I have gone and I shall be prepared to go as far as I consider it possible to go in relieving the soldiers' obligations, but I feel I have some responsibility as a member of parliament to the taxpayers and that is as far as I am prepared to go.

Section agreed to.

Progress reported.

HAY AND STRAW INSPECTION ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the house go into committee on Bill No. 73, respecting the inspection and grading of hay and straw.

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

Section 1 agreed to.

On section 2—Regulations.

The CHAIRMAN (Mr. Marcil): There are two subsections added to section 2, as follows:

(c) by inspection certificate, to certify the class, quality and/or condition of hay or straw, and such inspection certificates issued by officers appointed by law for that purpose shall be accepted in the courts as prima facie evidence of the particulars therein set out.

(d) to prescribe the places where and the conditions under which the inspection or re-inspection of hay and straw may be made.

Mr. MOTHERWELL: The purpose of the two new subsections that have been added is simply to authorize the department to issue certificates of inspection in any case where this method of inspection is invoked. That is not the law now. We are issuing certificates at the present time without any particular authorization, but under this bill we are taking authority to issue the certificates wherever this inspection system is invoked by any hay seller or buyer. It is voluntary legislation, and the principal purpose of the amendment is to reclassify and re-introduce a different system of grades.

Mr. COOTE: I have received a letter from some hay growers in Alberta asking whether they would be given some representation on the advisory board when the grades are being established.

Mr. MOTHERWELL: Our usual practice, wherever there is an organization of hay producers, or an organization in any other line of business that is being dealt with, is to give representation on the advisory board, and particularly are we desirous of having a representative from each province to represent the hay growers.

Mr. BENNETT: I was going to say to the Minister of Justice, to whom I was just speaking, that to make the certificate prima facie evidence in the provincial courts, plus the fact that the legislation is in itself in my judgment an invasion of the legislative jurisdiction of the provinces, will some day invite a declaration from some court that the whole matter is ultra vires of this parliament. I content my self with making that observation, because in your desire to impose the certificates in the provinces by federal legislation, you are now going the whole limit and saying that the courts are bound to take the certificates of this department as prima facie evidence of what the inspectors say regarding the quality of the hay or straw.

Mr. MOTHERWELL: I would not like to dispute my hon. friend's theory of the matter, but the fact remains that we have had this principle embodied in at least three or four acts, and they have never been challenged in the courts.

Mr. BENNETT: The only one that got to the courts was the one about eggs, and it was held to be bad.

Mr. MOTHERWELL: We have this principle embodied in several acts.

Section agreed to.

On section 3—Reasons for grading.

The CHAIRMAN (Mr. Marcil): This section has been amended by adding after the word "matter" in subsection 2 the words, "not naturally produced with the hay or straw."

Section as amended agreed to.

On section 4—Imported hay and straw, how to be graded.

Mr. NEILL: What is the meaning of the words "applicable to hay grown in the province into which hay is imported"? The bill says that when straw imported into Canada is inspected, the inspection and grading has to be done in accordance with the provisions of this act, but in the case of hay there are these additional words, "applicable to hay

grown in the province into which hay is imported." There is no provision in this act dealing with specific regulations as regards one province more than another, and I should like to ask what is the purpose of these words.

Mr. MOTHERWELL: Under the old act there was a variation in grades in different parts of Canada; there would be an outstanding difference in the quality of the hay. The intention here is simply to recognize distinct grades for each province, where necessary. Down in the maritimes, for instance, in Nova Scotia, we have marsh hay, having peculiarities differing substantially from upland hay, although it is tame hay. In New Brunswick and in Prince Edward Island we have the regular order of hay. In Quebec it is largely timothy. In the prairies the hay has distinctive characteristics, and in Alberta it is largely alfalfa. The idea is to work out a system of grades that will take care of the peculiar characteristics of hay that we have throughout Canada.

Mr. NEILL: Are you going to establish grades by regulation?

Mr. MOTHERWELL: Under the advisory board.

Mr. NEILL: There is nothing in the act to indicate the minister's intention to do it according to regulations made under the act.

Mr. MOTHERWELL: We have power in the act to make regulations.

Mr. NEILL: If it is to be done by regulations, reference ought to be made to the regulations in the act, but there is no reference here.

Mr. MOTHERWELL: If my hon. friend thinks that would make it any plainer—

Mr. STEWART (Leeds): If regulations are to be passed under the provisions of this act under which grades are to be established, surely the regulations should be mentioned in the provisions of the act.

Mr. MOTHERWELL: This section is no doubt capable of improvement to make it more lucid, but it is just as we have had it in the old act, although that may not be a good commendation. But I see my hon. friend's point. We have power, however, to act on the advice of the advisory board in the matter of establishing standards.

Mr. LANCTOT (Translation): Mr. Chairman, I had the privilege of being present at the sittings of the committee on agriculture which, some time ago, recommended the adoption of this bill. To-day, I wish to set forth the viewpoint of the province of Quebec, because in this country there are various qualities of hay. I wonder whether Alberta, among other provinces, grows really hay for commercial purposes. I rather think that this bill is especially introduced to please the farmers of Alberta, because there is a variety of other things in their hay. They made the sale of this hay legal, although they admitted that it contained wood and bones of animal carcases, etc.

As I stated, before the committee of agriculture, there are to-day all kinds of new machinery to take care of the hay crop, work which we old timers of Quebec used to do by hand. I am still in favour of grading the hay in the field after it has been mowed and raked separately; we do not gather it in hay-cocks to-day because we have hay loaders. Unfortunately, this makes the hay more difficult to grade. It is different with grain, which we can pass through the fanning-mill, and if necessary we pass it through two or three times so as to obtain grain suitable for seeding. The hay cannot be put through the same process. For instance, in one morning about 20 arpents of hay is cut on a piece of land measuring 15 arpents in length by 1½ to 2 arpents in width; let us suppose that we have in succession a strip of pure clover, another of mixed clover, and a third of fine timothy; in my father's time all the timothy, the pure clover and the mixed clover were handled separately and also placed in different bays in our barns so that we had some fine, medium and ordinary hay. We therefore had a bay of fine hay, a bay of medium hay and a bay of ordinary hay. When it was taken into the barn we could separate the various qualities and we sold the hay according to its grading, Nos. 1, 2 or 3; who could grade the hay to-day while it is being pressed since it is all mixed? Grading is simply impossible. I have been a hay dealer for the last 36 years. I employ, to grade the hay, men with experience, as well qualified as any inspector of the Department of Agriculture. When I purchase 100 tons of hay from a farmer I send an expert; the latter examines two cars and grades them. He places in one car the best quality of hay and that of medium quality in one of the warehouses which we have here and there throughout the district where the hay is bought. If the hay was graded in the fields we could caution the farmer; and he would bring us

hay of good quality only and we would not be bothered with the kind of hay which we are apt to have in storage. In my own county the farmers bring me good hay, because I tell them to grade and separate it in the fields. I am aware that for a farmer who has very little hay to sell and but one barn, it is harder. However, when farmers have three or four barns at their disposal for hay, they can grade it better than inspectors and dealers. We, the dealers, together with our experts, grade it the best we can, yet the hay is mixed, it can be camouflaged but this does not often happen in a county where the dealer can warn the farmers and tell them to do the right thing. You know that the careful person is always in demand; he goes to the trouble of grading his hay and sells a better product. As a rule we pay him sufficiently to indemnify him for his trouble.

In regard to this measure and many others introduced by the Department of Agriculture, we find it is overdone and it is very annoying to have so many acts in regard to every thing and which have no meaning.

As to the province of Quebec which grows a great deal of both timothy and other hay of good quality, I think that the expert, who championed the bill before the committee of Agriculture (Mr. Clarke), should allow the old dealers to carry on without troubling them. We can assure him that the experts of the Department of Agriculture cannot do any better than we can.

Mr. MOTHERWELL: To do full justice to the observations of my hon. friend (Mr. Lanctot) I shall have to wait until they are translated, which will not be until to-morrow. Therefore I move that the committee rise and report progress, and ask leave to sit again.

Progress reported.

SUPPLY—DUMPING DUTY

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the house go into committee of supply.

Mr. R. K. ANDERSON (Halton): Mr. Speaker, I rise to move an amendment to the motion to go into supply, similar to the amendment that was moved last Tuesday by the hon. member for Victoria (Mr. Tolmie). The subject matter of his amendment was not then pronounced upon by the house, the debate being concluded under the eleven o'clock rule while I was speaking, and consequently I adjourned the debate.

The amendment is being moved again for the purpose of once more bringing to the attention of the government and the country a matter of considerable importance owing to imports of agricultural products at certain seasons of the year to such an extent as to be injurious to the producers of similar products in the Dominion. These importations affect particularly the farming classes in the provinces of Ontario, British Columbia, Quebec and Nova Scotia, and relate to fruits and vegetables and poultry products It will be generally agreed that these may be described as necessaries of life, and are essential to the health of our people, particularly fruit and vegetables when they first come on the market. The sale of the home grown product is injuriously affected by the importation of similar products produced in the United States under conditions that make it impossible for our producers to sell their products at a comparable price. As I have said, fruits are essential to the health of our people, particularly in the summer time; but there are certain seasons of the year when fruits are still more essential to the health of the people of the United States. At those seasons the producers in the United States have a surplus for export, and they dump that surplus into Canada, where it is sold practically to cover the cost of transportation.

Last Tuesday I was interrupted by the adjournment of the house before I could complete my remarks regarding the extent and importance of this industry to Canada and point out the necessity of preserving our home market for Canadian producers. No one will contradict the statement that the home market is the best market for the producers of these particular products. Members of the delegation that interviewed the Prime Minister (Mr. Mackenzie King) a short time ago claimed—and they ought to know what they were talking about—that Canadian-grown fruit and vegetables are the cheapest that the Canadian consumer can buy. All the delegates asked for was that they might be protected against abnormal competition in their home market, and undoubtedly when the surplus fruit and vegetable products of another country are being dumped here the competition is abnormal. The same thing applies to poultry and particularly to eggs, and if the producers of these commodities in Canada are capable of supplying adequately the demands of the Canadian people they should be protected from the imports of the surplus of similar products of other countries.

The delegation which waited upon the government two or three weeks ago was a large body representative of these two particular industries; they came from every

part of Canada, from the Pacific to the Atlantic. They were here and they presented their case in a very forcible and impressive manner. They stated on that occasion that they would be perfectly willing to accept a seasonal tariff which would enable them to have their own market at that season of the year when their products were available for the home consumer. That surely was a very reasonable request and one which the government could scarcely deny. If they had been asking for a high tariff the year round, to keep out similar products from other countries when they could not be supplied at home, the case would have been different. The Prime Minister, in his speech a week ago, made this observation, as reported at page 2813 of Hansard:

> The members of that delegation, for the most part, came here under the impression that the power just referred to had been taken away from the administration.

I quote the Prime Minister in this regard merely to assure him that the delegation had no misunderstanding as regards what they were asking for. They knew perfectly well that the power had not been taken away from the administration to afford them assistance in connection with the dumping duty; they knew that the dumping clause in the Customs Act had not been repealed. But they did know that the order in council authorizing the Minister of National Revenue to fix the fair market price of articles coming into Canada had been rescinded. There was no misunderstanding on that point.

The hon. member for Rosetown (Mr. Evans) opposed the dumping clause on the ground—and he quoted figures—that the application of the clause increased prices in Canada. He instanced particularly peaches and raspberries. He claimed that the clause increased the prices of peaches in the western provinces from two to three hundred per cent over the prices that obtained in those years when the dumping clause was not invoked. I have in my hand a statement showing the prices of peaches in various parts of Canada for the years from 1923 to 1927, and I shall quote from it in order to show how erroneous were the statements made by the hon. member for Rosetown. We will take Calgary, for example, a city in the prairies —and I fancy the hon. member was referring particularly to prices in the prairie provinces. The following comparison speaks for itself:

	Calgary	Regina
1923..	$1 60 per box	$1 50 per box
1924..	2 08	1 95
1925..	....	1 75
1926..	1 50	1 58
1927..	1 78	1 75

[Mr. R. K. Anderson.]

It will be remembered that the order in council empowering the Minister of National Revenue to place a valuation on these articles when imported was passed in July, 1926. In that year peaches in Calgary were $1.50, ten cents below what they were there in 1923, when there was no dumping duty invoked; while in Regina it was $1.58, or eight cents above what they were in that city in 1923. In 1927 peaches sold in Calgary at $1.78, slightly above what they were in 1923, but considerably below the price obtained in 1924, when there was no dumping clause; because in 1924 they were $2.08. And in Regina, in 1927, the price was $1.75 as against $1.95 in 1924. This shows that even in the prairie provinces the invoking of the dumping clause did not increase the prices of these articles.

As regards the importance of these industries I want to quote a few figures from the Bureau of Statistics showing the amount of money spent by the people of this Dominion in these commodities and also the Canadian production in one year. We will take fruits and vegetables. In 1922 this industry produced in Canada $55,000,000 worth of fruits and vegetables as compared with $46,025,000 in 1927. That point was stressed by one of the delegates from Ontario, Mr. Fisher, who pointed out that because of competition from the United States the fruit and vegetable industry was being injured particularly in Ontario, but in the Dominion at large as well.

Mr. YOUNG (Weyburn): Will the hon. member repeat those figures?

Mr. ANDERSON (Halton): In 1922 Canada produced—this is home production—$55,000,000 worth of fruit and vegetables as against $46,000,000 in 1927, or a decrease of about $9,000,000. That point, I was saying, was stressed by some of the delegates, who pointed out that the industry in Canada was declining because of insufficient support from our fiscal policy. In 1923 the production in Canada was $58,000,000 as against $43,000,000 in 1926; in 1924, it was $44,000,000; in 1925, $48,000,000; and in 1926, as I said, $43,000,000. This shows a steady decline in the production of fruits and vegetables in Canada.

It is well known that this country can produce fruits and vegetables equal to and better than those of most other countries, and there is therefore no reason why the Canadian industry should not be flourishing. I would suggest to hon. members from the prairies that they go to Toronto and motor through the Niagara peninsula. If they do,

I can assure them that they will see one of the most beautiful districts in this or any other country in the world; if they go towards the end of this week they will find it a most beautiful spot. When the peach and cherry trees are in full bloom that section of the country is a veritable garden of Eden. The market gardeners there are fairly prosperous, but they could be made much more so. And that is only one of the sections of the country where this condition prevails. Certainly it would be a calamity and a tragedy if any policy initiated by this parliament should jeopardize that particular industry.

Then we come to poultry and eggs. I think the great importance of these products is not fully realized by many people in this country. In 1922 the production of poultry and eggs was valued at $62,850,000, in 1923 at $62,370,000, in 1924 at $65,084,000 and in 1927 at $97,937,000. That is a very large amount of revenue to be derived from poultry and eggs. It has been stated that this industry brings more money to the people of this country than our great fishing industry. In 1927 the total revenue from fruits, vegetables, poultry and eggs amounted to $143,962,000. Not only have we a splendid market in Canada for our poultry and eggs, but I would remind the house that in England alone we have a market for two and a half billion eggs each year. England consumes annually about five and a half billion eggs, and produces only about one-half that number. Over six hundred million eggs are imported from the dominions, the remaining coming from all over the world, so we have a large market in that country. The hen is sometimes looked upon as the humblest of the farm stock, yet it has been stated that poultry raising is the only industry which always shows a profit under normal conditions. For these reasons I think the government should seriously consider reintroducing the dumping clause.

Reverting to the question of fruits and vegetables, I have already said that five provinces are interested in this industry, their production being as follows:

Province and Description	Year	Total Quantity	Total Value
Nova Scotia—		bbl.	
Apples	1926	927,370	$2,411,162
	1927	950,000	2,850,000
		Bush.	
Pears	1926	9,000	16,650
	1927	13,500	23,625
		qts.	
Strawberries	1926	510,000	71,400
	1927	450,000	63,000
Nova Scotia.—*Con.*			
Raspberries	1926	22,500	4,050
	1927	21,700	4,340
Other berries	1926	80,000	10,400
	1927	90,000	12,600
New Brunswick—		bbl.	
Apples	1926	30,000	97,500
	1927	28,000	98,000
		qts.	
Strawberries	1926	750,000	90,000
	1927	1,000,000	130,000
Raspberries	1926	40,000	6,800
	1927	35,000	6,300
Other berries	1926	200,000	26,000
	1927	225,000	27,000
Quebec—		bbl.	
Apples	1926	111,600	474,300
	1927	104,600	481,160
		qts.	
Strawberries	1926	2,000,000	280,000
	1927	1,910,500	248,365
Ontario—		bbl.	
Apples	1926	573,600	1,720,800
	1927	673,500	2,188,875
		bush	
Pears	1926	114,240	222,768
	1927	211,300	390,905
Plums and prunes	1926	173,800	225,940
	1927	157,100	282,780
Peaches	1926	158,700	449,121
	1927	306,180	918,540
Cherries	1926	110,000	256,300
	1927	173,000	534,570
		qts.	
Strawberries	1926	3,500,000	455,000
	1927	2,644,000	370,160
Raspberries	1926	1,200,000	204,000
	1927	2,304,000	368,640
Other berries	1926	950,000	114,000
	1927	1,017,000	183,060
		lbs.	
Grapes	1926	24,000,000	720,000
	1927	34,560,000	1,382,400
British Columbia—		bbl.	
Apples	1926	1,311,800	4,984,400
	1927	1,060,900	4,667,960
		Bush.	
Pears	1926	143,200	236,280
	1927	110,800	299,160
Plums and prunes	1926	173,000	224,900
	1927	120,050	342,142
Peaches	1926	79,250	154,537
	1927	43,900	127,310
Apricots	1926	56,650	127,462
	1927	17,300	64,875
Cherries	1926	91,640	320,740
	1927	29,510	162,305
		qts.	
Strawberries	1926	2,979,000	506,430
	1927	4,202,000	588,280
Raspberries	1926	3,482,000	487,480
	1927	3,028,000	393,640
Other berries	1926	2,965,000	326,150
	1927	2,296,000	206,640

These figures will show that this industry is scattered all over the Dominion, that it produces a considerable revenue for the Dominion and affords a living for a large number of people. The delegation which came to Ottawa some weeks ago to interview the government in this regard was composed of

250 people, who claimed to represent 150,000 fruit, vegetable and poultry producers in Canada. Allowing five persons to a family, that delegation represented well over half a million people who make their living through this industry. Surely it would be proper to make every possible effort to foster a home industry of this kind; it is not in the interests of Canada or any other country to import articles or products which can be supplied by the domestic producer. We should conserve our markets for our own people, to induce our people to take up these industries and to induce people to come to Canada from other countries and carry on this line of work. If we give the necessary assistance we can easily bring about that result, because we have the climate and the soil conditions which are favourable to this branch of agriculture, while nowhere in the world can we find better conditions for the production of eggs and poultry. The people of the prairie provinces should be interested in this matter, particularly in the poultry industry, since almost every year at the Christmas season they send large shipments of poultry to the markets of Ontario and Quebec. They also produce eggs in those provinces, and you would think that they would be the ones interested in seeing that the industry was put on a good paying basis.

The delegates, when they made their representations to the members of the cabinet, stated very definitely that it was in the best interests of the consumer as well as of the producer to keep the dumping clause in effect. They mentioned the fact, which everyone will agree with, that when the application of the dumping clause does not increase the price to the consumer, and when the domestic article is equal to or better than that imported from the outside, the use of home grown products is in the interest not only of the consumer but of the producer, and the government should take cognizance of the fact that in encouraging the consumption of domestic products they are at the same time serving the interests of consumer and producer.

I draw these facts to the attention of the government. I do not wish to labour the question, but I only say to the government that they would be well advised to read carefullly the statements made by the various delegates when they presented their cases, and to come to the conclusion that the order in council giving protection to these particular products be reinstated.

I therefore beg to move, seconded by Mr. Stirling, the following amendment:

[Mr. R. K. Anderson.]

That all the words after the word "that" be stricken out and the following substituted therefor:

"In the opinion of this house the necessary action should be taken by the government forthwith to effectively control the importation into Canada, either on sale, or on consignment, of natural products of a class or kind produced in Canada under conditions which prejudicially or injuriously affect, or threaten to prejudicially or injuriously affect, the interests of Canadian producers".

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, two mistaken impressions have gone abroad throughout the country in regard to what has been done in connection with these dumping duties. The first is that the government by order in council has deprived the farmer of what little protection the tariff affords him. That is a mistake. The duty as fixed by the parliament of Canada on natural products has not been tampered with. The duty on fruits and vegetables is as it was. The duty on fresh vegetables to-day is 30 per cent and the duty on fresh fruits is specific, being so much a pound or a box or a barrel, as the case may be. With those duties the government have not interfered and so far as I am aware they have no intention of interfering. The other wrong impression that has gone abroad is that the government, by order in council has repealed the dumping clause in so far as it applies to natural products. That also is a mistake. The dumping clause has not been tampered with in the least. The dumping clause requires no order in council for its enforcement. It applies to-day to fruits and vegetables just as much as ever it did. It applies to fruits and vegetables just as much as it does to manufactured articles. What then has happened? Perhaps I can best explain the matter by referring to the statutes themselves. Let me turn to the dumping clause, which is section 6 of chapter 44 of the revised statutes. It reads:

In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for

export and the said fair market value thereof for home consumption; and such special or dumping duty shall be levied, collected and paid on such article, although it is not otherwise dutiable:

Provided that the said special duty shall not exceed fifteen per cent ad valorem in any case;

And so on, with some further exceptions.

To what does that dumping clause apply? It applies to natural products and manufactured goods alike so long as similar goods are produced in Canada. When does it apply? It applies when those products are being dumped into this country. The definition of dumping as given in the clause is that goods are being dumped when they are being sold for export to Canada at a lower price than that at which they are being sold for consumption in the country of origin. What is the penalty attached? The penalty provided in the dumping clause is a special duty equal to fifteen per cent of the value of the goods. What is the method of enforcement? It requires no order in council, no order from the minister, no order from any official in Ottawa. Any person who is interested can go to the collector of customs at the port of entry and say: "These goods are being dumped into this country; they are being sold to us at a lower price than that at which they are being sold, for home consumption in the country from which they came; here is the proof of my statement." That is all that is required to bring the dumping duty into effect and to have the special duty of 15 per cent added.

Let me turn now to what was section 47a or, as it is now numbered, section 43 of the Customs Act. It reads:

If at any time it appears to the satisfaction of the governor in council on a report from the minister, that natural products of a class or kind produced in Canada are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers, the governor in council may, in any case or class of cases, authorize the minister to value such goods for duty, notwithstanding any other provisions of this act, and the value so determined shall be held to be the fair market value thereof.

To what does this apply? It applies only to natural products. When does it apply? It applies when those products are being sold in Canada at a price with which our own producers or growers cannot compete. It takes no cognizance of whether those goods are being dumped into the country or not, so long as our producers cannot compete with the price. What is the penalty provided? Not a special or dumping duty but an increased valuation which shall be the basis for computing the ordinary duty. What is the method of enforcement? By order in council. When those goods are coming in and being sold at a price with which our growers cannot compete, then the minister can ask for an order in council which will give him power to impose this arbitrary valuation.

Mr. ANDERSON (Halton): When goods are dumped into Canada at below the price in United States, on what price would the 15 per cent duty be collected?

Mr. YOUNG (Weyburn): On what was determined to be the fair market value.

Mr. ANDERSON (Halton): The fair market value in the United States?

Mr. YOUNG (Weyburn): Yes. Let us get this clearly in mind. Let us compare the two. The Dumping Act applies to all goods produced in Canada, natural products and manufactured goods alike. The old section 47a applies only to natural products. The Dumping Act applies when goods are being dumped into this country. Section 47a is not concerned whether goods are being dumped into this country or not; it applies when they are being sold at a price with which our growers cannot compete. The Dumping Act provides a special or dumping duty of 15 per cent of the value of the goods. Section 47a makes no such provision; it provides for an increased valuation. The Dumping Act works automatically simply by someone producing the evidence of dumping to the customs collector. Under section 47a an order in council is required. There is the distinction, as clearly as I can explain it, between the two sections.

Section 47a has been on our statute book for a number of years, but not very much attention was paid to it. It remained for the hon. member for Vancouver Centre (Mr. Stevens) to discover the evil use to which it could be put.

Mr. STEVENS: A good use. An official use.

Mr. YOUNG (Weyburn): I will explain this to you as clearly as I can in a minute. During the short time he was Minister of Customs he caused to be passed an order in council giving him power to impose this arbitrary valuation on fruits and vegetables. It did not make any difference to him that there were no Canadian vegetables ready for the market at the time. He got authority and he fixed the value. Let me use the example I used last year, tomatoes, I choose this vegetable because our largest importations are in tomatoes, and they best illustrate what was done. Tomatoes were

selling in Tennessee at 50 cents a box. The duty is 30 per cent. My hon. friend said that the value on tomatoes should be 85 cents a box. By so doing he increased the duty from 30 per cent of 50, to 30 per cent of 85. In that he was within the law; that was the intention of the law, and if he had stopped there, perhaps nothing further would have been heard of it. But he did not stop there. In his zeal to prevent the people of this country from eating fresh vegetables, he imposed on top of the already increased duty a special or dumping duty. Mind you, he did not say that tomatoes were being dumped into this country, because they were not; but he imposed a duty anyway. He added the 15 per cent, not 15 per cent of 50, but 15 per cent of 85, so that the duty which he found to be 30 per cent of 50, he left at 45 per cent of 85, and when you figure that out it comes to 76½ per cent of the value of the goods. The duty that he found to be 30 per cent of the value of the goods he actually raised to 76½ per cent. Fortunately, my hon. friend was not long in office.

Mr. BENNETT: My hon. friend is aware that the present government passed two additional orders in council along the same line?

Mr. YOUNG (Weyburn): I will come to that, but the hon. gentleman knows that the present government repealed those orders in council.

Mr. BENNETT: Oh yes.

Mr. YOUNG (Weyburn): And that is what my hon. friends opposite are objecting to, I believe.

As soon as the people of Canada discovered what was being done—and we took good care to inform them—they decided that my hon. friend was not the man they wanted in charge of the customs department, and on election day they told him so.

Mr. STEVENS: Oh no, I am here.

Mr. YOUNG (Weyburn): Yes, but not here. When the session opened the following winter some of us undertook to find out why those dumping duties were being collected. Let me say that whatever faults my hon. friend has, he does seem to inspire loyalty among his subordinates for those who acted under him were not at all anxious to tell us anything. We found it difficult to get the information. But we persisted, and our search led us to the secretary of the Canadian Horticultural Council, the evil genius of Canadian agriculture, the man who is working night and day to deliver the farmers of this country into the hands of the Canadian Manufacturers' Association, the man who openly boasts on the streets of this city that he is going to make protectionists out of the farmers.

Mr. McGIBBON: Half of them are made already.

Mr. YOUNG (Weyburn): We went to him and asked why these dumping duties were being collected. He said, because the goods are being dumped into this country. We asked him what evidence he had, and he said plenty, but all the evidence he could show us was a letter from a man in British Columbia stating that the United States expected to harvest a very large crop of fruit that year, and urging that some steps be taken to prevent the people of Canada from buying any of that fruit. That is all the evidence they had that dumping was being practised, and yet my hon. friend imposed dumping duties. We ventured to express the opinion that these dumping duties were not being lawfully collected, that those who were being made to pay them could go into court and force the government to disgorge. We went to a lawyer about it; we went to two lawyers; we went to three lawyers, and they all gave us the same opinion.

Mr. MANION: May I ask, just for information, who is "we"?

Mr. YOUNG (Weyburn): I was one of them anyway.

Mr. STEVENS: We, the three tailors of Tooley Street.

Mr. GOTT: The hon. gentleman is very broadminded. Colonel Lindbergh said "we" referring to himself and his plane.

Mr. YOUNG (Weyburn): As I was saying we secured the opinion of a number of lawyers to the effect that these duties were not being lawfully collected, and that they could be recovered by those who were being compelled to pay them. Armed with this opinion we went to the officials of the department, and they laid the matter before the minister. Fortunately we had a Liberal government in power then, and they said, "We do not want anything like this. We will have to look into the matter. We do not want to be in the position of collecting duties and then be compelled to refund them. Anyway, we do not want to collect money to which we are not entitled," and so they asked the Department of Justice for an opinion. I have that

opinion before me. It is lengthy, and I shall read only the final paragraph which sums up the whole case. It says:

My view is that a decision of the minister under section 47a has no effect to bring a transaction within the dumping duty clause which is not otherwise within it.

There is the reason, the prime reason, why the order in council was rescinded, because the best legal authority we could get said that we had no right to collect those dumping duties under the act.

Mr. STEVENS: What the hon. member has just read does not say that.

Mr. YOUNG (Weyburn): What I have just read says that exactly.

Mr. STEVENS: I do not think so.

Mr. YOUNG (Weyburn): It says:

My view is that a decision of the minister under section 47a—

That is, the value placed by the minister:

—has no effect to bring a transaction within the dumping duty clause which is not otherwise within it.

Mr. STEVENS: That is absolutely meaningless.

Mr. YOUNG (Weyburn): It means a whole lot.

Mr. STEVENS: It does if you read something into it that is not there.

Mr. YOUNG (Weyburn): It means a whole lot if my hon. friend will take the trouble to study it.

Let us see what was the purpose in imposing these dumping duties in the first place. What object was to be achieved by imposing them? I think everybody will admit that there was one object, and one object only, and that was to shut out the importation of American fruits and vegetables, and to secure for our Canadian growers a monopoly of the home market. The hon. member for Halton (Mr. Anderson) who spoke this afternoon, gave us figures which showed that the Canadian grower already controls 93 per cent of the home market, and the purpose in imposing these dumping duties was to give him the other 7 per cent, to give him a 100 per cent monopoly of that market. Did the imposition of those duties accomplish its purpose? Did the imposition of those duties succeed in shuting out the importation of American fruits and vegetables, as the votaries of the protectionist idol so fondly hoped it would? I shall prove to you that it did not. Let us examine the trade returns. The fiscal year ending March 31, 1926 is the last year before these duties were imposed. Let us compare our importations of fruits and vegetables for the year ending March 31, 1926, with the importations for the year ending March 31, 1927:

Imports

Apples: 1926, 150,840 barrels; 1927, 201,589 barrels, increase.

Apricots, quinces, nectarines: 1926, $139,289; 1927, $83,709, decrease.

Blackberries, blueberries, raspberries: 1926, $6,227; 1927, $37,392, increase.

Cherries: 1926, $81,071; 1927, $120,912, increase.

Grapes: 1926, $826,531; 1927, $939,164, increase.

Melons: 1926, $412,600; 1927, $382,644, decrease.

Peaches: 1926, $643,001; 1927, $501,576, decrease.

Pears: 1926, $926,398; 1927, $855,274, decrease.

Plums: 1926, $495,035; 1927, $425,226, decrease.

Strawberries: 1926, 3,168,975 pounds, $607,345; 1927, 3,944,707 pounds, $668,417, increase.

All other fruits (dutiable): 1926, $64,977; 1927, $150,650, increase.

Mr. GOTT: Are these importations?

Mr. YOUNG (Weyburn): Yes.

Mr. GOTT: I thought the hon. member just said that there were no importations.

Mr. YOUNG (Weyburn): You have been dreaming.

Mr. ANDERSON (Halton): The hon. member has forgotten that the dumping clause was being applied in 1926.

Mr. YOUNG (Weyburn): My hon. friend is mistaken.

Mr. ANDERSON (Halton): No.

Mr. YOUNG (Weyburn): These figures are for the fiscal year ending March 31, 1926. To sum up, for the year ending March 31, 1926, our imports of fresh fruit of the dutiable kind were $6,094,686, and for the year ending March 31, 1927, $6,067,778, showing a reduction for the year ending March 31, 1927, as compared with the previous year, of $26,908, or a little less than $27,000. We imposed those dumping duties for the purpose of shutting out $27,000 worth of fruit. And do you know how much in duties was collected? They amounted to $1,287,000. In other words, to secure a market of $27,000 we collected duties from our people of over a million and a quarter dollars.

But there are some fruits on which those duties did not apply—bananas, grapefruit, pineapple, and so on. In 1926 we imported

$13,608,000 worth of these duty-free fruits; in 1927, $15,227,000—an increase of a little more than $1,600,000.

What is the point? There is in this country an ever-increasing market for fresh fruits and vegetables. But the housewife who has only a limited amount of money, and must get something with it that will go round the table, will buy the fruit which she can buy cheapest. In our endeavour to make her buy our own Canadian-produced fruit we have artificially increased prices of these same fruits. What has the housewife done? She has turned to the fruits not affected—to the duty-free fruits. We have, then, in trying to create by this artificial means a market for our own fruits only succeeded in creating a market for tropical fruits. The explanation is simple. Go into any store in Ottawa to-day and for five cents you can get two of the biggest and finest bananas you ever saw. But you have to pay five cents for one apple that has probably seen better days.

How is it with respect to vegetables? We cannot, as we do with fruit, resort to some other kind that is not taxable, for tropical vegetables do not come in. For the fiscal year 1926 we imported $221,000 worth of cabbage, as against $316,000 worth in 1927; of onions, $394,000 worth in 1926, as against $396,000 worth in 1927; of potatoes, $481,000 in 1926 as against $647,000 worth in 1927; of tomatoes, $1,110,000 worth in 1926, as against $1,173,000 worth in 1927; of other vegetables, $1,915,000 worth in 1926 as against $2,117,000 worth in 1927. The total value of fresh vegetables imported in 1926 was $4,236,123, and in 1927, $4,747,630—an increase of $511,000.

Now, has the imposition of these dumping duties achieved its purpose? I say, no, it has failed and failed utterly. Why, then should we continue this imposition? What effect did it have? The imposition of these dumping duties had the same effect on the fruit and vegetable market as the imposition of a similar duty on woollen goods would have on the woollen market; it simply persuaded people to buy something else. Fruits and vegetables came in anyway. The hon. leader of the opposition (Mr. Bennett) has been out in the country making speeches—

Some hon. MEMBERS: Good ones, too.

Mr. YOUNG (Weyburn): Yes. He likes to make speeches. If I could make as good speeches I should like it too. But anyway he went to Guelph the other night and stated that these dumping duties were wiped out because a few members on this side of the house threatened to withdraw their support from the government unless such was done. In this the hon. gentleman was not correctly informed.

Mr. BENNETT: Not the dumping duties. I was very particular in the language I used, for I have followed this matter with great care. The report is inaccurate.

Mr. DUNNING: The reporter's fault.

Mr. BENNETT: Orders in council. The point is clear enough. It is all the same.

Mr. YOUNG (Weyburn): From what the hon. gentleman says I suppose he has no objection to the dumping duties being wiped out. I am very glad to hear that. But I want to say this: We on this side did not use any threats against the government. We have lived long enough to know that no worth while victory was ever achieved by means of threats. All we did was to assemble the facts of the case, and lay them before the government. The justice of our cause and the inherent goodness of human nature did the rest.

Mr. FANSHER (Last Mountain): Will the hon. member kindly tell us who passed 47a? How did it become law?

Mr. YOUNG (Weyburn): My hon. friend wants me to admit that the Liberal party put it on the statute book. I admit it. All the more reason why the Liberal party should repeal it.

Mr. CHAPLIN: They have repealed it.

Mr. YOUNG (Weyburn): No; I say, all the more reason why they should repeal it. The members of the Liberal party are not so small-souled that they are afraid to say: We made a mistake and will go back and correct it.

Mr. GOTT: Did they not promise to repeal it?

Mr. YOUNG (Weyburn): You will find out in due course. We on this side of the house stand solidly behind the Prime Minister in what he said the other night. The question with us is: Shall the tariff laws of this country be made by parliament, or by order in council, or by departmental regulations? We take the stand that they should be made by parliament, and by parliament alone. If parliament sees fit to increase the duties on agricultural products, we shall bow to the will of parliament, however foolish we may think the move; but we do not bow to the will of departmental officials or anybody else who presume to make tariffs without consulting parliament.

Mr. McGIBBON: May I ask the hon. gentleman a question? Would he like the house to believe that the government took everything into consideration before they set the duties on anything?

Mr. YOUNG (Weyburn): Of course they did. I do not suppose my hon. friend will believe it anyway, because he cannot believe anything good of this government. We are solidly behind the Prime Minister in the stand he took the other night—that we must have government by parliament and not by order in council. I say in that stand we have the wholehearted support of the leader of the opposition, for since he has been elected to his present position no man in Canada has spoken louder or more frequently in denouncing government by order in council; no man has insisted more vehemently that the authority must rest with parliament and should not be taken away by the executive. In the light of his utterances, then, I say he is going to support us on this motion. He can do nothing else.

Now I should like to refer to the situation in the fruit-growing province of British Columbia and in the prairie provinces. Once these orders in council were passed, effectively shutting out of our market American fruit, the fruit-growers of British Columbia went to their provincial government and got them to create a committee of internal direction, to which they gave power to license the fruit growers, to tell them where they should sell their fruit, when, and at what price. In doing so they were in effect empowered to dictate to the people of the prairie provinces not only what we shall pay for our fruit, but how much of it we shall have. That is the situation. Last year in British Columbia they produced 90,000 odd cases of peaches. They ate about half of them themselves, leaving approximately fifty thousand boxes for the use of the prairie provinces. We out there consumed over 400,000 boxes. But while the fruit growers of British Columbia could not begin to supply our market for fruit, they had this dumping duty put on, which compelled us to pay an 80 per cent duty on the 400,000 boxes which we bought from the States because British Columbia could not supply them. It is all nonsense to say that the fruit producers of this country receive low prices for their fruit. We pay just as high prices in the season for British Columbia fruit as we have to pay for American fruit out of season, and once our own British Columbia fruit comes on the market we never use any American fruit, because theirs will not compare with ours for quality. I will say that for the fruit growers of British Columbia.

What is the matter with the Ontario fruit growers? The trouble with them is this: They have been in the habit of selling to a local market where they do not take any trouble or care in packing their fruit and preparing it for market. The day is past when they can sell exclusively in a local market, and now that they are obliged to ship their product a distance it will not carry west of Winnipeg because the fruit is not properly packed. We never get their fruit in Regina in a condition fit to use.

Mr. BANCROFT: They also voted against a cheap rate for that fruit going west.

Mr. YOUNG (Weyburn): Ontario did?

Mr. BANCROFT: The Conservative party voted against a cheaper rate on fruit going west under the Crowsnest agreement.

Mr. YOUNG (Weyburn): To sum up: The disadvantage from which our producers of fruit are suffering are: first, insufficient production, and second, improper packing and shipping methods. And the latter reason applies particularly to Ontario. If the fruit producers of Ontario wish to hold their present market or to secure a wider market all they have to do is to adopt modern methods of packing and marketing. If they do that they do not need the dumping duty. The government was justified in repealing this provision because it was totally ineffective as a means of shutting out importations and, secondly, because under the law as it stands they have no right to collect these duties.

Mr. GROTE STIRLING (Yale): I associate myself with the amendment before the house because of the seriousness, as I see it, of the situation which faces the producers of natural products in this country. There is now, and for a long time there has been, great misunderstanding over a misuse of terms. I have heard in this house references to the "Dumping Act"; yes, I have heard ministers refer to the Dumping Act. The hon. gentleman who has just taken his seat (Mr. Young, Weyburn) referred to the Dumping Act. There is no Dumping Act in Canada, nor was there ever a Dumping Act in Canada. What we have had and what we now have is one clause of the customs tariff, which was placed there in 1904, sponsored by the Right Hon. W. S. Fielding. He put it in there to meet certain conditions which he saw existing, and I want to quote a sentence or two from the speech which the right hon. gentleman made in introducing that clause. He had been referring to the memorable words of Mr. Cleveland: "It is a condition and not a theory which confronts us".

Mr. YOUNG (Weyburn): Will the hon. member quote what his own leader said on that occasion?

Mr. STIRLING: I have not got it, but if my hon. friend knows the page of Hansard he can easily read it.

Mr. YOUNG (Weyburn): I have read it.

Mr. CHAPLIN: It will be enlightening.

Mr. STIRLING: Mr. Fielding proceeded:

We recognize that fact in tariff matters as in many other matters, and we say that many new conditions have arisen and are arising of which we are obliged to take notice.

Further on he said:

I quite realize that what I may call the extreme free trader, that is, the theoretical free trader, if there be such a man, who attaches more importance to a theory than to the practical things of this life, may ask: "Why should we care about that? We do not get the benefit of cheap goods." Well, if he could be guaranteed forever or for a long period that we would obtain cheap goods under that system the question would be a very fair one. If these trusts and combines in the high tariff countries would come under obligations, with sufficient bonds, to supply us with these goods at the lowest prices for the next fifty years, it would probably be the part of wisdom for us to close up some of our industries and turn the energies of our people to other branches. But surely none of us imagine that when these high tariff trusts and combines send goods into Canada at sacrifice prices they do it for any benevolent purpose. They are not worrying about the good of the people of Canada. They send the goods here with the hope and the expectation that they will crush out the native Canadian industries. And with the Canadian industry crushed out what would happen? The end of cheapness would come and the beginning of dearness would be at hand.

Then later on he added:

We propose therefore to impose a special duty upon dumped goods. That special duty, subject to a limitation which I will mention, will be the difference between the price at which the goods are sold—the sacrifice price—and the fair-market value of those goods as established under the customs law of the country.

That was Mr. Fielding's method of dealing with conditions as he then found them. Three years later, speaking in the city of Toronto, Sir Wilfrid Laurier is quoted as saying:

Why did we introduce that anti-dumping clause? We introduced it for the reason I gave a moment ago, that it was essential to the success of manufacturing that the man who is engaged in business should know exactly the conditions under which he would operate; and we put in this clause to prevent the demolition of market.

I contend that these two great Liberal leaders introduced that legislation for the purpose of meeting conditions as they found them; and I further contend that such was Sir Wilfrid Laurier's love for the good people of Quebec, the market gardeners of Quebec, that if he found an evil confronting them such as we now find he would certainly do what was in his power to remove that evil. That clause met the conditions as he found them. I do not know to what extent the dumping clause was satisfactory in meeting the conditions that faced the manufacturers of non-perishable products, but I do know that that clause has never been effective in taking care of the difficulties with which the producers of perishable products have had to contend. That clause proved too inelastic; it was too easily evaded; it was useless to the fruit and vegetable producers. So badly did they suffer from conditions that in 1920, after the shipping season of that year, their representations found the ear of the Union government, and in 1921 the valuation clause was placed in the Customs Act, enabling the minister to declare what the value for duty was, on a basis of comparison with the actual cost of production of similar goods imported into this country at a like date. That clause was made use of in the fruit and vegetable shipping season of 1921 and it was effective. Then came the change of government, and early in the session of 1922 the Liberal government repealed the valuation clause in the Customs Act, ridiculing the idea that it would be possible to declare what the actual cost of production was, although it had so been declared the year before, based very largely on the published figures in the American states. I think that the government realized that they had gone rather far when they removed that assistance, for later on in the session of 1922 they passed this clause which my hon. friend has been referring to, then called 47a, since called 43. The hon. member read the clause, and the gist of it I will repeat: it was to enable the minister to declare what the fair market price was. Because section 6 of the customs tariff, left by itself, did not so declare, and it was necessary that there should be a valuation clause.

Now clause 47a required that an order in council be passed, but we notice that the shipping seasons of 1922, 1923, 1924 and 1925 passed with no order in council having been given the minister on which he could begin to take action. I well remember in one of those years the then Minister of Customs, accompanied by his commissioner, coming into British Columbia. He came down the Okanagan valley, and we entertained him to a luncheon in the city of Vernon. There we laid before him the difficulties with which we

had to contend, and I well remember Mr. Bureau telling us that it was his firm intention to protect us against the evil of dumping. We did not understand what method he was going to adopt; we lived far away from this home of phrases; we did not understand clauses and orders in council, and perhaps we did not even know of the existence of orders in council, but we trusted Mr. Bureau. We found that a certain sporadic collection of dumping duty went on in those years, and then in 1924 it reached our ears that rebates of dumping duty were being granted. Early in the session of 1925 I placed questions on the order paper asking whether the dumping duty had been rebated, how much had been rebated and why, and the answer I received was thoroughly evasive. Later on I took it up with Mr. Bureau's successor and told him what I have just told the house. His reply was that he would look into it, and if there were an answer I should have it. I have never had the answer, but I do not think I am going too far when I surmise that these duties were rebated simply because no order in council ever had been passed, and when a rebate was asked for it was granted. When the Duncan report came out early in 1925 we read in it that in every case investigated by the commissioner in which a rebate of the dumping duty was requested, that request was granted. No orders in council were passed in those four fruit shipping seasons; then we had a change of government and the hon. member for Vancouver Centre (Mr. Stevens) became Minister of Customs. We made representations to him with regard to this dumping; he realized that it was being carried on and that order in council was passed in July 1926 under which the minister proclaimed what was the fair market price, and we received protection. During the shipping seasons of 1926 and 1927 we were reasonably protected from the dumping of these foreign fruits and vegetables.

In the minds of those who are opposed to our way of thinking, apparently the two main objections which are raised to this anti-dumping duty are first that it is wrong in principle and second that the consumer pays more. With regard to the first I infinitely prefer the view adopted by Mr. Fielding, that we have to meet conditions as we find them and that our actions should be in accord with those conditions. With regard to the second point, I maintain that it is wrong in fact. There was a dumping restriction in 1926 and 1927; if it is true that the consumer always pays more when dumping is restricted surely we should expect to find the prices paid by the consumer in those years higher than in preceding years, yet while there are many factors which affect the price paid by the consumer I maintain that you can go through the whole list of fruits and vegetables and you will find that the consumers in Canada did not pay more; frequently you will find that they paid less. I submit that it is a fallacy and has been proved to be such time and again that of necessity the collection of dumping duty means that the consumer pays a higher price.

There are reasons why in my opinion the producer of perishable products should receive perhaps greater attention than the producer of products which are not perishable. The latter does not need to market his products immediately they are ready; the wise business man, with his finger on the pulse of the market, is able to realize when something is backing up, and perhaps he can move his operatives or change his machines to some other article for the time being. That is not the case with the producer of perishable products, and most emphatically is it not so in the case of the tree fruit man. In my orchard I prune my trees, irrigate them, cultivate them, spray them, thin the fruit and plant crops between the trees to plough in and enrich the soil, but I have no control over the blossoms. I do not know in the least what proportion of those blossoms will bring forth fruit. A bountiful crop comes along and naturally I am pleased, although with it my expenses in thinning, hauling and packing go up. However, that is perfectly all right so long as when I come to market my produce I find that there is a reasonable opening in the Canadian market for me to sell that fruit. I have to sell it when it is ready or make use to a slight degree of the very expensive assistance of cold storage, but in the main I have to sell it when it is ready, and if when I come to sell it I find the market already full of or threatened by the produce of another country I maintain that I, a Canadian producer responsible for developing a little piece of Canada, am not getting a square deal.

There were no orders in council passed from 1922 to 1925; the clause placed on the statute books by the Liberal party was not made use of for our benefit, and yet the Prime Minister to-day asks us to realize that there has been a great deal of misunderstanding, that really nothing is changed, that the provision is still on the statute books and that if we apply to the minister with a good enough case and the minister can get council to adopt his view, council will proceed to pass one of these orders in council. Remembering

the past, is it reasonable for the producers of fruits and vegetables to look with any satisfaction on assistance which the government say we may receive? Surely we should not have to wait until the damage is done. The wise man does not wait until the fire has started to provide himself with a fire extinguisher; surely he buys his fire extinguisher and has it loaded and primed and ready to use as soon as the first wisp of smoke appears. I maintain that we must have this protection not only against actual damage but also to take care of the threat of damage which is hanging over us.

Conditions have changed since 1904, and within the last few years a special custom has come into being. In the United States today it is customary to roll cars to a certain concentration point, and we will take Chicago as an example. From many states of the union hundreds of cars of perishable products are rolled to Chicago, and the shippers of those cars hope that before they reach Chicago the cars will be sold. In the majority of cases they succeed, but many cars which are not sold, reach Chicago, and as the contents are perishable something must be done with them. They cannot glut the tracks in Chicago; they must be sent somewhere. Where are they sent? Do they send those cars into an American market which has a sufficiency of that article already? They do not; those cars are rolled into Canada, and if there is no restriction against that rolling into Canada they come into a portion of our Canadian market which probably already has a sufficiency of that article.

This difficulty that we have to contend with is not a new one. We had it last year, and we had it the year before in many different kinds and varieties of fruits and vegetables; we know we shall meet it again. In the central parts of British Columbia this year we are looking forward to one of the most bountiful crops of tree fruit that we have ever seen; everything indicates that. This also applies to the three Pacific states just south of the line. We know it is their intention to put their C grade apples into our Canadian market, so that they may leave their own great city markets of the middle west and the Pacific coast free for their own extra fancy and fancy fruit.

Let me read this letter, dated Kelowna, B.C., April 6, 1928, addressed to myself:

> I hear rumours that there is a possibility of the federal government removing the Anti-dumping Act. I trust this is not to be.
>
> I am back recently from a tour of the orchard districts in Washington and Oregon. I had many conversations with officials, growers and shippers; they all report that the crop in sight this year is the largest on record.
>
> Wherever I went I was asked about the committee of direction. They appeared to be interested at hearing it had functioned well for its first year, but they remarked, "You had an easy proposition, since our crop was so short we had no fruit to spare for Canada. What will happen this year with our bumper crop in sight? We will have to put a lot of our fruit into Canada to stabilize our own markets." Some of them admitted it was good policy on their part to pour fruit into Canada even at a loss, simply to keep it off their own markets and so get a good price the year round in their domestic market.
>
> There is no doubt in my own mind, should the dump duty be removed, no matter how well the committee of direction may function they will never be able to get the home grower even the cost of production for his fruit.
>
> Does the federal government want to see the fruit industry in British Columbia prosper or not? If they do, then for goodness sake urge on them the vital necessity of retaining the dump duty.
>
> Yours sincerely,
>
> A. HARMAN.

This man is a prominent fruit grower about ten miles north of Kelowna. He has served his term as director of the Kelowna Growers Exchange, and for two years he was the chairman. He knows just exactly what we have suffered from, and he also saw in the seasons of 1926 and 1927 that we had reasonable protection from this dumping. With the splendid looking crop in sight, he fears for the future.

These indications do not only come from the British Columbia fruit section. I have a letter here from the secretary of the Medicine Hat chamber of commerce, addressed to my leader. I wish to quote a couple of paragraphs from it, as follows:

> Medicine Hat and the immediate surrounding district is noted for the production of vegetables which are marketed at an earlier date than in any other part of the prairie provinces.
>
> The profit from these early vegetables to a very large extent enables the truck gardeners to compete against the importations from the United States during the whole of the growing season in Canada. As it is only the better off classes than can afford to purchase the early grown vegetables that are necessarily sold at a much higher price than those that are grown at a later date, we fail to see how the cancellation of the dumping duty on vegetables will benefit the population as a whole, but it will, undoubtedly, be a benefit to the growers in the United States and equally a detriment to the growers in this and other parts of Canada.
>
> We trust that you will give your earnest consideration to the above and realize the necessity of replacing by order in council the provisions of the act applicable to fruits and vegetables, thereby enabling a large and hard-working class of agriculturists to prosper.

That is largely our contention, Mr. Speaker, that we, the producers in Canada, should be

able to look with reasonable satisfaction to the possibility of marketing these products in the Canadian market. It is not in our interest, nor do I think there is any evidence that we have been guilty of deliberately attempting, to raise the price to the consumer. I have said in this house more than once before that my earnest desire is to increase the quantity that I sell, and I will not do that if I raise the price. I have certain overheads to meet; the organizations which handle the packing and selling of my fruit have certain overheads to meet, and it is to our advantage so to satisfy the Canadian consumer that he will absorb double the amount that we have been selling him.

The fruit and vegetable growers throughout Canada were distressed at the news that the government had cancelled the orders in council which enabled that restriction to be effective in 1926 and 1927. A large and responsible delegation came to Ottawa, consisting largely of farmers from Quebec and Ontario, with some representatives from other parts of Canada. They met the Prime Minister and nine of his colleagues; the most noticeable absences being the French ministers from the province of Quebec. They put forward their case, and I am within the facts when I say that they were disgruntled at the rather brusque interruptions from the Minister of Finance (Mr. Robb). It was noticed that the minister was not sure of his facts, for he said that the orders in council had not been cancelled. The Prime Minister drew attention to the fact that there was a misuse of terms in the minds of the speakers. I think the delegates realized that they were coming to this place of acts and clauses and orders in council, and I do not think it was to be wondered at that their tongues got twisted. What they endeavoured to put forward was that the fear of the loss of the effect of the dumping restriction was in their minds.

The Prime Minister, when he came to reply to the speakers, read a letter from Mr. Blake Robertson of the Canadian Manufacturers' Association, but he did not say to whom it was written. He drew no conclusion from that letter, but left us to draw our own. He then proceeded to draw attention to the fact that the telegrams which he had received in considerable numbers were in identical language. That statement was not accurate, but I am quite ready to admit that probably the majority of them were. Why was that? Those of us who represent the fruit and vegetable growers thought that it was merely our duty to prepare a statement to be sent to the various associations throughout the length and breadth of Canada. We, who should know orders in council and clauses, endeavoured to put forward a correct statement of what had happened—the three clauses involved, the orders in council, and the cancellation thereof—in an endeavour to place before the producers in Canada a correct statement of facts with regard to these things. We suggested that they should telegraph the Prime Minister, and follow their telegrams up with a letter, particularly drawing attention to the interests of their own districts. I pointed out that we were sending this out to laymen and that we should indicate in a skeleton telegram what should be placed before the Prime Minister. I am in the judgment of the house whether that was a wrong thing, an inadvisable thing, in any way a reprehensible thing to do. I take it that it was but reasonable to get those people to act along the correct lines in regard to the facts. The Prime Minister drew no conclusions from those two incidents, but I want to assure him, if his friends have not already done so, that the producers of fruits and vegetables are seriously alarmed and deeply concerned at the turn of events, because looking back over the years since 1922 they cannot but think that the Liberal government has shown a callousness of outlook towards the producers of fruits and vegetables in Canada.

The Prime Minister then proceeded to make an astounding statement, and I could hardly believe my ears when I heard it. When I read it in the stenographic report next day I still found it difficult to believe that the Prime Minister could have used those words. I read from the stenographic report as follows; and I will give the immediate context:

> Now, I say this, that that order would never have got past any treasury board, would never have got past the cabinet, if a single minister of the crown in it had ever dreamed that the passing of such an order was going to be interpreted by the officials of the department of customs in the manner in which it has been, that is, to fix duties at the present time on asparagus, on hothouse tomatoes, on canteloups and articles of that kind, some of which are not even grown in this country.

I examined the appraisers' bulletins to refresh my memory and I could find no articles that could be so described. I telephoned to the department, read the Prime Minister's words, and asked them to what could the Prime Minister have been alluding. They said: We do not know. I suggest that in that the Prime Minister has made use of an inaccurate statement which has gone out into Canada and with which the truth will never catch up. I do not think I am stretch-

ing imagination to the breaking point when I say that that will go out to the dark places of Canada where free trade is still worshipped as a fetish and a man will say to his fellows: See what these protectionists have done now! They have put this over a minister! The minister has collected a dumping duty on fruit which is not even produced in Canada. The Prime Minister says so. So one more fallacy in lieu of argument will be used to hammer the protectionists and that fallacy is written on the account of the Prime Minister of this country.

The right hon. gentleman proceeded and I think a fair summary of what followed was this: that when the government discovered that the minister had assumed under the orders in council a greater power than parliament intended him to have, they cancelled the orders in council, but that there was nothing to prevent a grower or anybody else from laying his case before the minister when the damage had begun and that if the case was strong enough, the minister would then proceed to approach council with a view to getting an order in council. We suffered in that way during the regime of 1922 to 1925. I remember an occasion when application was made to the Minister of Customs at Ottawa. Possibly it was the month of August and the ministers had dispersed. Possibly the minister was away on a trip, but he could not even be found and I presume that even this hardworking cabinet must sometimes take a holiday. I can imagine the circumstances in the summer months when it might be extremely difficult to find in Ottawa a quorum of council and there would be the danger that that quorum might consist of the free trade section of the cabinet.

Towards the end of the proceedings of that delegation the attention of the Prime Minister was called to a letter from the Justice department that the hon. member for Weyburn (Mr. Young) read a little while ago. He was asked what the position would be or words to this effect: Supposing it was definitely shown that the legality of that clause was in doubt. The answer of the Prime Minister roughly was that if it was in doubt parliament only could set it right. This I consider to be a most ominous phase of the situation. We are at present told that we must rely on a government whose immediate predecessors were the authors of this clause, a government which in previous shipping seasons never put an order in council into being, and that we must trust that government, even though the legality of the clause itself be in doubt, to take care of us in the Okanagan who see that magnificent crop ahead and who know that the fruit crop across the line is ready to come into Canada. It is not reasonable to expect that the producers of natural products in this country will be satisfied with that view. I do not consider that the government could be condemned more strongly for anything else than for their inaction if this session is allowed to end without effective restriction having been provided to take care of the situation which will arise if, when we come to market our produce in the markets of Canada, we find those markets full of the produce of another country.

Mr. A. W. NEILL (Comox-Alberni): Mr Speaker, before dealing with the amendment under discussion I should like to make a statement on behalf of the poultry industry of British Columbia. Perhaps I am going too far in claiming to represent all the poultrymen, but I certainly can speak for those in my own district and as conditions on the whole of Vancouver Island and the lower mainland are exactly similar to those in my district, I may be said to represent their views also. I am approaching the subject entirely from the point of view of the poultry producers. I am not going into the fruit and vegetable aspect of the situation. I notice with interest that the hon. member for Weyburn (Mr. Young) in the midst of his enthusiasm, speaking with all the religious devotion of a fiscal fanatic, never pleaded, never could, and never dared, state that the dumping duty had been improperly enforced as regards eggs. He confined his whole remarks to that phase of the matter as represented by fruit and vegetables, and very properly so, because it would have been impossible for him, even with his ability and with his peculiar point of view, to have made out a case as regards eggs. I might put the case concisely by reading the terms of a resolution which I put on the order paper when this matter first came up, but which I was prevented from moving because of the progress of the session and private members' days having been taken away. I will read the resolution as I intended to move it in the house:

That whereas a dumping duty was imposed in January, 1927, on imported eggs—

I should like to remind the hon. member for Weyburn that this was introduced not by the hon. member for Vancouver Centre (Mr. Stevens) but by the Minister of Agriculture (Mr. Motherwell), and, I venture to think, very properly so.

—and whereas it was applied with such moderation that, although checking wholesale

importation at low prices, it allowed eggs to come in freely when the price rose above forty-five cents per dozen.

And whereas in its most extreme application it never reached, together with the ordinary duty, to as high as 10 cents a dozen;

And whereas while affording some protection to the poultrymen of Canada, it did not unjustly increase the price of eggs to the consumer;

And whereas the operation of said dumping duty was withdrawn by order in council on or about the 29th March, 1928;

And whereas such action is not called for by any body of consumers or justified by the present price of eggs and the present conditions of poultry farming in Canada.

Therefore be it resolved this house is of the opinion that the government should consider the advisability of reimposing the dumping duty on eggs, as formerly imposed, or, alternatively, increasing the ordinary duty on eggs imported into Canada.

That puts the case, so to speak, in a nutshell. I should like now briefly to elaborate one or two points.

Regarding the method by which the dumping duty is applied, the hon. member for Weyburn has correctly explained, I think, the greater part of it, only perhaps he confused the situation by referring to section 47a. It would be better to keep to the section as it is now, section 43 of chapter 42 of the revised statutes. The method by which this duty is enforced is by the application of section 43 of chapter 42 and by section 6 of chapter 44 of the revised statutes of 1927. These sections are still the law, but the orders in council made under them have been cancelled. The clause which deals with dumping is, taken alone, of no use at all to improve the situation, because eggs, for instance, as well as manufactured goods, in order to come within the meaning of section 6, have to be sold cheaper in Canada than in the United States, and they were not being sold cheaper in Canada than in the United States. Therefore you could not apply the dumping duty. It requires the two together; it requires the application of section 43 as well as of section 6. Section 43 alone is of no use because it only says that the minister, as instructed by order in council, can declare the fair market price. It needs co-ordination between the two to make the application of the duty effective. We are told that these two sections are still the law. So they are, but the law is a dead letter, and will be a dead letter because the orders in council passed under them have been cancelled. It is all very well to say: There is the law; you can take advantage of it. If a hurricane blows the roof and walls off my house, it is small comfort to me to be told that the framework is there and that if I wait long enough another hurricane may perhaps blow them back again. That is hardly likely, and it would be a very poor bet. Or if a man finds that all his silver plate has been stolen, you can tell him: There is your house, and perhaps the thief will bring it back. Well, miracles are not unknown, but I think it is extremely unlikely that Lloyds would insure a chance of that kind, and so it is with the dumping orders in council. After having been taken away in the last month, what reasonable likelihood is there of their being reimposed? If that were done, the whole of this amendment falls to the ground, of course.

Another point. Supposing the government were so impressed by the particular case that may be made out to-morrow or next week that they wished to apply the dumping duty; it would be impossible to apply it because the two sections are illegal. That is the ruling that has been given by the Justice department, as mentioned by my hon. friend from Weyburn, and it does not need a lawyer; even a layman can see that the two are separate and distinct and lack co-ordination. Section 43 says that you can declare the fair price, but it stops there. Section 6 says you can put on the dumping duty. But there is a lack of co-ordination between the two. Half a dozen words added to section 43 would bring it into the scope of section 6, and the two would be legal. But to-day, as they stand, we have the opinion quoted by my hon. friend from Weyburn the opinion given by the Deputy Minister of Justice, that the two are not co-ordinated enough to make the imposition of the dumping duty legal, and with that opinion before them the government dare not impose the duty again because they would be open to any shipper taking action against them for damages, and possibly heavy damages. If that is so—I would like to be contradicted, if contradiction is possible—it is useless to say that we have retained section 43 and section 6. We were told no later than Friday by the Minister of Justice (Mr. Lapointe) that it was not the intention of the government to bring down any new legislation. Any amendment to these sections certainly would be new legislation. So we are faced with this condition; it is not the intention of the government to amend these two sections, and therefore they are practically useless.

Turning to another phase, I stated in the resolution which I have quoted that this method had not been abused so far as eggs were concerned, and that statement is absolutely beyond challenge. The Minister of Agriculture in his wisdom, and I use the word advisedly, put the fair market value at such a moderate price as to prevent the method being abused. He fixed it at 45 cents, and it is not possible at that figure, with the dumping duty

and with the ordinary duty as well, to impose more than 9¾ cents per dozen, or say not more than 20 per cent. The hon. member for Weyburn talks of 70 and 80 per cent.

Mr. YOUNG (Weyburn): And in some cases 100 per cent.

Mr. NEILL: That may be on fruits and vegetables, but on eggs it was not more than 20 per cent. If the price got over 45 cents, the whole thing went by the board, and the whole duty, except the statutory duty, was automatically cut off. That had a better effect in its operation than an ad valorem duty, because as we all know an ad valorem duty is on a percentage basis, so many cents on the dollar. With eggs selling at 25 cents a dozen and the duty at 10 per cent, that would be 2½ cents, and that is at the very time when they can stand the duty, but when eggs go to 75 cents the duty is increased accordingly, and the man who wanted to buy eggs at that time would have to pay a heavier duty. Whereas under this system, as soon as the price gets over 45 cents, which is not a high price for eggs, the operation of the clause automatically ceases and eggs come in without any dumping duty at all.

It has another advantage. It has the advantage that it lets in eggs when the price goes up, and it keeps out the lower grades of eggs, because the duty on the low-priced eggs is quite considerable. You can understand that a duty of 9 cents a dozen on low-priced eggs would be comparatively heavy, and it did keep out the refuse of the American eggs, the low grade eggs which flood the market and reduce the price of all our product; and above all, it did keep out the Chinese fresh eggs almost entirely.

I should like to quote a very few figures. I do not believe in quoting a mass of ill-digested figures, because you can place almost any interpretation upon them. Our importation of eggs in the shell from the United States in the year ending March, 1927—that was before the dumping duty went on—was 3,100,000 dozen. Last year it was 940,000 dozen. There was a big drop from over 3,000,000 to 940,000. Last year the importation of Chinese fresh eggs amounted to only 175 dozen; in the previous year, 2,000 dozen; the year before, 2,100 dozen and the year before, 78,000 dozen. That was not all due to the dumping duty; it was due partly to the introduction of the egg-grading regulations, which were prohibitive against these very low grade Chinese eggs, but the dumping duty did have the effect of bringing the importation down from 2,000 to 175 dozen.

[Mr. Neill.]

Mr. McGIBBON: Does the hon. member think that these Chinese eggs are fit for consumption under any consideration?

Mr. NEILL: No, I do not, and if the hon. gentleman will allow me some of his forty minutes to dilate on that subject, I shall be very glad to do it, because I have studied the question, not intimately, but from a distance—I would hate to profess an intimate knowledge of the inside of any Chinese egg. The importations from all countries show the same relative drop. In 1927 the importation amounted to considerably over 3,000,000 dozen, and they went down the next year to 1,000,000 dozen, or a drop of 2,000,000 dozen in one year. So that shows it was doing some effective work. I may say that I am not dealing with frozen eggs, which come in under a different duty and under different circumstances altogether. I have in my possession—I do not have it before me—a poultry journal, enjoying a large circulation in the United States. They are putting on a most intensive campaign to influence the president to increase the duty on eggs. Why? They ask it because of the enormous importations of Chinese eggs. The eggs that were denied admission into Canada have been going into the States, and the American poultry men are asking for an import duty—not of ten or twenty cents a dozen, but of twenty-five cents a dozen on all eggs; and with their well-known fiscal views in that country they are quite likely to get it. Then where will those Chinese eggs of the poorest quality find a market? They will come back into Canada again, the door having been opened for them by the lack of this legislation. Already there is evidence that they are coming in at prices utterly impossible for us to compete with. They have been offered laid down in Winnipeg at a price which would mean 15 cents a dozen for our eggs to compete.

I would ask this further question. I say that the dumping duty did not unduly increase prices. Well, did it? Here is evidence. I hold in my hand a publication issued by the Department of Agriculture called the Egg and Poultry Market Review. Under date of April 3, which was about a day or two after these orders in council were taken off, I read as follows:

> Car lots of eggs have been offered in the west at—extras, 31 cents; first, 29 cents; seconds, 26 cents per dozen, f.o.b., freight charges extra.

You see, Mr. Speaker, while the minister had power to put on 45 cents as the fair market price, British Columbia was offering eggs with the dumping duty on as low as 29 cents

for firsts, which would be the average grade. Does anyone think 29 cents per dozen, ex-Vancouver, is too big a price to pay for that class of eggs? Surely the price has not been unduly increased by this dumping clause. Then again, did the removal of the dumping clause do harm? I will quote the next sentence in this same government report:

Sales have been made on the basis quoted above, but large numbers of these have been cancelled following the notice of the removal of the dumping duty on eggs.

This is a government publication which says, and says truly I have no doubt, that those sales at a fairly low basis were cancelled as soon as it was known that the dumping clause had been removed. In a later issue of the same paper I find:

In large measure the removal of the dumping duty is responsible for the present easiness.

I would call it "uneasiness" so far as the poultrymen are concerned. So we have the evidence out of the government's own paper that the price was not unduly raised, and that it fell away as soon as the dumping duty was taken off.

I have before me the Vancouver Province, a well-known paper, giving the market prices. The price to the farmer for his eggs ran from 24 cents down to 18 cents a dozen, or an average of 21 cents. Would anyone of us like to raise eggs at 21 cents a dozen at the prices for feed that I will now quote from the same paper? No. 2 wheat sells for $2.50 a hundred pounds. May I inform my friends from the prairies that No. 2 wheat in British Columbia does not mean No. 2 Northern. It means No. 6, or sometimes a grade lower than that, a mixture, and sometimes, if the feed merchants feel good-hearted, No. 6 with a mixture of No. 5. We pay $2.50 for that in Vancouver. The price is also quoted for a hundred pounds of oats—$2.70. Some of our older men may go back in memory to the days in Ontario when they could buy eggs for 15, or perhaps as low as 10 cents a dozen; but the farmers did not pay $2.70 for a sack of oats to feed their hens. You never can raise those eggs at 20 cents a dozen. I should like to quote two reputable men. I do not propose to give their names, but I know them well. One has got something like five thousand birds. He writes me:

Last month—

That is March.

Last month I shipped over 10,000 eggs, and I only received over the cost of the month's feed bill $14.20, for a month's work every day, including Sundays, 7 a.m. to 7 p.m.

Fourteen dollars and twenty cents a month. Who would not go poultry farming? He goes on to say:

Something will have to be done soon or B.C. will be shipping eggs from the United States for home consumption.

What the other man says is even worse:

My last shipment of eggs netted me here just 16.59 cents a dozen.

About 16½ cents a dozen. He continues:

That is the average. I continually see at wharves and stations on Vancouver island thousands of fine-looking birds being shipped into Vancouver markets, birds in the pink of egg-laying condition being sacrificed after a winter of high-priced feeding. This can only mean that hundreds of poultrymen all over the country are going into the cities again in search of work. Is it not pitiful?

He adds:

There is a great movement to bring more people into the country, for the benefit of the Canadian Pacific and railway companies I suppose, and dump them on the land. What for, for heaven's sake? I am strongly tempted to write the European publications warning them against this step. I feel it as a kind of duty.

I do not know but what he is right. I should like the Minister of Immigration (Mr. Forke) to listen to that. There is a popular feeling that if you throw a man out of the land, success and prosperity is bound to be his.

The argument is sometimes raised, and possibly will be to-day, that we must consider the question of cheap food for the workingman. I have always found the workingman to be no fool. He is strongly against sweated labour; that is, goods produced by labour sweated to the extent that it is very poorly paid. I am quite sure his sympathy will go out to the poultryman who worked a whole month for $14.20. His labour is sweated to the extent that payment for it disappears entirely. No Canadian workingman would stand for a proposition like that. Moreover, our workingmen are quite smart enough to know the inevitable result—the elimination of half the poultry growers, followed by increased prices for eggs and poultry imported from the States.

Another point I made in my resolution was that this action was uncalled for. I certainly would ask this question: Who wanted this action taken? Where did those people come from and when did they ask for it? I do not think the government could possibly answer the question. There was no agitation, no feeling of ill-will, no feeling that anybody was paying too much for eggs. The removal of the dumping duty came as a bolt from the blue, and was thrown in, so to speak, to

remedy some possible injustice in connection with these other natural products; but it does not apply to the question of eggs, and I protest eggs being included in this matter.

I am not here to discuss the question of tariff. I am not in favour of a high tariff. Some time ago a body of economists, more or less under the aegis of the League of Nations, went on record that it would probably be better for the world at large if a system of free trade were adopted. Yes, the League of Nations is strongly in favour of disarmament, but I never heard them say that only one nation should disarm and the rest should be armed to the teeth. I do not think those economists would ever have seriously put forward the thought that one nation should be the goat of this idea of free trade—and not only one nation, not only one industry in that nation, but one part of the industry in that nation. That was never contemplated by those men. So long as we have a tariff—and it cannot be denied that we have, with every prospect of keeping it for many years to come—then the farmer and egg producer is as much entitled to his share of that tariff as the manufacturer. And we are not asking for very much, not for the 25, 30 or 35 per cent that the manufacturer gets; we are only asking for what at most comes to 20 per cent, and that only under occasional circumstances.

An hon. MEMBER: Adequate protection.

Mr. NEILL: No, I will not split hairs. In desperation we have turned to the market in New Zealand and have sent a shipment there. But what do we run up against in New Zealand? A 20 per cent ad valorem duty. And what have we in return to protect us?

There has always been a dumping duty under every government, Conservative and Liberal alike, but section 6, the dumping clause, is powerless alone. The Conservative government, recognising that fact, passed an extra measure providing for the imposition of an arbitrary dumping duty. The Liberals also recognized it when they took similar action in 1923. We need this extra legislation to give the dumping clause teeth, so to speak.

One word more as to the value of the industry. As I mentioned before the delegation, the egg industry alone—not including poultry—last year in Canada produced something like $80,000,000. This was the revenue from the humble hen. The royal commission on fisheries reported the other day that so great was our fishing industry, so vast its importance, that they would recommend a special department, with a minister at the head of it, to deal with fisheries alone. And what was the output of our fisheries last year? Only $56,000,000. The egg industry alone, on the other hand, produced last year some $80,000,000. Perhaps we need a ministry of eggs as well. I do not think I am beside the mark when I say that there are probably a quarter of a million of people dependent upon this industry. which is supposedly a side line.

What do we want? We want legislation introduced correcting section 43 and bringing it into line so that section 43 and section 6 may be enforced legally. And we want an assurance that the two will be applied, because nothing else will suffice. If the government gives us that assurance, then this amendment falls to the ground. That is all we want.

I come now to the resolution itself. We are told by the Prime Minister (Mr. Mackenzie King) that he regards it as a want of confidence motion, and I know it is the custom so to regard such resolutions. But there is nothing in the rules that compels us to treat it as a want of confidence vote. I remember a resolution which we attempted to put through this house some years ago, providing that a government's defeat on a question of this kind should not be held to be a vote of want of confidence, unless followed by a specific resolution to that effect. Had that resolution been adopted, I venture to say that many more hon. members in this house would vote for this amendment than will do so. I submit that this resolution should not necessarily be considered a vote of want of confidence. The very language of the motion indicates that such is not essential. It declares that "in the opinion of the house necessary action should be taken." There is no condemnation of the government for something they have done in the past, which is the usual form of motions of want of confidence. The resolution merely asks that something be done in the future. There are on the order paper probably thirty resolutions which are couched in the same terms, many of which we have discussed. Not one of them would involve the defeat of the government if it carried, for the simple reason that these resolutions are academic. But they would bind the government to some action if they passed. Well, the resolution now before the house is of the same character; it is couched in similar language.

There is one thing which I like about this amendment and which I do not often see in the budget amendments of my hon. friends opposite, and that is its clear-cut and definite nature. Generally speaking, the tariff amend-

ments of my hon. friends opposite are so vague, so comprehensive and so partisan that it is almost impossible for anyone, trying to look at them from a non-partisan point of view, to make up his mind whether to vote for them or not. In this case it is not so; the resolution is confined to one statement of fact, a definite condition which exists, and it asks that this condition be remedied. It is, as I say, clear-cut, and it is easy to decide on the point. It is easy for every hon. member to say, "I am going to vote for or against a proposition which may mean the preservation in Canada of an industry on which a quarter of a million people are dependent, and of which the output is something like $80,000,000 a year".

I have no quarrel with my hon. friend from Weyburn—with whom, I hope I may say, I am personally friendly—or with any other hon. member if he takes a different view of the matter, provided he is satisfied that he is expressing the views and voting in the interests of his constituents. So far as I am concerned, the interests of my constituents are so plain, the pledge I made them—practically the only pledge I did make—being that I would put their interests first in my consideration, that I cannot do anything else than support the amendment proposed by the hon. member for Halton (Mr. Anderson).

Mr. ECCLES J. GOTT (South Essex): It seems to me that there seems to have been a general disposition, if not an effrontery, on the part of the government to evade the issue that has come before the country through the cancellation of order in council 1088, implemented by authority entrusted to the Minister of National Revenue in section 47a of the Customs Act, now 43. In order to remove any misconception or general misunderstanding as to what had actually been done, I asked the following question of the Minister of National Revenue (Mr. Euler) on the orders of the day, on April 25, page 2368 of Hansard:

Has the authority given to the Minister of National Revenue to determine the value of fruits and vegetables for the purpose of applying the special or dumping duty been cancelled?

Further I said—I wanted to make the question specific and definite:

By this I do not mean, has order in council 1088 been rescinded, but has section 47a of the Customs Act been so amended as to take away this authority from the minister?

The reply I received from the Minister of National Revenue was:

There has been no amendment to the act whatever. The order in council authorizing the minister to fix values has been cancelled.

I quote from the Border Cities Star, of April 21, the report of a meeting of the Independent Order of Daughters of the Empire held at Hamilton, one of the main consuming centres of Ontario. A despatch dated from Hamilton, April 20, reads:

Yesterday, the final day of the three-day annual meeting of the Provincial Chapter, I.O. D.E., a resolution was passed which will be sent to the federal government asking for a reconsideration of the rescinding of the dumping act in order that the fruit and vegetable growers of Ontario may be protected.

The resolution reads: "Whereas the special dumping act will not be applied during the coming season in the matter of fruits or vegetables; whereas, in consequence our growers will suffer, the Provincial Chapter, I.O.D.E., views with alarm this condition of things and would respectfully urge the government to seriously reconsider this matter, feeling that the Canadian fruit and vegetable growers have every right to protection.

On the order paper I put certain questions appearing as question No. 16, as follows:

1. Has order in council No. 1088 been rescinded and cancelled?

The answer was, "Yes."

2. When was same rescinded and cancelled?
Answer: March 19, 1928.
3. When did the rescission and cancellation become effective?
Answer: March 19, 1928.
4. Has the tariff board made any recommendation regarding protection for early Canadian fruit and vegetable growers, seasonal or otherwise?
Answer: The subject is under inqury.

There are hundreds of other questions that have come before the tariff board which are still under inquiry.

5. If so, what was the substance of such recommendation?
Answer: Still under inquiry.
6. Is the government aware that resolutions are being passed by boards of trade, town and city councils, chapters of the Daughters of the Empire and other bodies, protesting against the government's action in rescinding order in council 1088?
Answer: Some resolutions have been received.

Despite this, the Minister of Finance had the precipitance and temerity to tell the delegates who assembled here that this order in council had not been cancelled. This is what he said when speaking to Mr. Fisher, a member of the delegation. Mr. Fisher said:

Now that privilege has been taken away and we feel that we have been discriminated against.
Hon. Mr. Robb: Wait a moment. Who said it was taken away?
Mr. Fisher: Well, maybe I have not used the right word but the order in council making it effective has been withdrawn, as we understand it.
Hon. Mr. Robb: No.

This was said after the Minister of National Revenue, in answer to a question put by my-

self, stated definitely that it had been cancelled. Now I want to put on record samples of the resolutions which have been received by the government, and first I would refer to one or two which were sent out before the delegation came to Ottawa. The first is dated April 10, and comes from Grimsby:

The fruit growers understand that the order in council authorizing the Minister of National Revenue to fix values for fruits and vegetables under section 43 of the Customs Act, Revised Statutes, has been cancelled.

Realizing from their experience of the dumping act as administered in former years and as administered in the past two years during (which latter period the minister was authorized to fix values) the apparent impossibility of getting action quickly enough to be of any practical use, they feel that they are virtually being left without the protection of a dumping act unless the power is again given to the minister to fix values.

The very rapid changes which take place in the supplies available and prices in these very perishable lines render it more necessary to have an efficient dumping act in operation to protect this industry than almost any other.

How badly the home market is needed for the industry can be easily verified by application to either loan companies loaning in the fruit areas or banks operating branches in these areas. During the last five or six years there has been a steady shrinkage of the quantities grown in Canada and a big increase in the quantities imported from the United States.

The industry is in vital need of an efficient dumping act and the Ontario growers hope that their members will help to procure for them an anti-dumping clause for their industry which will be effective.

I am going to put one more resolution on record, dated April 17 of this year and coming from the Grimsby chamber of commerce:

Re Cancellation of Special or Dumping Duty

It is with surprise that we learn of the cancellation by order in council of that portion of the dumping act applicable to the fruit and vegetable industries.

Under existing conditions we are satisfied you cannot help but admit that the fruit and vegetable industries of our Dominion are insufficiently protected to warrant increased production on the part of all agricultural branches of the industry, and the government's recent action is certainly most detrimental. Without the protection which formerly existed all products grown in the United States will have free access to our Canadian markets, whereas the act as previously administered offered a seasonable relief, but with this eliminated you will realize without doubt what will happen to the fruit and vegetable industries.

I direct the attention of the Minister of Agriculture, the Minister of Finance and the Prime Minister to the next part of the resolution:

During the week ending April 11th, 1928, Dominion market reports show importations into Canada of two hundred and eleven cars of fruits and vegetables of a class or kind grown in Canada. These features considered you can readily realize as the season advances, and our fruits and vegetables grown in Canada by Canadian producers and largely for Canadian consumption, what the result will be under the present existing circumstances. We submit that the Canadian consumer would be materially benefited, if our producers were only given the advantage of the act as formerly in force, thereby stabilizing conditions to the betterment of all, which fact can be verified by statistics of the past four years.

We solicit your preferred consideration of the above, and trust in your wisdom you will realize the necessity of replacing by order in council the provisions of the act applicable to fruits and vegetables, for without prosperous agricultural conditions we cannot have a prosperous Dominion.

Thanking you in anticipation of your prompt attention and adjustment, thereby maintaining this Canada of ours for the Canadians.

Yours very truly,

Grimsby Chamber of Commerce.

In the report of the proceedings which took place when the delegation was present in Ottawa, I find that the Prime Minister used the following words:

Now that is the only point at issue at the present time that in any way as far as I can see it, is creating a conflict in the minds of some who are interested in this matter.

Under that clause there was passed an order in council. Just how it came to be passed I am not in a position to say. An order in council was passed on the 13th day of July, 1926. That was the first one. That order reads as follows:

Whereas the acting Minister of Customs and Excise reports that from information in his possession it is established that fruit and vegetables of a class or kind produced in Canada are being imported into Canada from glutted markets in the United States, at values such as prejudicially or injuriously affect the interests of Canadian producers;

Therefore His Excellency the Governor in Council under and by virtue of the provisions of section 47-A, hereby authorizes the Minister of Customs and Excise to value such fruits and vegetables for duty notwithstanding any other provisions of the Customs Act, the values so determined to be held to be the fair market value thereof.

The Prime Minister said he had no knowledge of where the order in council came from. I would like to have his attention just now, because I took occasion to put this on record once before, and I would like to show him the origin of this order in council. Under date of June 30, 1926, I received the following telegram from the Seacliffe Growers in the riding which I have the honour to represent:

We respectfully wish to draw your attention to the fact growers here have been seriously handicapped by heavy importations of southern cucumbers and tomatoes which have severely hurt marketing of our hothouse crops in this district. We are now about to begin heavy shipments of field crops such as cabbage and tomatoes and if above unfair competition continues serious losses will be sustained by our growers. We would ask you to use every influence to remedy these conditions.

This telegram was passed over to the Minister of Agriculture, who wrote me saying he had referred the question to the Minister of Finance who in turn referred it to the tariff board, that inactive body which was not, and is not, functioning. On July 2, 1926, I received another wire from the Seacliffe Growers, as follows:

Cabbage crop nearly unsalable. Prices offered would not net growers one cent per pound. Tomatoes in much same position. All owing to import of American stuff which is being dumped in this country at prices that take such low duty that there is no protection to our growers. Cannot something be done to enforce anti-dumping act. This situation has already entailed serious loss to producers in this county.

I would direct attention to the following figures, which probably explain the state of affairs responsible for these telegrams. During the week from June 24 to July 1 inclusive, 1926, there were imported into Canada 128 carloads of tomatoes, which arrived at their ports of entry free from duty, or at least under such low rates of duty as gave no protection to our growers. I would ask the hon. member for Weyburn (Mr. Young), who says there were no importations, to try if possible to grasp these figures. In seven days, the cars received at the different points were as follows:

Montreal	79
Toronto	35
Winnipeg	8
Ottawa	6
Total	128

During the seven consecutive weeks from May 12 to June 30 of the same year the importation of 1911 carloads of early vegetables threatened destruction to this industry in Canada. Here are the figures for the weeks ending as follows:

May 19	205
May 26	230
June 2	365
June 9	220
June 16	260
June 23	217
June 30	414
Total	1,911

I ask the hon. member for Weyburn if there were any importations during that period.

Fortunately for the farmers of Canada, and particularly the farmers of South Essex, whose interests I was trying to protect at the time of this disastrous flood of importations from the United States, a change of government was taking place. The Hon. H. H. Stevens was appointed Acting Minister of Agriculture in the new government. I returned to my riding and went into the fields of the respective municipalities and ascertained the exact conditions that existed. Under date of July 10, 1926, I wired the Hon. H. H. Stevens as follows:

Vegetable growers of South Essex have drawn my attention forcibly to glutted conditions of their markets making it impossible to dispose of their produce with the result that crops are being left in the field. Government reports issued by the Fruit branch department of Agriculture show hundreds of carloads of competitive vegetables imported weekly—see telegraphic report No. 14 showing 414 cars imported into eleven Canadian centres during the short period of one week. American reports show such crops in the United States being shipped at prices that do not pay cost of transportation to market, far less cost of production, with result that ad valorem duty imposed by our government and based on invoice price at point of production means absolutely no protection against heavy importations. These deplorable conditions existing now with reference to hothouse tomatoes, cabbage, and beans will continue with reference to main crops of field tomatoes and potatoes which are now ready to be harvested, unless some immediate action is taken now by our department. On my return to Essex county I made a personal canvass of the district and find conditions exactly as represented in this wire.

This is the wire that produced order in council No. 1088, for it was passed three days following.

Under the authority of section 47a of the Customs Act and order in council No. 1088, dated July 13th, 1926, the Hon. Acting Minister of Customs and Excise valued certain fruits and vegetable products when imported from the United States, as follows, per pound net:

Tomatoes, 5 cents.

I will ask any hon. member opposite if 5 cents a pound is too high a valuation to put on tomatoes.

Cucumbers, 3 cents.
Cabbage, 1¼ cent.
Celery, 2 cents.
Onions, 1¾ cents.
Potatoes, 2 cents.
Asparagus, 10 cents.
Carrots, 1½ cents.
Beets, 2 cents.
Lettuce, 3 cents.
Spinach, 3 cents.
Cauliflower, 2½ cents.
Peaches, 4 cents.
Raspberries, 17 cents.

It was held that these values should be the fair market value thereof for purposes of application of ad valorem rates of duty and special duty. I have here the bulletin known as appraiser's bulletin No. 3209. The bulletin quotes section 47a of the Customs Act, and explains the application of the special duty,

or dump duty, and shows its effect in the following conclusion:

At present Mississippi tomatoes in 4-basket crates (15 pounds net) are selling and imported at 60 cents per crate, which is less than the fair market value set above (75 cents per crate). The duty would, therefore, be assessed as follows:—

Regular duty, 30 per cent of 75 cents, 22½ cents; special duty, 15 per cent of 75 cents, 11¼ cents—total 33¾ cents.

The Minister of Agriculture (Mr. Motherwell) takes exception to my referring to the warehouse which he built at Leamington as a shed. This was built by the Minister of Agriculture, and I believe he was sincere when he built it. I do not think there is any man in public life who is more sincere with his work than the Minister of Agriculture. When he built this onion warehouse he thought he was doing the onion growers of South Essex a good turn. What the onion growers of South Essex want is the implementing of this order in council which took the duty or tariff on onions from 30 cents to 58 cents. We do not want an onion shed to store our onions in until such time as the American, Spanish and Bermuda onions are on our market, underselling our Canadian farmers. We want the right to have our own market, which is the best market we can have. We want protection and tariff on onions.

I would like to say to the hon. member for Weyburn and to the hon. member for Rosetown (Mr. Evans), who quoted the high prices that were being paid for Canadian products, that after order in council No. 1088 became effective—it took some time to get it effected, but I wired from Windsor to the customs department that order in council No. 1088 was not being properly and sufficiently enforced as intended—the importation of surplus produce from the United States ceased almost immediately after it became effective. The producers and consumers in South Essex were both benefited. The producers got more for their products and the consumers paid less, simply because the middleman was eliminated. The consumer also got fresh vegetables every day direct from the farm.

There is not a farmer in South Essex, whether he is Liberal or Conservative, but who is in favour or order in council No. 1088. I sincerely wish that protection in this country was employed in such a way that only the people who vote for it could benefit thereby.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, I will detain the house only a very few moments. I observed from the debate this afternoon that everyone seems to be desirous of helping the producer, though there are some who have a different idea of how to go about it. This government has been attacked this afternoon for not protecting the farmer; not doing anything, according to the arguments of the hon. gentleman opposite, to help the farming industry. I also recall that on other occasions this government has been attacked for giving everything to the farmer, and we have been attacked for sacrificing other interests of the country to the farming industry. Hon. gentlemen opposite have attacked us not only in our tariff changes, not only in our reduction of taxes as it applied to farm products and the required farm implements and utensils, but as it applied, in some cases, to the freight rates given to help that industry. Not only in this house, but on the platform during two successive elections, this government has been attacked because of its attitude towards the farming industry. The representatives of the Tory party placarded the billboards of the country advocating—and also in their speeches they advocated—a tariff policy against the United States, a brick for brick policy.

Some hon. MEMBERS: No.

Mr. ROBB: Will any person deny that?

Mr. McGIBBON: The Right Hon. Arthur Meighen denied that in this house dozens of times. It was brick for brick only as applied to agricultural products.

Mr. ROBB: That is just what I want, and in a few moments I will show how this brick for brick policy would affect Canadian industry. It has occurred to me that this is but a repetition of the budget debate and the resolution now presented for consideration might very properly have been introduced at the time the budget was introduced. I do not raise this as a point of order; we are not afraid of the vote; we want to know just where the house stands on this particular question. But I submit to you, Mr. Speaker, that it is very questionable whether this resolution is in order, because it is practically and to all intents and purposes the same resolution as was introduced on the budget debate.

I wish just for a moment to deal with the observations of the hon. member for Yale (Mr. Stirling) who very frankly admitted that he and some of his associates had worked up that flood of telegrams that came to the Prime Minister and all the other ministers for a time. My hon. friend, however, as well as the hon. member for South Essex (Mr. Gott), who has just sat down, apparently misunderstood a statement that I made when the

delegation waited on the government some time ago. I told that delegation very frankly that the law remained on the statute book just as it stood before. It is true that the order in council enabling one minister of a government, or officials acting for the minister, to fix values was changed, but the law remains as it has been for some years. If hon. gentlemen wish me to take up time in reading it, it is probably just as well to put it on Hansard. This is the law as it stands on the statute book to-day:

If at any time it appears to the satisfaction of the governor in council on a report from the minister, that natural products of a class or kind produced in Canada are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers, the governor in council may, in any case or class of cases, authorize the minister to value such goods for duty, notwithstanding any other provisions of this act, and the value so determined shall be held to be the fair market value thereof.

That is section 43 of the Customs Act. The producers of vegetables and fruits in British Columbia, besides the protection contained in the federal law, now enjoy a certain protection through the provincial government, and I should not be surprised if hon. gentlemen at some time, maybe before the end of 1929, will be attacking the provincial government for the very act which that government has in force now, protecting the fruit and vegetable growers of that province.

The hon. member for Comox-Alberni (Mr. Neill) regards this not as a want of confidence motion and I imagine he is quite sincere in his view. But looking into the faces of hon. gentlemen opposite I can see that they have no doubt as to what the resolution means. If the amendment carries and the government is defeated on the motion to go into supply in order to vote money to carry on the affairs of the country, my hon. friends opposite will immediately rise and claim that this was a vote of want of confidence in the government, so my hon. friends have no doubt whatever about the matter.

Mr. GOTT: The Prime Minister himself so stated.

Mr. ROBB: I am not going to go into any details of figures because some of these have already been given, but I observe that the mover of the resolution as it was presented to the house the other day has no doubt about what they desire. It is not the dumping duty that my hon. friend desires to be imposed; it is an increase in the tariff, because my hon. friend (Mr. Tolmie) stated clearly:

The value of a dumping clause depends, first of all, very greatly upon its continuity and steady enforcement, so that a man is enabled to figure from one year to another, whether he is a buyer of these products, a dealer, or the producer on the land.

Mr. TOLMIE: Would that not be clearly shown if we were dead sure of having a dumping clause applied every time that it was necessary? It would be necessarily a fixed tariff if we knew the dumping clause was to be applied when it was necessary. When the Americans were aiming to dump goods into this country it would be ample assurance for the buyers to go ahead and for the producers to produce.

Mr. ROBB: My hon. friend's friends and our friends, the growers of vegetables and fruits, now have an inquiry going on before the tariff board. They have already had three hearings and the hearings are not yet completed. This is a large country and interested parties from all sections have not yet been heard. I am very frank to say that in some cases in this wide country there might be something to be said for a seasonal duty, but I propose to show hon. gentlemen opposite who are arguing for a brick for brick policy against the United States, that they are arguing for a policy that in some cases will not increase but reduce the Canadian tariff.

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

Mr. ROBB: I will put this on record and later on I will answer some questions for my hon. friend. What are the Canadian tariffs and the United States tariffs on the items that have been complained of during the debate this evening? The tariffs are as follows:

Commodities

Canadian tariff—United States tariff

Apples: 90 cents a barrel; 25 cents a bushel.

Or about 66 cents a barrel.

Apricots: ½ cent a pound; ½ cent a pound.
Blackberries, gooseberries and raspberries: 2 cents a pound; 1¼ cents a pound.
Pears: ½ cent a pound; 1 cent a pound.
Strawberries: 2 cents a pound; 1¼ cent a pound.
All other green fruits, n.o.p.: 25 per cent; 35 per cent.
Cabbages: 30 per cent; 25 per cent.
Potatoes: 35 cents per 100 pounds; 50 cents per 100 pounds.
Tomatoes: 30 per cent; ½ cent per pound.
Turnips: 30 per cent; 12 cents per 100 pounds.
Vegetables, n.o.p.

And this is the big item.

30 per cent; 25 per cent.

So that our tariff in many cases is at present higher than that of the United States. But

I observe that hon. gentlemen opposite who are asking us to protect hothouse products are the same gentlemen who have been urging that we should put a higher tariff on coal, making it more expensive to produce these hothouse products.

Hon. gentlemen have talked much of the importations coming in here from the United States. Let me say that Canada is not only an importer of fruits and vegetables, but she is an exporter of fruits and vegetables as well, and for the nine months of the fiscal year 1928, from April until December, I find that our imports of fruits were greater than our exports, our imports being $5,993,494, and our exports $3,166,697. But of vegetables we imported $4,614,980 and we exported $6,103,502, or about $1,500,000 more of exports than of imports.

Mr. BENNETT: Potatoes and turnips.

Mr. ROBB: There were some potatoes and turnips, but those were not the only products we exported. My hon. friend will be interested to know that we exported strawberries, for instance.

Hon. gentlemen have referred to the imports of eggs. I find that the imports of eggs from April to December, in 1927, ran in value per dozen from 86 cents to 89, 59, 44, 43, 42, 43, 50 and 49 cents, and the average price of our imports of eggs for January, February and March of this year was 48 cents per dozen.

Mr. BENNETT: That is fixed by the minister.

Mr. ROBB: I do not know that it was fixed by the minister.

Mr. BENNETT: Under the order in council.

Mr. ROBB: I imagine that some of these eggs that came in must have been high-priced eggs for hatching.

Mr. LADNER: Surely the minister does not contend that that has any bearing on this question, because the dumping duty does not apply to prices over 45 cents. I do not see the relevancy of the minister's figures at all.

Mr. ROBB: Nobody is going to get hurt very much with eggs coming in at these prices. My hon. friends opposite are always afraid that something is going to happen in the future, particularly with this government in power. I recall that in 1924, 1925 and 1926, and right up until recently, we have been attacked, particularly by our friends from British Columbia, because we had ruined, they said, a great industry through making the Australian treaty. The British Columbia hen was not going to cackle any more because of the Australian treaty. As a matter of fact, we have not brought in one single egg from Australia since that treaty came into effect.

Mr. GOTT: We have from China.

Mr. ROBB: That does not cut any figure; the Australian treaty did not apply to Chinese eggs.

Mr. LADNER: Will the minister give the figures for the months from January to April when eggs were down to 27 cents, and great importations took place? Why did he omit these months?

Mr. ROBB: I have not those figures.

Mr. LADNER: Those are the ones you should have.

Mr. ROBB: I have the figures here of the price of eggs in the New York market and in the Canadian market.

Mr. LADNER: For what month?

Mr. ROBB: They are in the Toronto Globe of Friday last. I find that eggs were selling in New York at 32½ cents and were quoted in Toronto at 31 cents, so that nobody is getting hurt very badly.

Mr. LADNER: What about January, February and March?

Mr. ROBB: We are dealing with present conditions.

Mr. GUTHRIE: With seasonal eggs.

Mr. ROBB: Our friends opposite have attacked us many times for helping the farmer.

Mr. BENNETT: You are hurting him.

Mr. ROBB: No. I recall that we were attacked for having helped the farmer on his freight rates, coming out of the Okanagan valley and other parts of the country. I recall that at one time this government had to meet a resolution introduced by hon. gentlemen opposite. We reduced carload freight rates to Vancouver from 49 cents to 45 cents; to Calgary, from 138½ to 104 cents; to Saskatoon, from 162½ to 150 cents; to Regina, from 162½ to 150 cents, and to Winnipeg, from 162½ to 150 cents, and we were attacked by our hon. friends opposite.

Mr. BENNETT: Would the minister mind giving particulars when that attack was made.

Mr. ROBB: The change rates became effective in November, 1922. That is when the attack was made.

Mr. GUTHRIE: The house was not sitting then.

Mr. STEVENS: May I take the liberty of interrupting the minister? He is surely not serious in saying that there was an attack made on the government because of the freight rate reductions quoted by him. I submit to the minister that no such attack was made.

Mr. ROBB: My recollection is that it was, and my recollection also is that we were attacked when we reduced, as we did, the tariff rates on the requirements of the farmer, particularly for the orchardists and farmers of British Columbia. Then we reduced the sales tax. There was an exemption of sales tax granted in 1924 from thirty-four articles, and hon. gentlemen opposite attacked us for the reductions and exemptions we made in the sales tax. Hon. gentlemen opposite also attacked us on account of egg grading.

Mr. BENNETT: No.

Mr. ROBB: Yes, you did, and my hon. friend who sits to the right of the hon. leader of the opposition (Mr. Guthrie) moved a resolution protesting against the egg grading.

Mr. GUTHRIE: The courts said it was illegal.

Mr. ROBB: No, they did not.

Mr. GUTHRIE: Yes, they did.

Mr. ROBB: Every session since 1922, we have heard these tales of woe from hon. gentlemen opposite, and yet the industry continues to grow and prosper. The act remains there. We have on the statute book right now all that is required to protect these industries. It is the policy of this government to find larger and wider markets for the products of the farmers and gardeners of western Canada, indeed of all Canada, but we have also some obligations towards the consumers, and when prices become unduly high, as they sometimes do, is it not reasonable that the government of the day should take the responsibility of having brought to them recommendations before applying the dumping duty? I say now that whenever it becomes apparent that the dumping act should be applied in the interests either of the producers or of the consumers, this government in the future as in the past will not be afraid to do its duty.

Mr. LADNER: Before the minister concludes, may I ask a question, which I think is very pertinent to the point of his remarks? Do the government maintain that they have power under the statute to apply the dumping duty as they formerly did?

Mr. ROBB: The statute has not been changed in any way whatever; and if my hon. friend questions our right to do it, then he is questioning the right of one of his own friends, who at one time did introduce this.

Mr. LADNER: I am not questioning anybody's right. I believe the right is there. But in view of the words of the minister—they were not very definite—I desire to ask him whether the government think they have the right, under the existing legislation, to apply dumping duites as they did before. That is a simple question, and it seems to me it goes to the root of the whole matter.

Mr. ROBB: Let my hon. friend submit a case to the government and see how quickly we will test it out.

Mr. LADNER: Why does the minister evade my question?

Mr. SPEAKER: Order.

Mr. LADNER: What is the use of discussing these matters if we go round in circles?

Mr. SPEAKER: Order.

Mr. LADNER: I have asked the minister a straight question.

Mr. SPEAKER: Order. The hon. gentleman may not exercise his right to speak by putting questions.

Mr. LADNER: I am merely asking the Minister of Finance a question.

Mr. SPEAKER: It is out of order.

Mr. TOLMIE: May I ask the minister a question?

Mr. ROBB: Yes.

Mr. TOLMIE: In the event of a carload of fresh vegetables appearing at the boundary line to-morrow morning, have you the machinery to put the dumping clause into effect right away?

Mr. ROBB: We have the same legal machinery that has always existed in the act.

Mr. TOLMIE: That is by order in council. It would take forty-eight hours to put it into effect.

Mr. GOTT: The hon. minister said he would answer my question.

Mr. SPEAKER: Order.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, I am anxious to take part in this discussion because, I think, that the question introduced in the house by the hon. member for Victoria (Mr. Tolmie), has a very important bearing on our tariff policy. Our most distinguished statesmen have always endeavoured to find a solution to this important problem and quite naturally the question again crops up in the house. As representative of a riding almost exclusively agricultural, especially in that part of the county of Laval-Two Mountains which is known as the garden of Montreal, I wish to request from the government the greatest possible protection, assistance and fairplay on behalf of the farming population of my riding. I further wish to request, and in so dong I am but echoing the eloquent words expressed by the hon. member for Laprairie-Napierville (Mr. Lancotot)—I wish to request a seasonal tariff for the truck farmers of the county of Laval-Two Mountains and the province of Quebec. Perhaps the government will soon adopt this policy; I hope that such will be the case in the interest of the farming classes.

Let us bear in mind, sir, that the farming class controls the basic industry of this country. Should agriculture fail, our prosperity will dwindle. That is why the motion introduced by the member for Victoria, bears upon one of the most important aspects of our economic life.

I wish to point out to the house, that it is in the interest of all the people in this Dominion, consumers as well as producers, that new markets be found for our natural products which, according to certain specialists on statitsics, could feed 35,000,000 people, while we are barely 9,000,000.

I do not entirely agree with the views of my colleague, the hon. member for Weyburn (Mr. Young), when he states that we should equally consider the welfare of all classes of society. Among these classes, which one toils the most? Is it not the farmers who, when dawn is breaking are already on their way to the fields to prepare and put in the seeding? Is it not the farming class which work not 300 days only in the year but 365 days? The farmer has not even his Sundays to himself. The farming class is the one which feeds the people of Canada and the whole world. It is therefore entitled to the greatest possible assistance and fairplay on the part of our governments. That is why I request for the truck farmers of Quebec and the riding of Laval-Two Mountains especially a seasonal tariff which would abolish the disloyal competition of the United States, our wealthy and powerful neighbours who have climatic advantages over us.

I have already given my views on this question. When the budget was brought down in the house, the hon. member for St. Lawrence-St. George (Mr. Cahan), introduced a similar motion. I voted against such an amendment because I considered that class and sectional interests should give way to considerations making for the general welfare of the country. For the same reason, I shall again support the Liberal government, which offers to the people of this country a sincere and sound administration. I must add that I cannot place my trust in a possible return to power of our hon. friends of the opposition. because in the past they never raised that tariff. I believe that this motion is simply introduced in the house with a political purpose. Having full confidence therefore in the distinguished men who are at present directing the destinies of this country, I shall support the government.

Mr. H. J. BARBER (Fraser Valley): Mr Speaker, I wish to add my protest on behalf of the producers of my district in particular and of those of the province of British Columbia in general. I join with my good friend the hon. member for Yale (Mr. Stirling) in calling the attention of the government to the result of their action of last month in removing by order in council the powers of the Minister of National Revenue to fix the fair market value of fruit and vegetables, eggs and poultry. The Minister of Finance (Mr. Robb), referring to the representatives of British Columbia, said that they protested against the action of the government in bringing in the Australian treaty so far as eggs were concerned. I do not think that any great protest was made in regard to eggs; we did not paint any picture of the future of the poultry industry as being affected by that legislation. But we certainly did point out what the effect would be on the dairy industry, and the picture we painted at that time is quite visible to-day. So far as these other industries are concerned, they are vitally affected by the action of the government.

The minister referred to certain machinery set up in British Columbia to deal with this great problem of the fruit growers and he observed that no doubt, before next fall, many of us would be condemning the provincial government for its action in introducing that legislation. Let me direct his attention to the fact that the Premier of British

Columbia is to-day telling the people and the press of that part of the country that he is keeping the wires to Ottawa hot in protest against the action of this government in cancelling the order in council under discussion. More than that, according to a despatch in one of the coast papers, he made the statement that he had wired to his Minister of Lands, Mr. Pattullo, requesting him to join the large deputation that waited upon the government asking for a restoration of this legislation. We find, however, that Mr. Pattullo was not present in the delegation, although the people of British Columbia believe he was.

I am not going to discuss section 6 and section 47a; these two sections have been fully dealt with to-night. I should like to know, however, who suggested that the government should take this action, or for what reason they did so. There has been no demand from the consumers of the country. This order in council fixing the fair market values of the products affected has gone a great way towards stabilizing industries during the last two years. The Prime Minister (Mr. Mackenzie King) the other day intimated, I think, that no request had been filed with the Minister of National Revenue (Mr. Euler) this season, or within the last few weeks, to have an order in council passed in regard to fixing fair values. I hold in my hand a telegram bearing date April 25 addressed to the hon. member for Yale, as follows:

Armstrong, B.C.

Have wired Minister of Customs to have fair price of asparagus dumped in from America set at twelve cents pound. Unless this is done it means ruination to B. C. Growers. We have half ton daily to ship from Armstrong. Please use influence to have this effected immediately.

Poole,
Fairfield Ranch.

This was a request from the growers in Armstrong, and they say that they have forwarded a demand to the Minister of National Revenue asking him to take the necessary steps to have an order in council passed fixing the price of this particular commodity. Then we have a request from the Canadian horticultural council, filed with the minister, bearing date March 12 and setting forth suggested prices and seasons. This was filed not only with the Minister of National Revenue but, as well, with the Minister of Agriculture. I will not read it, but I may point out that, in regard to strawberries, it was suggested that they be valued at ten cents per pound for duty purposes, from June 1 to July 31, while raspberries were fixed at fifteen cents, from June 15 to July 31. And so on down the list. These are two requests that have been filed by the producers and the representatives with the department up to the present time.

I have had several protests from my district, copies of which, I believe, have been forwarded to the Prime Minister or to the Minister of National Revenue. I will not deal with them all; I intend to touch upon one or two only. I have one from Mission City dated April 13. This communication states that at a meeting held on the date mentioned, some 2,000 fruit and vegetable growers of British Columbia were represented, and that they earnestly endorsed the application already made by the associated growers requesting the immediate restoration of the order in council as provided in section 47a, now section 43 of the Customs Act. The present indications are, it is stated, that there will be a heavy dumping of American produce on the Canadian market, whereas the production in British Columbia will be in excess of the requirements of the prairie provinces. This is signed by the following: Fruit and Mercantile Exchange, Ltd.; Wilson Fruit and Produce Limited; Central Fruit Distributors Limited; Maple Ridge Co-operative Exchange; Japanese Consolidated Farmers Exchange; and Dewdney Rhubarb Growers Association.

I have another telegram from New Westminster embodying a resolution of a large mass meeting of poultry farmers, held there on April 23, protesting against the removal of the dumping duty; also a telegram from Port Haney, intimating a unanimous request on the part of the Maple Ridge Poultry Association that the federal member lodge a protest with the Minister of National Revenue, in the name of the association, urging that every effort be made to have the dumping duty restored, or a higher duty imposed on eggs coming into Canada from the United States.

A question has arisen, with some of our friends opposite, as to the principle of the matter; they are apparently opposed to anti-dumping legislation. The hon. member for Yale has already referred to the economic conference under the auspices of the League of Nations, and the Prime Minister has discussed the subject on more than one occasion in dealing with tariff matters. I wish to refer to the final report, at page 35 of which there is a statement regarding indirect means of protecting national trade. Section 2, which refers to dumping and anti-dumping, is as follows:

The conference recognizes that the question of dumping is of particular importance to those countries which have adopted a liberal tariff policy, and lays stress on the fact that, although

the consumer may secure, as a result of dumping, certain transitory advantages as regards price, there can be no doubt that dumping creates a state of insecurity in production and commerce, and can therefore exercise a harmful influence quite out of proportion to the temporary advantage resulting from cheap imports.

The same applies to dumping employed by powerful firms or commercial combines in one or more countries to destroy the similar industries of another country, and thus to enable them afterwards to raise the price on the market of that country.

It is certain that dumping is facilitated by the existence of high import duties in the countries practising it, and that it may lead to the introduction of high defensive duties in the importing country.

The conference considers that dumping must be reduced to a minimum, and that in order to attain this object, every possible measure should be taken to establish universally stable conditions of production and commerce and to reduce the excessive customs tariffs of exporting countries.

The conference recommends, however, that importing countries which find themselves compelled to take defensive measures against dumping should not resort to excessive, indirect or vexatious measures which would have a more far-reaching effect than is intended.

I think everyone will agree that the request we are making to-night on behalf of the producers of vegetables and fruits in this country is not unreasonable or excessive. The Minister of Finance has said a great deal about the tariff and has tried to drag the tariff across the path as a red herring. It is not a matter of tariff; it is a matter of fixing something upon which we can base a tariff. For instance, as it was explained the other day, a commodity may come to our borders which has no fixed value on which an ad valorem duty can apply. The idea of section 47a, and the reason for the power given the minister under that order in council, is to have a fair market value set upon that article on which a duty may be collected. This not only protects us from a cheap grade of fruits and vegetables but enables us to fix a basis upon which our duty can be collected, and on behalf of the producers of my district and those throughout the country I feel it my duty to support the amendment proposed by the hon. member for Halton (Mr. Anderson).

Mr. W. K. ESLING (West Kootenay): If the producers of natural products in Canada are not to be encouraged at least to the extent of having their own home market, one naturally wonders why this government is spending about $3,000,000 a year to bring in immigrants to go on the land. In 1922 Hon. Mr. Fielding took exception to the provisions brought in by the Conservative government in 1921 to protect our markets against being flooded by fruit and farm products from the United States. Mr. Fielding contended that those provisions were not workable, while the fruit growers and farmers took the stand that they were not only workable but were of great value in stopping the flooding of the Canadian market with fruits and vegetables from the United States at a time when the markets of that country were glutted. The then Minister of Customs, in keeping with Mr. Fielding's suggestion, brought in this amendment which has been known as section 47a and which is now section 43. When this session of parliament opened one of the first resolutions on the order paper was in the name of the hon. member for Weyburn (Mr. Young), asking the government to rescind the order in council making it possible for the Minister of Customs to fix values for the purpose of customs duty. The hon. member suggested that it had been intimated from this side of the house that the withdrawal of that resolution was the result of threats, but I do not think the government has any fear of threats to-day, since they have a good majority in this house. However, the conclusion is general that the hon. member withdrew that resolution more particularly for the purpose of saving this government considerable embarrassment, because we must not forget that this very order in council which has been rescinded was authorized by the section passed by the present government, with the approval of the Prime Minister and all his colleagues in the cabinet. I think this action was taken not only to save the government from embarrassment but to relieve hon. members from Quebec, many of whom would have had to vote against the government; and it also saved the Ontario Liberals some embarrassment. We must not overlook the Minister of Health (Mr. King), in whose political waverings I am always very much interested. When section 47a was introduced, in defending it he said it was for protection against unfair and unreasonable competition, and that the amendment was only intended to overcome conditions which arose at certain times when there was an unfair competition under which the grower of natural products could not exist.

To be very brief, I simply wish to voice the protest of the farmers, fruit growers and poultry raisers of my district against the cancellation of this order in council, and I hope the government may find some means of restoring it.

Mr. J. A. FRASER (Cariboo): As the case has been so admirably presented to the house by the hon. member for Yale (Mr. Stirling) and other speakers, I do not propose at this time to go into the question of the dumping

clause at any great length. The fruit and vegetable industry of this country is sufficiently important that a person who represents a district which produces fruit should have something to say on this matter. The fruit and vegetable industry of Canada produced $48,500,000 last year, of which British Columbia produced $13,500,000, or about 28 per cent of the total fruit crop.

My district is inhabited to a very large extent by fruit growers, especially in the neighbourhood of Shusway lake, down to the end of the district near Yale. It contains a very valuable fruit-growing area, and, in deference to the wishes of the people who live in that section I wish to protest against the removal of this dumping duty. I should like to put on file some of the telegrams which I have received from that district. The first is from the Shusway Lake Co-operative Growers, and reads as follows:

> Strongly endorse attitude of associated growers of British Columbia on question of dump duty. Rely on you to do utmost to get dumping protection as before.

They are simply asking for the dumping protection they had before.

Then I have another one from W. Crossley of Kamloops, as follows:

> On behalf of Clearwater strawberry growers please protest vigorously against removal of dumping duties. Will mean ruin to us if duties removed as American late season rubbish spoils our market on prairie for high grade berries. Last year, although American growers got $5.50 per crate, when our crop ready they dumped several carloads on prairie market and forced price down to $2.75. This was to put us out of business. Urge application of dumping duty two weeks before our season opens and prevent unfair competition.

This shows the attitude of the strawberry growers of that district.

Then I have a letter from the British Columbia Fruit Growers' Association, protesting in the same way. Then I have another letter from the Salmon Arm Farmers' Exchange, protesting against the removal of the duty, and also a letter from the Associated Growers of British Columbia, Limited, representing the fruit growers in my section of British Columbia.

We find a peculiar situation in regard to some of the criticisms which have come from the other side of the house as to this duty. For instance, the member for Weyburn (Mr. Young) complains that the fruit growers of British Columbia co-operate in selling and distributing their fruit. I think they have a perfect right to co-operate in selling their fruit. You do not find British Columbia saying anything against the wheat pool on the prairies, and the fruit growers of that province are just trying to do for themselves what the prairie men have been so successful in doing, and no more.

Mr. YOUNG (Weyburn): The pool is not enforced by fine and imprisonment.

Mr. FRASER: There is no fine and imprisonment in connection with the British Columbia fruit growers.

Mr. YOUNG (Weyburn): There is.

Mr. FRASER: Then we have the statement of the Minister of Finance (Mr. Robb) at which I am rather surprised. The Minister of Finance said that the fruit growers of British Columbia enjoy protection from the provincial government. I have the annual report of the Interior Tree, Fruit and Vegetable Committee of Direction, and I want to read a few paragraphs from that report for the benefit of the Minister of Finance. One paragraph, under the heading of "Setting of Prices", reads as follows:

> The committee is charged with setting prices, "which shall be fair to the producer, retailer and consumer." This is not a particularly easy thing to do. In the last analysis it is the consuming public who, at least, limit the prices obtainable. Again, the committee has felt that it may serve the industry better by helping obtain wide and sustained distribution at reasonable prices than by possibly restricting sales to merely a portion of a crop in an attempt to obtain spectacular prices.

That is, the object of the committee is to obtain reasonable prices in order to get wide distribution. Then it goes on to say:

> It cannot always control the prices at which products must move. These are controlled by competitive or, sometimes, weather conditions, but it has certainly stabilized the industry and market to a noteworthy degree.

That is all the fruit growers of British Columbia are attempting to do, and I think it ill becomes either the Minister of Finance or the people of the prairie provinces to find fault with an organization which is only attempting to do what the wheat pool has done. No person in British Columbia has anything to say against the wheat pool; they all commend it and they are glad to see the people on the prairies enjoy the benefits from it, but we would like to have a little reciprocal treatment so far as our effort at co-operation is concerned.

I want to draw attention for a few moments to the attempt of the Prime Minister to make the delegation which waited on him a few days ago believe that the order in council was an attempt to fix duties or that the Customs officials were given the privilege and were using it to fix the tariff throughout the year. In his remarks to that delegation he went on to say that the government was

under the impression that the Department of National Revenue were given the power to fix the tariff. He said also that he was very much surprised to see they were exercising the right to fix the tariff to extend over the entire year, and he emphasized the fact that this order in council was giving them the power to fix the tariff throughout the year. At another place he said:

I wanted to bring out, and I think it has been brought out clearly—and if it has not been brought out clearly up to the present, I would be glad to be interrupted by anyone who does not see it—that what the government is taking exception to is the giving to the Minister of Customs power to fix the duty on any classes of products that are named in these orders, notwithstanding the duties that are already fixed by parliament in the Customs Act.

At another place he goes on to say:

The government's attention has been drawn to the way in which this order in council was being applied by the officers of the Customs department. The order was never intended to give such power as that to the Minister of Customs, and the officials of his department, and if there is any doubt we had better have the orders cancelled altogether.

That is again pointing out the fact that they are fixing the tariff. The orders in council have been dealt with several times, but I want to point out that that is an entirely misleading statement for the Prime Minister of this country to make. There is no power to fix the tariff in any part of the orders in council. Power is given to fix the valuation for duty purposes, but not to fix the tariff. It is entirely a misrepresentation of the orders in council to say that that section fixes the tariff.

On motion of Mr. Fraser the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, May 15, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Fourth report of the select standing committe on railways, canals and telegraph lines.—Mr. Young (Saskatoon).

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 303, respecting a certain patent of Anchor Cap and Closure Corporation of Canada, Limited.—Mr. Clark.

Bill 304, respecting The Cumberland Railway and Coal Company.—Mr. Ilsley.

[Mr. Fraser.]

TECHNICAL EDUCATION

On the orders of the day:

Hon. HUGH GUTHRIE (South Wellington): I would like to ask my right hon. friend the Prime Minister a question in regard to the grants to the provinces for technical education. I was not present in the house on the 4th of May, when a statement was made on the subject by the Prime Minister, but I gather from it that the government intends to continue the grants to those provinces which have not yet received grants for ten years under the act. Does that exclude the other provinces, or does the government intend to continue the grants to the other provinces in the future, that is, to Ontario, Quebec, Nova Scotia and any other provinces that have received the grants for ten years?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not know that I quite understand my hon. friend's question. The act was passed some ten years ago, and the opportunity was given to the different provinces to apply to receive the grant for each year in proportion to what they themselves contributed. Any province that has taken advantage of the act for the period of ten years will not receive any further advances, but the provinces which have not up to the present time availed themselves of the opportunity of receiving grants in aid for the period of ten years may receive additional aid for such period of time as would be necessary to complete the full ten years. The government has not yet decided the latter point, but I think I can assure my hon. friend that it will receive favourable consideration.

Mr. GUTHRIE: Does the government intend to discontinue the practice of making these grants to the provinces in aid of technical education?

Mr. MACKENZIE KING: The government does not intend to introduce any new legislation.

KINGSVILLE, ONT., DREDGING

On the orders of the day:

Hon. J. C. ELLIOTT (Minister of Public Works): Mr. Speaker, in reply to an inquiry yesterday by my hon. friend from South Essex (Mr. Gott) with regard to dredging at Kingsville, I beg to report that on the third instant the district engineer at London was authorized to accept the offer of the Chatham Dredging Company to remove six thousand cubic yards scow measurement of class B material, involving an expenditure of $4,800, to enable a subsidized boat to operate from Pelee island to Kingsville.

RAILWAY ACT AMENDMENT

INVESTIGATION OF SUBSIDIARY OF TELEPHONE OR TELEGRAPH COMPANIES

On the orders of the day:

Mr. G. R. GEARY (South Toronto): Mr. Speaker, may I ask the Minister of Railways (Mr. Dunning) if order No. 31 under public bills and orders, being a bill to amend the Railway Act to give jurisdiction to the railway board to investigate subsidiaries of telephone and telegraph companies, will receive the favourable attention of the government? There seems little likelihood of the bill being reached during the remainder of the session, and as it is a general amendment to a general act, I should be glad to know if he would consider its adoption as a government measure, and introduce legislation which would have a chance of passing before the end of the session.

Hon. CHARLES DUNNING (Minister of Railways): Mr. Speaker, I think under public bills and orders there are in the neighbourhood of five bills to amend the Railway Act. Frankly, up to the present time I have not considered adopting any of them as government measures.

Mr. GEARY: Would the minister take them into consideration with a view to expediting them in some way?

Mr. DUNNING: I will bring the matter to the attention of the government.

INQUIRY FOR RETURN

DISMISSALS OF CIVIL SERVANTS

On the orders of the day:

Mr. T. E. KAISER (Ontario): On April 30, Mr. Speaker, a question of mine with regard to certain dismissals from the civil service was passed as an order for return. As yet I have received no notice of the return. When may I expect it?

Mr. MACKENZIE KING: What department?

Mr. KAISER: The Department of Finance, I imagine.

Hon. J. A. ROBB (Minister of Finance): I am not aware, Mr. Speaker, of any dismissals in my department, but I will look into the observations of my hon. friend and give him a reply to-morrow.

DEPARTMENT OF NATIONAL REVENUE ACT AMENDMENT

Hon. W. D. EULER (Minister of National Revenue) moved the second reading of bill No. 291 to amend the Department of National Revenue Act.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, we are still opposed to the principle of the measure as introduced, and by concurring in the bill being sent to committee we must not be taken as agreeing to the principle. That is all I desire to make clear.

Motion agreed to on division and bill read the second time.

Mr. EULER moved that the house go into committee on the bill.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Mr. BENNETT: On division.

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

On section 1—Minister may nominate certain officers, etc.

Mr. STEVENS: As a matter of fact, Mr. Chairman, section one comprehends the whole bill.

Mr. EULER: There is only one section.

Mr. STEVENS: This bill is most difficult for the house to consider, for this reason. The minister, with obvious sincerity I think, assures us that he requires the powers contained in the bill in order properly to administer his department. Any minister coming to the house with a claim of that character necessarily commands our sympathy and attention. I believe he has given very earnest thought to this measure; but there are certain features contained in it which we must most carefully consider. My main objection is that in part, if not in its entirety, the bill departs from the principle of appointment through the Civil Service Commission, and what is known as the merit system. I am aware that my statement may be called in question as regards the merit system, because the minister declares—I think sincerely—that he is desirous of making appointments. It is pretty hard, Mr. Chairman, to talk against the whole house. If we cannot have better attention I shall sit down.

The CHAIRMAN: Order.

Mr. STEVENS: I say the minister might very properly challenge the last statement, claiming that he is proposing this method of appointment in the interests of efficiency. However, I wish to bring to the attention of the committee some matters in connection with this very drastic and serious change which I believe ought to be considered most carefully before we agree to the bill.

Let me say in a general way that I would not see so much objection to the bill if the

process proposed permitted the appointments to be made by the Civil Service Commission in consultation with the minister. But unfortunately the bill does not so provide. It really places the power of appointment practically entirely in the hands of the minister, and the Civil Service Commission are reduced to the rather invidious position of being invited to acquiesce; if they do not acquiesce, then there is no remedy so far as they are concerned. If the principle of appointment were changed so that the appointments were made by the Civil Service Commission in consultation with himself or his officers, a large measure of the objection would be removed.

I think it desirable to bring to the attention of the committee certain evidence, if I may so term it. For instance, I propose to quote briefly from an editorial in the Winnipeg Free Press, for it is indicative of what is the opinion of the informed public. Quoting the Winnipeg Free Press, I shall at least be acquitted of any desire to be partisan. The Winnipeg Free Press, on May 2, in a rather lengthy editorial, from which I shall read only one or two excerpts, has this to say:

> The country will keep a sharp eye on the move made at Ottawa to remove the appointment of certain officials of the Department of National Revenue, mainly in the Customs department, from the jurisdiction of the Civil Service Commission.

Then they go on with quite a long argument on the subject, which I shall not read but which is very interesting and, I think, illuminating. They conclude the editorial with these two paragraphs:

> Outside of party heelers, this country is pretty well satisfied with the work and functions of the Civil Service Commission. It offers equal opportunity for all young Canadians to enter the service of their country if they have the necessary qualifications. It is a safe guess that the merit system has brought into the service a better qualified and more energetic type of young man and woman than ever came in under the patronage way of handing out government jobs. Any action at Ottawa that appears to strike a blow at the underpinning of the merit system is likely to be regarded with grave suspicion throughout the country. The present government at Ottawa is reasonably suspected of itching to get its hands on civil service patronage. Its record in this respect is not altogether aboveboard, due largely to the performances of the Postmaster General, which is one reason why the public will be highly suspicious of the present move that would give the cabinet minister the authority to hire anyone to whom he might take a fancy, or who might be forced on him by local party organizations. The government would be well advised to leave civil service appointments to the body set up by parliament to attend to that department of the national service.

[Mr. Stevens.]

Some hon. gentlemen laugh, but these are not my own observations; I am quoting from an editorial in the Free Press for what it may be worth.

Mr. EULER: I do not like to interrupt, but I think that editorial was based on the resolution itself, which went a great deal further than the bill. I have heard no adverse comments, nor comments of any kind, since the introduction of the bill itself.

Mr. STEVENS: My object in reading the editorial, and in the remarks I am about to make, is to establish the statement I have made, namely, that we must preserve the status of the Civil Service Commission. That is my point; that is the light in which we should consider the bill.

I wish now to quote briefly from the observations of certain individual members of the government. I shall quote now from Hansard, page 2847, May 2, 1921, in which the present Prime Minister (Mr. Mackenzie King), then leader of the opposition, is reported, criticising what was known as the Spinney bill. That bill, as hon. members will recall, removed from the Civil Service Commission certain classifications. Whether that was right or wrong is not the point; what I intend to show is the opinion which the present Prime Minister held at that time. He said:

> This bill specifies three classes of appointments which are to be taken out of the hands of the Civil Service Commission and transferred to the government, thereby permitting the government's followers, in all certainty, to make recommendations which the governor in council will act upon. That is a step entirely in the wrong direction.

Mr. MACKENZIE KING: What government introduced that bill?

Mr. STEVENS: Let me assure the Prime Minister that I am shielding no one. The bill was introduced in 1921 by the Conservative government, when the right hon. gentleman was leader of the opposition. It was introduced by the Union government, and my right hon. friend was then speaking as leader of the opposition. Now, we have before us to-day a parallel case: the government of the day proposes, to use the Prime Minister's own words, to take certain specified classes of appointments out of the control of the Civil Service Commission. And this he described on that occasion as "a step entirely in the wrong direction". I am merely giving his own words. On the public platform in 1926, the Prime Minister also said, according to the Ottawa Citizen:

I stand strongly, and have always stood, for the merit system and promotion on a basis of merit, and will do my utmost to see that that is maintained.

That was what the Prime Minister said at that time.

Mr. MACKENZIE KING: Before my hon. friend leaves me, may I ask him whether there is not this difference in the present case, that what the government is now suggesting is to carry out the findings of a royal commission appointed to improve the customs service? This is one of the suggested improvements; at any rate it is what the commission have recommended.

Mr. STEVENS: I shall come to the royal commission in a moment. As a matter of fact, the Prime Minister's statement is scarcely correct. I am not desirous of being too narrow in my criticisms, but the right hon. gentleman's observation is not quite accurate. But at the moment I am merely showing what the Prime Minister had to say in the past as regards the principle that should govern, whether it might be the government of that day or any other government. The Minister of Justice (Mr. Lapointe) on the same occasion made this statement:

I do not believe in political patronage.

I commend that to the colleagues of the hon. gentleman, the present Minister of Justice.

Mr. McINTOSH: What about your own colleagues?

Mr. STEVENS: What has that to do with my argument?

Mr. McINTOSH: It has a lot to do with it.

Mr. STEVENS: Not a bit. My hon. friend will have the floor shortly, but the interjection was not very apt, to say the least. The present Minister of Justice, as I was saying, made this statement in 1921:

I do not believe in political patronage. It has been tried in many countries in the world, and it has been found wanting everywhere.

The present Minister of National Revenue, on the same occasion, had this remark to make:

So far as I am personally concerned, I am opposed to the system of political patronage as it obtained in the past. . . . The Civil Service Act may have its drawbacks, but even then its advantages, in my opinion, far outweigh its disadvantages.

That statement was made by the minister who is proposing the bill now before us. Now I come to the Minister of Immigration (Mr. Forke)—and I am glad he is in his seat. I invite him to listen to his own observations. Mark you, the Minister of Immigration is in accord with this bill and is supporting the change therein proposed. On February 2, 1923—Hansard, page 41—the present Minister of Immigration said there must be no return to patronage:

A return to patronage is unthinkable.

I ask the hon. gentleman to cogitate on that statement while he sits sombrely in his seat. Then the Minister of Railways (Mr. Dunning) this year made the following statement, referring even to labourers on canals:

I would be very happy to have the whole situation left to the Civil Service Commission.

The Minister of Trade and Commerce (Mr. Malcolm) was chairman of a parliamentary committee which in 1923 reported as follows:

Your committee is of the opinion that the two fundamental principles of the Civil Service Act are the merit system and the system of appointment by competitive examination, and that both these principles must be preserved.

I have read these opinions for the purpose of placing before the government the position which its own members have taken from time to time in regard to this question. Now I wish to turn to a reason advanced by the minister, and which I think had a good deal of influence on members of the house, when the resolution was under consideration the other day. The Minister of National Revenue, discussing the matter on May 8, referred particularly to appraisers. He said to the house:

And remember, these were appointed by the Civil Service Commission.

He was dealing with the report of the parliamentary committee of 1926 investigating the Customs department, and he was speaking of those who were recommended for disciplinary treatment or for discharge, stating that they were appointed by the Civil Service Commission. I have before me the names of those gentlemen who were included in that report.

Mr. EULER: I do not think I made reference to any particular persons at all.

Mr. STEVENS: The minister referred to the report of the committee and to those persons recommended for discharge. He had particular reference to appraisers when he asked the house to bear in mind that all these gentlemen had been appointed by the Civil Service Commission. At the time I was a little doubtful as to the accuracy of his statement and the soundness of his position. I am not going to read the names of these men because I do not think it desirable to

put their names on Hansard; they have been dealt with once and we should let them go, although if it is requested I will read them. I have before me the names of nine men, not one of whom was appointed by the Civil Service Commission, all having been appointed under the old patronage system. When the minister brings forth the argument that there has been dissatisfaction with certain persons, that they were appointed by the Civil Service Commission and that therefore he would change the system, then I suggest that this point be kept in mind. These men were not appointed by the Civil Service Commission.

Mr. EULER: Would the hon. gentleman permit me to interrupt? I do not pretend for one moment to disclaim any responsibility for anything I may have said the other day, but I say to him now that when I made that statement I did not have in mind any particular persons, and certainly not the persons to whom he refers. I had in mind that the appraisal system was not what it should be, and that the appraisers in general had been appointed by the Civil Service Commission. I was not referring to these particular men at all.

Mr. STEVENS: As a matter of fact, and I say this because I am trying to be fair with the minister, when he makes a statement such as he undoubtedly made at page 2782 of Hansard to the effect that these men were appointed by the Civil Service Commission, he should be sure of his facts. That is all I desire to establish in that regard.

Now I want to come for a moment to the question of the appointment of appraisers, and whether or not it is desirable that they should be appointed altogether apart from the Civil Service Commission. In the same discussion which took place on May 8, the minister made this statement:

> My opinion is that the Dominion appraisers . . . . are best qualified to make selections.

What method would be followed and what process would be adopted by the Civil Service Commission in making these appointments? I am informed that the method is this: A civil service board of examiners would be appointed, and in this instance one member of that board undoubtedly would be a Dominion appraiser. That is, they take an officer of the department affected by the appointment; if it were the preventive service the chief preventive officer would be a member of the board, and for the appraisal service undoubtedly it would be a member of the Dominion appraisers. Included in that board would be a representative of the private business affected by the appointment; in other words, if a drygoods appraiser were to be selected, undoubtedly a member of the board would be a representative business man in the drygoods trade; then there would be a member of the civil service examining board and a representative of the Canadian Legion, who would have no vote but merely a voice in the committee to protect the interests of the returned men. That is the process adopted, and I submit to the minister that with a board of that kind selecting the appraisers, bearing in mind the fact that a representative of the board of Dominion appraisers would be a member of that board, then the Civil Service commission may well be entrusted with this task. I would be willing to say this: If after such a board decided on a certain person as being suitable for the position, while the minister was firmly convinced and had good reason to believe that such an appointee would not be suitable for the position, then I am prepared to say that the minister might have some remedy by which he could extricate himself from that difficulty. But if these appointments are to be made by the reverse process, if the minister is authorized to say to the Civil Service Commission, "Here is a man whom I want as a drygoods appraiser," and then if the Civil Service Commission refuse to appoint that man after examination, the minister can insist on the appointment, I submit that is merely a method of eliminating the Civil Service Commission and its authority.

Now we come to what the Prime Minister mentioned a moment ago, and in this connection I have before me a report which was tabled on May 7 last. This is the report of a sub-committee appointed by the then Minister of Customs, when I held the office, for the purpose of examining into the system and organization of the Customs department in Ottawa. This committee was known as an advisory or consultative committee consisting of Mr. Dilworth, of Clarkson, Gordon and Dilworth; the chairman of the Civil Service Commission, the Auditor General of Canada, Mr. Breadner, who is now the commissioner of customs and Mr. Taylor, commissioner of excise. This was the committee appointed by the government at that time to examine into the Customs department and to recommend a method of reorganization, and I want to say that the report they made will well repay study. This report, in so far as it deals with the subject now under discussion, differs from the report of the royal commission which, as the minister correctly stated, frankly said that these selections should be made indepen-

dent of the Civil Service Commission. I submit to the house, without going into an examination of the report of the royal commission for the moment, that the final report did no great credit to that commission; I submit that it has every evidence of having been hastily prepared. There was an interim report dealing with specific cases which is very much more worthy of attention and study than the final report. The report of this advisory and consultative committee has this to say:

Mr. ADSHEAD: Was that the report made by Clarkson, Gordon and Dilworth?

Mr. STEVENS: No, this is a report which was tabled on May 7 and which has not been printed. I think hon. members would do well to secure it and read it carefully, because it is perhaps the best of the series of reports which have been made on this subject. Under the heading "Selection and Appointment of Preventive Staff" a paragraph is included which is very interesting, on one or two points of which I will lay some particular stress:

As the men on this work have to work often on their own judgment and initiative and to act at times with the greatest promptness and without first reporting to their superior officers, their selection should be most carefully made and have regard to their intelligence, integrity, capacity and general suitability to the work and to no other consideration. For this reason we most strongly recommend that the selection be made by the Civil Service Commission and the chief of the preventive service.

Then they refer to the report of the special committee which made recommendations in a similar vein.

—and that the chief of the preventive service should have full power to remove for cause any officer or other employee while temporarily employed.

That is the recommendation of the special committee, composed of the gentlemen to whom I have referred, and who gave this subject careful study. I submit, Mr. Chairman, that that is the course that should be followed. Let the preventive officers and the appraisers be selected by the Civil Service Commission, the former in consultation with the chief of the preventive staff and the latter in consultation with the Dominion appraisal board. Let the investigators also be selected by the Civil Service Commission, in consultation with the head of the advisory staff. In all these cases the minister is certainly to be consulted; that is, he is ex officio in all these conferences.

Now, I wish to deal with another feature of this matter. The other day the minister declared that there was no desire to interfere with the principle of appointments by the Civil Service Commission. I am not desirous of attacking the minister's good faith, because I appreciate that he is labouring under most difficult circumstances. We credit him with an earnest desire to make the best appointments possible, but the house must remember that when enacting a statute of this kind we are laying down a system that will be followed by other ministers than the present incumbent of office. At the present moment, under the stress of the last couple of years of scrutiny and investigation of the department, it is quite likely that the minister will bestir himself to keep within the bounds of—what shall I say, decency?—but when things have quieted down and we get a little farther away from the cause of revision of this section of the civil service system, it follows, I think, as a matter of course that we simply go back to the patronage system, in all its simplicity and with all its evils. Undoubtedly the patronage system had more evil attached to it than merit. Appointments under the patronage system are made for the purpose—I think I can put it simply and plainly—of giving jobs to those who are in favour with the ministry of the day, whatever ministry it is. It may be argued that under that system good appointments have been and will be made. I am not disputing that, but the point is that the principle—or lack of principle—is in that it is for service to a given party, whatever party happens to be in power at the time.

Years ago we departed from or abandoned the patronage system. My own opinion is that we went too hurriedly, and in our efforts to install or inauguarate a complete system of civil service in Canada we laid on the Civil Service Commission at the commencement too heavy a task, and it has taken years to build up an equitable and reasonable system. I do not suggest for a moment that the civil service system as we now have it is entirely satisfactory. They are human, and undoubtedly they have made mistakes. In connection with the appointments to which I referred as not being made by the Civil Service Commission, the minister might very well say to me, "Hold on, some of those were undoubtedly promoted by the Civil Service Commission of the day." That was disclosed in the inquiry, and it was brought out in a manner that led to the retirement of two of the commissioners. Undoubtedly the Civil Service Commission is not without the possibility of fault. We do not assert that. These two commisisoners were retired, and replaced by two others; and I think it was because

they had more or less trafficked in the question of promotions. It showed the resentment of parliament and of the country against such a procedure by a civil service commissioner; it does not challenge the soundness of the system that two gentlemen went somewhat wrong in the discharge of their duty. And so I say to the minister that so far as I am concerned I am opposed to this bill to the extent that it departs from the principle of appointment by the Civil Service Commission. I say again to him, as I said in my opening remarks, that if this bill were so drafted that the appointments should be made by the Civil Service Commission in consultation with the head of the branch to which the appointee is to be sent, then I have little objection to it. But in its present form, where the Civil Service Commission play no major or primary part in appointments, I am opposed to it.

Mr. POULIOT: Mr. Chairman, I have just a word to say in answer to my hon. friend. I have listened to his remarks with great attention. I know the first officer of the Department of National Revenue very well. I am not acquainted with the commissioner of customs, but I know he is a most remarkable man. When Mr. Good called a meeting of the public accounts committee some years ago, Mr. Breadner was asked some questions. He had apparently no information with him, but he answered them from memory, and I think he answered them very successfully. He is a very straightforward man, and I am pleased to say the same thing about Mr. Taylor, the commissioner of excise, and also of Mr. Walters, the commissioner of income tax. These three gentlemen are very able men; I do not think anyone will question their ability. But they were appointed not by the Civil Service Commission, but by the Minister of National Revenue, and he deserves praise for that. I remember at the time that I read several editorials in Tory as well as Liberal papers, congratulating him on those appointments. I do not believe any member will come back at me when I say that one of those papers was the Ottawa Journal, which is not a Liberal paper. I remember also that the Montreal Gazette published editorials, praising the minister. We must not overlook the fact that the task of the Minister of National Revenue is a rather ungrateful one, because instead of spending money he has to collect it. He has met with very good success, and the amount of the last surplus collections, $14,000,000, should be considered. The Department of National Revenue is directed by an able minister, assisted by able men, and those men can be entrusted with the confidence of parliament. No one can reproach them for doing anything they should not do. They are upright men; they do their duty well; they are conscientious, and I am sure they are acting to the best of their ability. I am not in the habit of paying compliments to people but I take this opportunity of saying all the good I think of them. In such matters as these every member is entitled to say a word about the competency of the man who applies for any of the positions to which this legislation refers. Anyone who is recommended should merit that recommendation and no one knows better the character and competency of the applicant than the member for the constituency in which such an officer is to be appointed. When a man is recommended by a member as being an able person, the minister knows that recommendation is worthy of consideration and he acts accordingly. I am sure my hon. friend (Mr. Stevens) who now is afraid of the bill, who thinks it will not work well, will at the next session praise the minister for having brought such a measure before the house.

[Mr. Stevens.]

Mr. ADSHEAD: I have been looking into this bill somewhat further and I agree with the conclusion come to by the hon. member for Winnipeg North Centre (Mr. Woodsworth); but it seems to me that what the minister has agreed to entirely covers the case. The royal commission states:

> We are of opinion that all appointments to the office of appraiser at the different ports of the Dominion should be made by the minister after examination of the applicants by the board of appraisers.

I do not see any provision made for the appointment of a board of examiners for the appraisers. I gather from the remarks of the Minister of National Revenue that he intends to appoint a board of appraisers as a board of examiners and then the names of applicants who have successfully pased the board of appraisers will be submitted to the Civil Service Commission. If that is the case, that fulfils in all respects the desirability of submitting these applicants to an examination instead of simply having them appointed by the minister.

Mr. EULER: There is already in existence a board of appraisers which is not complete but which will be completed in due course.

Mr. ADSHEAD: Is there anything in the bill which covers what I have suggested?

Mr. EULER: No. That would be a matter of regulation.

Mr. ADSHEAD: I would suggest that the minister insert in the bill a clause stating that the board of appraisers should be a board of examiners to examine the applicants and that the names of the successful applicants will be submitted to the Civil Service Commission with the approval of the minister. That will exactly cover the case. If the minister intends to appoint a board of appraisers as a board of examiners, that will disarm any criticism we have of the bill.

Mr. GARDINER: I am absolutely opposed to the principle of the bill as it stands at present, because in my opinion it leaves the appointment of these officers to all intents and purposes under the patronage system. I believe the minister in years gone by has stood up in the house and upheld the Civil Service Commission and the elimination of patronage. I regret very much to see the minister changing his mind even to the extent he is doing in this bill. There is no doubt this is patronage pure and simple.

Mr. EULER: It is not intended as patronage pure and simple.

Mr. GARDINER: Unless it is so stated and provisions are made in the bill there is only one thing we can claim for it and that is that it is patronage pure and simple. If the minister intends to move any amendments to the bill I shall be glad to listen to what he has to say. As the minister is shaking his head I infer this is a bill which he intends to force through the house.

Mr. EULER: Not force through the house.

Mr. GARDINER: Subsection 4 reads:

The minister may, after such examination as he may prescribe—

The minister is going to prescribe the examination. There is to be no provision in the bill as to how the examination will take place. If the minister is in a position to prescribe exactly the mode of examination I contend that under those circumstances he has all the elements of patronage. There is nothing to prevent the minister from examining and selecting these men himself and he may nominate whoever he thinks suitable. The bill does not state that the minister shall take any particular line of action to secure a board of examiners and he may do the examining himself.

The hon. member for Vancouver Centre has already placed on the record the opinions expressed by different members of the cabinet in years gone by and it is very illuminating to notice the change of front which they take now that they are in office as opposed to the attitude which they took when in opposition. It appears to me that this is a very retrograde step and I am sorry indeed that the minister is dealing with the matter in this way.

Referring back to the customs inquiry committee I believe it is reasonably understood —and I have heard no criticism to the contrary—that practically all the men who were retired as not giving the proper service that they were expected to give to the country, were to all intents and purposes appointed under the patronage system. Possibly some of them were promoted from the ranks, but primarily they were appointed under the patronage system and not by the Civil Service Commission. There is no doubt the Civil Service Commission is the proper body to make these selections, and when the resolution was under consideration before the house a few days ago I suggested it would be advisable for the minister to allow the commission, with proper representation from the board of supervisors on the examining board, to make the appointments. I trust the minister may still see his way clear to propose some such amendment.

Mr. McQUARRIE: I cannot let the opportunity go by without saying that I oppose the bill because, notwithstanding the assurance given by the minister, it is nothing more than an attempt to return to the patronage system in regard to the appointment of these particular officers. If this principle is adopted in regard to these officials of the department it may equally be applied to other officials and employees in the same department. More than that, this same principle can be extended on exactly the same reasoning to other departments of the government. The principle involved is whether appointments shall be made by the minister. The minister, of course no matter how fine a man he may be, no matter how intelligent and capable he may be, no matter what qualifications he has for making appointments, is necessarily lacking in information in regard to the fitness of the applicants for the positions, and he must act upon the recommendations which he will receive. This particular service extends all over Canada. It may be that so far as Ottawa is concerned the head officials of the department may be able to advise the minister as to the proper officers to be appointed, but what about the rest of Canada?

Mr. EULER: The board of appraisers travels all over Canada, visiting the various ports, and becoming acquainted with the officers.

Mr. McQUARRIE: Does the minister presume to suggest that this board will be in a position to see the applicants?

Mr. EULER: Yes.

Mr. McQUARRIE: Does the minister presume to suggest that the board will see all applicants and be in a position to inquire into their qualifications? I think not. I think that what will happen will be just what happened in the past, namely, recommendations will be made to the minister by those in control of the patronage in the various constituencies. In what way does this bill differ from a bill providing directly for appointments by the minister? I cannot see any difference at all.

Mr. EULER: There is not much difference; we quite admit that.

Mr. McQUARRIE: The minister admits that. Here we have the minister suggesting to the Civil Service Commission the names of the men he wants to appoint. If the Civil Service Commission does not make the appointments accordingly, what happens? The governor in council makes the appointments on the recommendation of the minister. It simply seems to me that this is an attempt on the part of the minister so to arrange the wording of the bill as to deceive the public.

Mr. EULER: No.

Mr. McQUARRIE: No other conclusion can be reached.

Mr. EULER: You do not believe that yourself.

Mr. McQUARRIE: I believe it. I do not see that there is anything else to it. Otherwise why should the bill be drawn up in this manner? Why does not the minister come down with a bill providing directly that the appointments shall be made by the minister without reference to the Civil Service Commission at all?

Mr. EULER: Would the hon. member prefer that?

Mr. McQUARRIE: Certainly not; I do not believe in it; I do not think it is right in principle, and that is why I am opposing this bill. I know the desire that there is on the other side of the house for the abolition of the Civil Service Commission altogether. There are a great many members over there who desire to get back to patronage; there is no doubt about that at all, and they say that they are in a better position to make recommendations for appointments than any civil service commission can be. That is the principle that is involved here, and if you do this now, you are simply inserting the thin edge of the wedge, and on exactly the same reasoning you can apply this same principle to all other departments of the government, and so get away entirely from the Civil Service Commission.

I know that there is great objection to this bill taken by the civil service organizations. I have received communications from the organization in my constituency, and they at least look upon this as an attempt to return to the patronage system.

Let us consider for a moment just what the situation is at the present time in regard to appointments. Appointments are made by the Civil Service Commission upon the results of examinations which are held in accordance with the regulations, examinations which have been worked out after a number of years of experience. That does not mean that the department has nothing to say in regard to the appointments. In the first place, if appointments are made which are not acceptable to the department or to the minister, he can refuse to accept the recommendations of the Civil Service Commission. In the next place when the examinations are conducted, the officers of the department usually have something to say in setting those examinations, and in fact, they conduct them to a certain extent. In all the large centres all over Canada the officers of this department and of other departments have a good deal to do with the holding of examinations. More than that, in regard to promotions, which come under the head of appointments, the Civil Service Commission is guided to a large extent by the ratings which are recommended by the officers of the department involved, and appointments are usually made according to those ratings. It does not seem to me that that is objectionable in any way.

I do think that this bill is wrong in principle entirely. It is objectionable not only to the civil servants of this country, but to the public generally. It is a step in the wrong direction. It is nothing more or less than inserting the thin end of the wedge, and the minister is attempting to do that under the guise of the necessities of this particular department, which are no greater than the necessities of a great many other departments of this government.

Mr. MANION: I wish to say just a few words, not many at this late stage of the session, on this bill. My hon. friend who has just taken his seat says that this is the thin edge of the wedge. I am a little afraid that

it is the thick edge of the wedge, because for some time now we have been getting a good deal of this in the various departments. The other day I asked some questions on the order paper regarding the appointment of a postmaster in a little village in the western part of Ontario, somewhere near Sarnia; I do not remember the county or the town at the moment, but I do happen to know the facts, and the facts were that a returned soldier was recommended for the position by the Civil Service Commission, and yet in spite of that, the Postmaster General overruled the commission's recommendation and appointed somebody else that suited him. Referring to this matter, I said to the Postmaster General, as reported in Hansard, of May 3:

> The reason I asked the question is that I have just received a reply to a question on to-day's order paper showing that the Civil Service Commission recommended a returned soldier for a job, and my hon. friend and his department refused to accept him.

And the Postmaster General replied:

> Under the act the Postmaster General has the power to refuse to accept the certificate of the commission, but the act does not give him power to classify the employees.

In other words, at the present time on some occasions at least, if not on many, recommendations of the Civil Service Commission are being ignored by some of the departments. The minister who is conducting this bill came into the house at the same time I did, eleven years ago, and during the many years when he was just an ordinary member of the house and a supporter of the government, he was quite independent in his attitude because I remember him on one or two occasions voting against his party. That takes courage; I tried it myself once or twice, and I know something about it. At any rate, the minister, of whom personally I am very fond, is not showing in this bill, I think, the same independence that used to characterize him in the days before the lust of office reached him. He is, I think, building up for himself troubles which he may have difficulty in overcoming, because as these positions are thrown open he will find members on his side of the house seeking positions for friends of theirs, and if—

Mr. EULER: They do now sometimes.

Mr. MANION: I have no doubt; and if he should find perchance that some Conservative was as well qualified for the position as a Liberal applicant—or better qualified, because he would have to be to receive any attention at all.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: Well, we will say for the sake of argument that some Conservative was better qualified for the position than some Liberal, and the minister tried to appoint him. Then he would find that he had stirred up a hornets' nest. But if the Civil Service Commission were allowed to make the appointment, to some extent on his recommendation, he would be able to shelve that responsibility on to their shoulders. In all seriousness I regret to see him laying up this store of trouble for himself, for undoubtedly that is what he is doing.

Referring again to the patronage system, during all the years I have been in the house, whether one party or the other was in power, this system to a large extent did not exist.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I say that seriously. The patronage system of appointments has largely not obtained within the last ten or eleven years. The system may now exist; that probably is what my hon. friends are laughing at. I mean that up till recently the patronage system had not been resorted to.

Mr. DONNELLY: If there was no patronage system in operation, how does my hon. friend account for the fact that all the postmasters appointed in my constituency after 1911 were Tories?

Mr. MANION: Undoubtedly the government of the day picked out the very best men that they could find in the constituency. But I must confess that seeing my hon. friend on that side of the chamber I wonder how, with so many good Conservatives in that section, he was returned to the house.

Mr. DONNELLY: I wonder at it myself.

Mr. McINTOSH: They are mostly all in the post offices.

Mr. MANION: To members who have entered the house in recent years, I desire to say that patronage is to a large extent simply work cast upon the shoulders of the member.

Some hon. MEMBERS: Hear, hear.

Mr. MANION: Take my own experience. I do not presume, although mine is a very fine constituency, that the people there are higher minded than elsewhere, but they do not bother me for positions. To-day practically all appointments are made by the Civil Service Commission, and this has been the practice since the formation of the commission. I find that with rare exceptions the people are satisfied with this method. I believe a similar condition exists throughout the country to a large extent, and that the

people by and large heartily approve of the elimination of the old patronage system, although probably it was abused more than it deserved to be. In this view our people are in harmony with public opinion in England, the United States and other countries. Because of this strong public opinion in favour of the merit system under the Civil Service Commission, I think the iminster should hesitate long before going back to a system which, rightly or wrongly, has become discredited. On the whole I believe the Civil Service Commission have given the country reasonably satisfactory service, and whatever faults they may have—and no doubt no commission is perfect—those faults are few and slight compared with the condition of affairs under the old system. I repeat, by this bill the minister is laying up a store of troubles, and I think later on he will deeply regret not leaving these appointments almost entirely in the hands of the Civil Service Commission.

Mr. POULIOT: Suppose two men equally qualified applied to my hon. friend for a position, one a partisan, the other a non-partisan, which man would he appoint?

Mr. MANION: I say without any hesitation at all that if I were making the appointment, and the partisan was just as good a man for the position as the non-partisan applicant, I would without question appoint my friend. Please note, I say if I had the making of the appointment. The appointment should be left to the Civil Service Commission. But let me remind my hon. friend who is such a loyal supporter of the Prime Minister, that on one occasion I heard the right hon. gentleman abuse us on this side as though we were pickpockets because we had the temerity to appoint Conservatives to the Senate. In his view that was one of our greatest crimes. At a meeting a few days later I frankly stated that I wondered if he expected us to appoint Liberals. That was the idealistic attitude taken by my right hon. friend, and in view of his opinions in those days I think he should support me in my stand that the Minister of National Revenue should leave to the Civil Service Commission the appointments dealt with in this bill.

Mr. POULIOT: There is always sound sense and good humour in my hon. friend's remarks, even when he speaks seriously.

Mr. MANION: Good humour is one of the blessings of life.

[Mr. Manion.]

Mr. EVANS: Mr. Chairman, I raise my voice in protest against this bill. Subsection four of section one provides that:

> The minister may, after such examination as he may prescribe, select and nominate suitable persons for appointment by the Civil Service Commission.

In my opinion nothing could be better calculated to undermine the work of the Civil Service Commission. Year after year we have seen numbers of civil servants withdrawn from the control of the Civil Service Commission. These withdrawals total several thousand, and simply mean a return to the old patronage plan. I realize that in this we are face to face with one of the most important but intricate functions of government—the control of the civil service. Having at great expense set up the machinery for the filling of all offices in the civil service, we find whichever party happens to be in power year after year taking away from the control of the Civil Service Commission many civil servants.

I am surprised at the Minister of National Revenue bringing in a measure of this kind, for only lately I read his sentiments regarding this question as expressed by him in 1921. I believe with the member for Fort William (Mr. Manion) that what the minister is seeking will undoubtedly lead him into trouble. The whole country is alarmed at the attitude which the government is taking towards the Civil Service Commission, and I shall be only doing my duty by reading a letter which I have received from the Saskatchewan Customs and Excise Officials' Association. This is dated April 27, and is as follows:

> As you are no doubt aware the honourable the Minister of National Revenue introduced a resolution in the house on the 30th ultimo seeking to amend the Department of National Revenue Act granting authority to enable him:
>
> (a) To appoint and pay certain officers (appraisers, special excise officers, investigators of values and drawbacks, etc.).
>
> (b) To grant gratuities to officers in lieu of leave of absence, in order to permit replacing such officers so retired immediately.
>
> (c) To arrange such promotions and transfers as are in the public interest.
>
> The adoption of this would be a radical departure from the present system of making appointments through the Civil Service Commission, so far as paragraphs (a) and (c) are concerned; with paragraph (b) we are in accord.
>
> This association views the resolution with deep apprehension, and cannot conceive of it as being in the best interests of civil service reform. We further believe it to be unnecessary, as the method of filling vacancies, promotions, etc., administered under the Civil Service Act at present is adequate and just to all concerned.

I have been asked by this association to lay our views before you on this matter, trusting I am not assuming too great a liberty, and that your view on this may agree with ours.

I am,

Yours very truly,

T. W. McPHAIL,
President, Sask. C. & E. O. Assoc.

The government, in my opinion, is taking a retrograde step. For many years, in the west particularly, farmers' associations have had as one of their chief planks the abolition of patronage. I view with apprehension the present proposal and, I repeat, the government is taking a retrograde step. With others who have spoken against the proposal I therefore protest against the bill in its present form.

Sir GEORGE PERLEY: Why is the minister using the name of the Civil Service Commission in the bill as draughted, leaving them without power? Why did he not bring in a bill simply to give the government power and the minister authority to appoint these men, not mentioning the Civil Service Commission at all?

Mr. EULER: When the resolution was under discussion the other day, I think I explained the provisions of the bill fairly fully, and I believe I also anticipated to a large extent the objections that have been raised to-day. For that reason I do not propose to review them at any length; but I might perhaps make one or two observations, called forth by some of the remarks we have just heard. Let me deal in the first place with the question raised by my hon. friend (Sir George Perley) which was asked the other day and to which I replied. The hon. gentleman asks why, instead of taking the recommendation of the Civil Service Commission, the minister does not himself make the appointment. That is the question as I understand it. I said the other day, and I say again, that this provision was included at the suggestion of some of my friends in this house who felt that if the minister were obliged to make a recommendation to the Civil Service Commission it would at least act as a check, or a brake, as I described it then, upon him if he desired to make any political appointments. That is the sole purpose of the insertion of this requirement, that the nomination shall go first to the Civil Service Commission. Moreover, it places on them a certain responsibility, and, after that, a responsibility on the minister and the government itself, because the minister himself does not make the appointment. Even if the Civil Service Commission declines to make the appointment it goes to the governor in council, and that again constitutes a second brake upon the activities of the minister if he is exercising them in a wrongful way.

I really propose to answer only one objection—the main objection. I believe there is only one objection, and that is that this is an attempt to interfere with or to wipe out the principle of the Civil Service Commission. Let me say that this is not such an attempt; it is not intended to interfere with the principle under which the Civil Service Commission operates. And this is not the first occasion on which an exception has been made.

Mr. KENNEDY: Does not the minister think that while it may not be his intention—I do not believe it is his intention—to open the door to patronage, it actually does open the door to any future minister who may wish to take advantage of it?

Mr. EULER: If the hon. gentleman will permit me to go on I will answer that question. That is not a departure at all. There are exceptions to practically all rules. The mere fact that there is an exception presupposes that there is a rule, and the rule is not abolished because an exception is made to it. Some years ago, after the Civil Service Commission had been established and after the Civil Service Act of 1918 had been passed, I was a member of the house when, in 1921, an effort was made by the then government, the Union government, in what was known as the Spinney bill, to make exceptions which were far wider in their scope than this little bill of mine. In fact, as I remember—and I was a member of the committee that considered that bill—the Spinney bill proposed that the appointment of certain technical officers throughout the whole service, not only in the Customs department, but in the entire service, should be removed from the control of the Civil Service Commission and be vested again in the ministers, under what you may term patronage, if you care to do so.

The statement has been made to-day that the minister has reversed his position—that although I have been always in favour of the Civil Service Commission I have changed my mind. Now, if my experience showed me that I was wrong in anything, I hope I should have the courage to admit that I was wrong and that I should not be afraid to say that I had changed my mind. But in this particular I have not changed my mind. I can quote from the very speech from which the hon.

member for Vancouver Centre (Mr. Stevens) and, I believe, the hon. member for Fort William (Mr. Manion) quoted, to show what attitude I then took. I quote the following:

I understand—

I said.

—that the Minister of Immigration (Mr. Calder) proposes another amendment to the effect that during the recess the deputy ministers and the Civil Service Commission may get together to decide as to what other employees should properly be exempted from the operations of the commission.

Quite plainly there was an effort then to remove from the control of the Civil Service Commission certain employees. I said:

Now, I quite agree with that suggestion—I made it myself—

I had made it in committee.

—but there is this difference between us: the minister would give the commission power to make these exemptions, in other words, to have an accomplished fact and to report to parliament. My contention was that they in their wisdom should come to a decision so far as was thought advisable in regard to what changes should be made, but that they should not have the final say, but should come with their recommendations to parliament, and that then parliament should deal with those recommendations on their merits.

That is exactly the position I take to-day. The exemptions we make to-day do not go so far as the exemptions then proposed, and my proposal is that parliament, rather than the Civil Service Commission, shall pass upon them. I am to-day just as much in favour of the principle of the Civil Service Commission as I have been at any time, but I hope I do not propose to drive a theory to an absurd conclusion if experience shows me that there may be advantage in a slight modification of it. And the fact that there is some modification of it does not, I contend, destroy the principle.

Mr. McQUARRIE: Is it not a fact that this bill will eliminate the preference which is given, under the Civil Service Act, to returned men? Would the minister consider a suggestion that he provide in this bill that this preference shall be retained?

Mr. EULER: I have answered that question before. There is no intention on the part either of the minister or of the department to discriminate against returned men. Other things being equal, they are supposed to get the same preference now as they got before. And the same applies to those already in the service.

Mr. McQUARRIE: Will the minister put that in his bill?

[Mr. Euler.]

Mr. EULER: No, I will not. As I have already said, there is only one reason for this bill. Until some months ago the customs department was being severely criticized for inefficiency and other things; it was criticized by parliament, by a parliamentary committee, by the press and more recently by a royal commission which investigated that department. Many changes have been made, I think for the benefit of the service; in accordance with some of the recommendations made by the commission the department sees other ways in which improvements can be made in the service, and I hope hon. members of the committee will believe that is our only purpose in introducing this bill and suggesting these changes, which are very moderate in themselves. With that I think every member of the committee will agree, although I will admit that there may be honest differences of opinion as to the method which should be followed.

As I have already said, the bill is very moderate in its scope; it does not go nearly so far as the recommendations of the royal commission. The hon. member for Vancouver Centre quoted from the report of a committee appointed by himself, which I continued after I came into office; the report of that committee does not agree entirely with the reports of other committees. We have another body known as the Commercial Protective Association, which took an entirely different view, going even further than anything we have embodied in this bill. Better than that, and I think I may say that fairly, a deliberative body was appointed by this government consisting of three judges, who made a most exhaustive investigation extending over about a year; they recommended that the minister be given control over these appointments as well as over appointments to branches of the department other than appraisers and investigators. Although this may be contradicted in a sense, the minister takes no responsibility and no power for making these appointments.

Mr. ADSHEAD: Will the minister repeat that last statement?

Mr. EULER: The minister takes no power to make appointments himself; he first makes recommendations to the commission. As far as I am concerned, and I think this would be carried out by any other minister, that course will be followed, and I think the house should admit that when men come into positions of responsibility they at least feel that responsibility to the country and are not constantly thinking of ways to exercise politi-

cal patronage and so on. If in order to obtain the results we all desire in connection with the reorganization of the department it is necessary to depart in a small degree from the exercise of a general principle such as is contained in the Civil Service Act, I have no apology to make, and I say that quite frankly. To me, the object to be attained is more important than slavish observance of a principle—not a moral principle—if it is shown that by such a slight deviation from that principle, in peculiar circumstances, we can obtain better results. Surely we should learn something from experience. I can say that in the short time I have had some responsibility in the matter I think I could make even some further suggestions than those contained in this bill, all of which would be for the benefit of the service. The point I desire to make is this: There is no attempt to drive a horse and wagon through the principle of the Civil Service Act; this bill merely establishes an exception to the general rule, as has been found advisable through experience. I might appropriately quote that old saying: "The Sabbath was made for man, and not man for the Sabbath." I think that applies equally in this case; I am not criticizing the Civil Service Commission, but it was made for the good of the public service, and the public service was not made for the good of the Civil Service Commission.

Sir GEORGE PERLEY: I would just ask a question there. Let us suppose that next year one of the minister's colleagues wishes to bring in a similar bill with regard to his own department in order to control appointments. What would the minister say?

Mr. EULER: If he could make a case as good as I think I am making I believe parliament should grant his request. Now let us see for a few moments what is actually in the bill to which so much objection has been taken. It proposes that out of the 5,500 odd employees of this department some 200 or possibly 250 positions shall be taken from under the control of the Civil Service Commission. There are not more than 250 appraisers and special investigators throughout the service, not only in Ottawa but in the various ports throughout the Dominion. Most of these men will remain where they are; I do not even say that any of them will be removed from the place they now occupy, so only a small percentage of those people now occupying the position of appraisers will be actually affected by the enactment of this law.

Mr. McQUARRIE: There is also the preventive service.

Mr. EULER: Yes, but that is now under the control of the minister, and the minister proposes to take that away from himself and give it to the governor in council.

Mr. McQUARRIE: Why?

Mr. EULER: I will come to that in a moment. He is doing that because he desires to exercise patronage as little as possible, although I am afraid my friends will not believe that.

Mr. BENNETT: Afraid to be responsible for these appointments?

Mr. EULER: As I have said, for these positions, which—outside the preventive service, which is already under the control of the minister—total some 200 or 250 officers, the minister may make a selection, nominate a man, and recommend him to the Civil Service Commission, which shall make the appointment within a stated period. If the commission refuse to make the appointment, the minister makes it himself, not as recommended by the various commissions but through the governor in council. I will freely admit that the bill in effect places the power of selection and appointment of this small class of officers in the hands of the department or of the minister, if you like it that way, because if the minister has the confidence of his colleagues I should think and expect that when he makes a recommendation to his colleagues in council, in the great majority of cases they would accept that recommendation. If council did not do so I think it would be an intimation to the minister that he did not enjoy the confidence of his colleagues.

That is the one vital thing in the bill; that small class of officers in the service, the appraisers and the investigators, in effect shall be appointed by the minister, upon advice of the board of appraisers, if you like to put it that way, through the governor in council. Now the question arises as to why we should make a change in the method of appointing these appraisers. This is done primarily because of the absolutely vital importance of an efficient appraisal staff. If that staff is not what it should be, if the men are not experts skilled in the work which they have to do, the result will be a great loss to the revenues. The tariff is based directly on valuations of goods; if these valuations are too low it is not necessary to point out that the revenues must suffer very seriously. Unless the appraisal system is excellent, and better than it is to-day, we are not going to

receive the revenues we should receive, and my protectionist friends would be justified in saying that the manufacturers of this country did not receive the protection to which they were entitled. Let us see for a moment what the different commissions and others think of the necessity for a proper appraisal system, although I do not desire to delay the committee at any great length because I think most hon. members are already seized of the importance of this matter. First let us consider the Commercial Protective Association, whose representations received very great attention from the parliamentary committee. Speaking of the board of appraisers, they say:

That the board be given power to retain such appraisers as they deem competent and qualified and to appoint, with the minister's approval, and notwithstanding the provisions of the Civil Service Act, such further appraisers as may be required from time to time—

Then a little later:

In dealing with important merchandise and in ensuring that the full duties provided for in the law are collected, it is above all things essential that there should be an efficient system of appraisal by competent appraisers.

The appraisal system is the very heart of the whole system of the collection of customs revenue, and if the appraisal system is not sound there is bound to be inefficiency and failure to detect frauds.

The Canadian appraisal system is lamentably weak. At many ports there are not a sufficient number of capable and efficient appraisers to give that prompt service which is so essential to the conduct of business. At the smaller ports men are acting as appraisers in addition to performing other duties—men who have not had the training to fit them for their duties as appraisers, and at all ports the rate of pay is so inadequate that trained experts cannot be prevailed upon to enter the service.

The parliamentary committee reported as follows:

First, the methods of appraisal are exceedingly careless and fail to safeguard the interests of the importer, or the revenues of the country from being defrauded by undervaluation, and, secondly, persons appointed as appraisers are in many instances untrained in the branch to which they are appointed.

And the royal commission reported as follows:

This question touches not only the administration at the department in Ottawa, but extends through all the ports in the Dominion.

It has been recognized and must be admitted that a proper system of appraisal lies at the very base of the customs administration. It is almost axiomatic that the staff of appraisers should possess the necessary expert and technical knowledge to enable them to discharge their duties efficiently. The present system fails to provide a staff of appraisers to meet these requirements.

Our inquiry has shown that the present system of appointing appraisers or other officers requiring expert or technical knowledge is unsatisfactory, and we are convinced that where expert and technical knowledge is required, the examination of the applicants for positions should be conducted by those who are specially qualified to act in the premises.

We are of opinion that all appointments to the office of appraiser at the different ports of the Dominion should be made by the minister after examination of the applicants by the board of appraisers.

We quite recognize that this method of appointment would conflict with the system now in vogue under the Civil Service Act, but notwithstanding this we are of the opinion that this method should be adopted.

This was also the opinion of the Commercial Protective Association.

The present system has been wrong. It has been possible to do this, and it has been done: A man, we will say, was appointed to the position of customs truckman, an important and respectable position. Then he might be promoted to be a computing clerk, in which position he would learn about the various rates in the tariff, but he would not learn one thing about the values of goods, or the worth of commodities. And yet, that man might be, and has been, appointed to the office of appraiser in an important port. You cannot expect this man to detect undervaluation.

Sir GEORGE PERLEY: But he could not be appointed without the approval of the minister.

Mr. EULER: I think you will find that only in a very few instances do the ministers desire to reject appointments that are made by the Civil Service Commission.

Mr. BENNETT: There was a very good illustration of that the other day right in this city.

Mr. EULER: You have not found very many in the Department of National Revenue. To appraise properly, a man requires to have expert knowledge of commodities, which only a skilled and qualified man possesses. I am not here to criticize the Civil Service Commission. I think they are doing a good work, but I do say this: they are not as well qualified to pass upon the merits and qualifications of appraisers as the officers of our own department. The matter of personality enters into it also to some extent. Our board of appraisers are personally acquainted with men expert in the valuation of commodities throughout the whole country. They become personally acquainted with the men that are already on the staff. I may say, to quiet the fears, perhaps, of some of our own officials, that we have no intention of calling in men from the outside if we have men in our own

service who ought to be promoted and who have full knowledge of the work we want them to do. But I will also say that if we find we have a peculiar position, a position that requires a peculiarly intimate knowledge of some particular commodity, and we cannot find the man in the service, or cannot find him among the returned men, we will have no hesitation, and I think we would be justified, in going outside to find a man that can do the work properly, and thus protect the revenues of the country.

Mr. Chairman, that is practically the whole story. The royal commission says, the Commercial Protective Association says, the executive officers of the department say, and the minister believes that competent appraisers can be selected most successfully by the experienced officers of the department. They know those within and outside of the department who are best qualified.

I just want to repeat, in conclusion, that after all the minister has delegated some of the powers that he now has, or that might have been assigned to him by the recommendations of the royal commission. This power has been delegated, in part, to the Civil Service Commission, and finally to the governor in council. The commission recommended that the auditors under the Special War Revenue Act, commonly known as the Sales Tax Act, should be appointed by the minister. The minister has not chosen to follow that recommendation, but preferred to leave it with the Civil Service Commission. I believe that the matter of the appointment of auditors will be worked out properly by the commisison. I do not desire to interfere with the function of that commission any more than seems advisable.

With regard to the preventive service. As it stands now, the special preventive service, consisting of a force of some 300 men, is appointed by the minister himself. In the future, if this bill passes, the appointments to the preventive service will be made in the same way as it is proposed to appoint appraisers and special investigators. Again, to that extent, the minister has divested himself of the powers which he has had.

I have stated before that the provisions of the bill are very moderate indeed, and we are going to observe the principle of merit and promotion. I believe in the principle of the Civil Service Commission; I cannot say that too often. I have no desire to interfere with the commission, but I also believe that there are exceptions to every rule. I do not believe in following a theory at all points merely in order to be consistent; I believe in the exercise of common sense, where practical experience shows that the theory does not always serve the purposes of efficiency.

Mr. CLARK: Why does the minister so emphatically refuse to insert a provision similar to that in the Civil Service Act, relating to returned soldiers?

Mr. EULER: I do not think that any bill should be burdened with too many provisions. If the minister desired not to obey that, there would be absolutely nothing to prevent him from exercising favouritism as against returned soldiers. I do not see where it would have any practical effect.

Mr. CLARK: As it now stands, it gives the minister every opportunity of exercising discrimination against returned soldiers.

Mr. EULER: Which he would also have in the other case.

Mr. CLARK: If there was an expressed statutory requirement that returned soldiers should be given preference, all things being equal, the minister would be bound to give preference to returned soldiers.

Mr. EULER: Who would be the judge as to whether all other things were equal?

Mr. CLARK. That is just the point. The minister is admitting now that he is not a fit and proper judge.

Mr. EULER: I am admitting nothing of the sort.

Mr. CLARK: I cannot take it to be otherwise.

Mr. EULER: If the minister desired to use his position in a wrongful way, to discriminate against the returned men, he could do it just as well when the provision was inserted in the bill. It would still be entirely within the judgment of the minister himself as to whether the returned men were fit for the positions. If he did not want to appoint them, he would say that he would not recommend them as fit for the positions.

Mr. CLARK: We may assume, at any rate, that every minister will exercise an honest judgment, and not one of prejudice. If he does that, and if the statute requires him to give that preference, then his own honesty will dictate that course and he will give the returned soldiers the preference.

Mr. EULER: His own honesty ought to dictate that course anyway.

Mr. CLARK: Certainly it ought to dictate the course in any case, but if there is in the legislation a provision similar to that in the Civil Service Act, it will be a guide which will restrict all ministers to a principle; and I hope we may assume that this minister and all succeeding ministers will be honest in the way in which they carry out the spirit and intention of the act. I believe that in all the findings of the royal commission no returned soldier was involved in the customs scandal, and I think the same preference should be given to them in this regard as in employment generally throughout the civil service.

Mr. TOLMIE: I am glad to say at the outset that this is one occasion upon which I find myself in entire accord with the hon. member for Rosetown (Mr. Evans). Perhaps we have not agreed very often in the past. What has not been made clear by the minister is whether or not with his selections as proposed in the bill he is going to improve conditions. I do not see why the Civil Service Commission, properly equipped and furnishing itself with proper information necessary to fill each one of these positions, cannot make just as good a selection and perhaps a more independent one than is suggested under the bill. The admission of the minister in response to the inquiry of the hon. member for Argenteuil (Sir George Perley) is a clean-cut indication that this is only the thin edge of the wedge, as has been suggested by some of the previous speakers. The minister replied to the effect that if some other minister next year applied to have a similar change introduced into his department and put up a good enough talk, such as our friend has done, there is no reason why that minister should not be granted the same privilege. This might be carried all the way down the line. One of the strongest recommendations for the use of the Civil Service Commission is the fact that the great body of civil servants of Canada appear to be thoroughly satisfied with the scheme and also satisfied that it is an improvement on the old patronage system.

This bill has created a good deal of speculation, and doubt, as to just how far it is proposed to proceed. It is looked on in some regards with a good deal of suspicion. I rose just in order to make very clear my position as being opposed to the return of the old patronage system. Having occupied the position of a civil servant for many years, I feel that appointments should be made as have been done in recent years, namely, by the Civil Service Commission. Civil servants should be permitted to retain their independence, and I do not know of anything more humiliating to the service than to have to approach some politician hat in hand to ask for a job for which he has every right to apply. I believe in those positions being filled by the Civil Service Commission in a clean-cut, impartial manner. So long as the Civil Service Commission makes the selection, let them select the best man and get efficiency at any cost, and let us not return to the old system of patronage which has been so unsatisfactory in the past.

Mr. WOODSWORTH: I must congratulate the minister on his mode of presentation. He can say in a very mild and moderate manner the most dangerous things. That is just the trouble at the present time. He says that this is not a new departure. As a matter of fact that is quite true. Last year or the year before the minister came to parliament in the same way asking that preventive officers should be taken out of the civil service.

Mr. EULER: They were out already.

Mr. WOODSWORTH: I can remember very distinctly—and I think I am correct in saying this—that a new force was to be put on comprised of men who would not come under the civil service, and who would be freer to act than civil service appointees would be.

Mr. EULER: Just to put the matter right, I think my hon. friend should understand that it was merely proposed to add to the number of the special preventive force, the nucleus of which had been appointed the year before by the minister himself. It was merely adding to that; it was not a new creation.

Mr. WOODSWORTH: It was a distinct extension of the scheme and would result in putting a larger number of people outside of the civil service. I can remember some of us opposing it at the time and pointing to the disastrous results in the United States where the preventive service had been taken from under the civil service organizations and had become essentially a patronage organization. I say again, unfortunately this is not a departure, because again and again and again during the last few years there have been attempts on the part of the government still further to extend the number of those groups of government employees who come entirely outside of the civil service. I have under my hand a list of such exemptions. It has been placed on the record repeatedly and I do not think it is necessary to do so again, but it shows clearly that this is by no means a departure but seems to be a part of the policy of the government. The minister said very mildly that he believes the object to be attained is more than slavish maintenance of a

principle. If I made such a statement as that I am quite sure that many hon. gentlemen would rise and quite rightly to object to such a dangerous doctrine. Slavish maintenance of a principle! Some of us are inclined to think that we must stand by our principles and that the government ought to stand by its principles, if it has any, in such a case as this. The trouble is that this is throwing the door wide open to expediency of every description; if this can be done in one case it can be done in others, as the minister himself has admitted. He says: If this particular thing can be better done in this way, by all means let us choose this way. That doctrine could be applied to-day in every department of the government service. We are told with regard to one particular matter: Oh, well, this is a very high appointment; we ought not to trust it to the hands of the Civil Service Commission; it is too technical a service; it is too exalted a position; it must be decided by the government itself. Then the next thing that comes up is the question of digging mud in the banks of the Rideau canal, and we are told that this is an exception; that really no board could determine whether or not men are fitted to dig mud, to dig ditches, and that appointments must be made by the government. So in regard to department after department, the same argument is applied. I mention again this dangerous statement of the minister: "The object to be attained is more important than a slavish maintenance of a principle". That is a very fair statement of the position of the government in this case.

There is one other statement that the minister made, that I should like to repeat. He made this also in such a very moderate way that it sounded very well in the house. I am not quite so sure that it will—I was going to say "sound well" in print, but I had better put it, I am not so sure that it will appear to quite such advantage in print. He said:

> It is of vital importance that there should be an efficient appraisal staff.

It seems to me that the minister in making such a statement as that is in reality indicting the Civil Service Commission. If the Civil Service Commission are not in a position to make appointments that are efficient, then I say let us get rid of the present commission, because I quite frankly confess that it is quite possible that the personnel of the Civil Service Commission leaves much to be desired.

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: That is quite possible, and the government has that matter in their own hands. But the way to secure reforms is not to set aside the principle that is behind the establishment of the Civil Service Commission. The way is open to the government to deal with the Civil Service Commission itself. That is what I should like to emphasize. It may be that around the Civil Service Commission there has grown up a certain kind of patronage. We hear that about the corridors, and it may be quite true. It may be that there is favouritism shown by the Civil Service Commission, and there might very well be an investigation held in connection with such matters, because these charges are heard in so many quarters that probably there is some basis for them. I say, let the government investigate the work of the civil service commissioners, their methods and so forth, but let us not set aside the principle underlying the Civil Service Commission.

The hon. member for Vancouver Centre has presented the case for the maintenance of the principle of competitive examination and of freedom from patronage in such a clear and able fashion that I do not think it is necessary for any of us to say very much more along that line. As far as my own part of Canada is concerned, we are absolutely opposed to breaking down the idea behind the Civil Service Commission—absolutely opposed. The Free Press has been quoted; the Tribune might also have been quoted. These, I take it, are fair expositions of the general attitude of the people in my own city and throughout the west.

As far as the employees of the Dominion government are concerned, I have had a number of communications from various parts of the country and from different organizations. I shall content myself with reading one, which I think is fairly typical of all. It is one coming from my own city of Winnipeg, and from an organization that is closely affected by the changes proposed in this bill. It is from the Manitoba Customs and Excise Officers' Association, signed by the secretary, and reads:

> Reference resolution fifteen March thirtieth now before parliament dealing with certain amendments to the National Revenue Act. Manitoba customs excise officers' association wish to go on record as being opposed to any departure from the present system of appointment and promotion by merit in the civil service. We are of the opinion that the passing of this resolution would be detrimental to the efficiency of the service by removing the incentive of promotion, and because there is no safeguard in the resolution that appointments and promotions would be made to qualified appointees. We are unalterably opposed to anything that might leave an opening for the return of patronage in the civil service. Kindly take up with all Manitoba members with request for support.

I would simply in these few words add my protest against that movement which seems to be growing at the present time to disregard the principle underlying our Civil Service Commission.

Mr. ROSS (Kingston): I think that this marks the minister's retreat from the high standard which he has taken in the past in regard to governmental matters. Some members of the cabinet have openly confessed that they retreated long ago, and that they have adopted the principle of destruction of the civil service commission. But in this case the Minister of National Revenue tries to hide his retreat behind the declaration that he does not want to appoint anybody. He says that the minister will not appoint; that the governor in council will appoint. Now when he retires within the secret council chamber, what will be the conditions there? He will ask the Minister of Immigration to appoint an appraiser of silk goods. He will ask the Minister of Agriculture to recommend the appointment of an appraiser in Paris hats and costumes. He will ask the Prime Minister possibly to appoint an appraiser in knitted goods, or silks, or stockings, or something of that kind.

Mr. EULER: On what does my hon. friend base a statement of that kind, that any individual member of the cabinet will be asked to make a recommendation?

Mr. ROSS (Kingston): I am putting it in that way so that the minister will see the ridiculous position in which he is placing himself.

Mr. EULER: The hon. gentleman is putting himself in a ridiculous position.

Mr. ROSS (Kingston): The suggestion is ridiculous, of course, because nobody but the minister himself will make the recommendation. Then why resort to the camouflage of saying that the governor in council will do it? It is the minister himself, and no one else, who will make the recommendations. If he did not, he would have to resort to the ridiculous procedure I suggest, such as asking the Minister of National Defence to recommend an appraiser for musical instruments, or the Minister of Justice to recommend an appraiser for oriental rugs, and so forth. The thing is so ridiculous that one must laugh at the minister, and wonder if he can really believe that the members of the House of Commons are so innocent as to accept his statement.

Passing from that, because I recognize that it is the minister's retreat that is shown in his acceptance of this bill, I would ask that in his retreat he will nevertheless boldly stand out for the returned soldier, and see that he is placed in the same position in which he stands under the Civil Service Act. I ask him now in his retreat simply to see that an amendment to that effect is placed in this bill before it receives its third reading.

Mr. McQUARRIE: The minister has made his position perfectly clear in regard to returned soldiers, that he will not include in this bill a provision such as is contained in the Civil Service Act giving a preference to returned men.

There is another matter which it seems to me should be taken care of in this bill, and that is the preference that is given under subsection 3 of section 21 of the Civil Service Act to residents of localities where the appointments are to be made. That subsection reads as follows:

> Except as to appointments to positions in the headquarters of the several departments and other portions of the civil service at Ottawa, the appointments to any local positions in any province shall, so far as practicable, be made from bona fide residents of such locality.

I remember when that provision was put in the Civil Service Act. As a matter of fact, I myself moved that this particular provision be inserted and was responsible for having it embodied in the act, and my reason for doing so was that we had found that men and women from other provinces were being brought into British Columbia to fill civil service positions there. That was most objectionable because we considered that we had in the west people who were quite capable of filling these positions, and I remember giving certain instances at that time of appointments which had then recently been made. It seems to me that that principle is being departed from in this case. It is a principle that I think should be preserved in this bill. I believe that, so far as practicable, appointments should be made from among the residents of the locality where the vacancy occurs. I would ask the minister if he is willing to consider an amendment to his bill to take care of that principle.

Mr. EULER: I would say in reply to my hon. friend that the whole purpose of the department in this bill is to try to secure the most capable men for these positions. If it should be found necessary in carrying out that intention to take a man from one part of the country and put him in a position in another part, if I thought that the interests of the service would best be served by so doing, I would have no hesitation in making

such an appointment. I should hope that ordinarily men would be taken pretty generally from the district in which they live, and in all probability it would be so done in the great majority of cases; but I do not desire to lay down an absolute rule which would merely destroy the purpose of the bill.

Mr. McQUARRIE: Would the minister embody in his bill subsection 3 of section 21 of the Civil Service Act?

Mr. EULER: No.

Mr. ADSHEAD: Subsection 4 of section 1 provides that:

> The minister may, after such examination as he may prescribe, select and nominate suitable persons for appointment,—

And so on. I understood the minister to say that in the regulations to be prescribed he intends to have the board of appraisers conduct the examination of candidates. If so, why not substitute for "such examination as he may prescribe" the words "examination by the board of Dominion appraisers"? If he intends to put this in the regulations, I do not see why he should not embody it in the bill.

Mr. EULER: Ordinarily we should not attempt to clutter up a bill with what might much better be dealt with by way of regulations; otherwise statutes would be burdened with a great deal of unnecessary matter. But I presume what is in my hon. friend's mind is that the recommendation should go direct from the board of appraisers to the Civil Service Commission in order to avoid what he fears, that the minister himself might exercise political patronage. Am I correct?

Mr. ADSHEAD: It would certainly exclude any supposition of that kind.

Mr. EULER: My answer is this. The purpose he desires to serve would not be served by inserting in the statute the words suggested, for the simple reason that the members of the board of appraisers are appointed by the minister. If he desired to use his power in a wrongful way, he could use it just as easily through the board of appraisers as in any other manner.

Mr. ADSHEAD: Surely if the board of appraisers recommended certain candidates, and the minister did not want them, he would not go to the extent of dismissing the board.

Mr. EULER: No.

Mr. KENNEDY: On several occasions, Mr. Chairman, the minister has stated that it is not his intention to exercise political patronage—to give jobs as rewards for political services. I do not imagine it is his intention; I never did. But at the same time the house is putting him in the position under this bill of being the one who shall determine what candidates shall be appointed. For instance, the Civil Service Commission may not appoint the person named by the minister in the first place. Then of course there is what the minister terms an additional safeguard; if the appointment is not made by the commission it is made by the governor in council. But there is no use for any of us to think that the governor in council will call candidates and examine them. It is simply a question of accepting or not accepting the minister's recommendation; and he has stated that they will accept his recommendation. Undoubtedly this constitutes patronage, in that it gives him power, as head of the department, to make appointments. The burden of his argument is that he needs qualified appraisers. If that argument is sound, I may point out that a similar argument has been used in connection with the preventive service, and to-day the minister stated that he intended to put the preventive service back under the Civil Service Commission.

Mr. EULER: No. I stated that appointments to the special preventive service, now entirely under the minister, would be made in exactly the same way as appointments of appraisers.

Mr. KENNEDY: The member for Bow River (Mr. Garland) on April 23 inquired of the ministry with regard to the preventive service. That return has not yet been brought down, although it passed the house some time ago. Whatever may be said with regard to statements made by the minister and other members of the government when they were in opposition, I think it is easy to demonstrate by referring to the debates of this house that all ministries handle patronage appointments in a way that they would not readily admit should be handled by the representatives of another party if it was in power. That seems to be the general attitude. Most of the declarations read this afternoon were made by members now sitting to the right of the Speaker when they were in opposition.

I think it will be generally conceded that not only the people, but civil servants themselves, are afraid of patronage. In the abstract, patronage has been condemned by everyone except those who for the time being have been handling it. I have before me two telegrams that were sent to my desk-mate (Mr. Garland). He is not in the house this

afternoon or doubtless he would be reading them himself. The first telegram is as follows:

E. J. GARLAND,
House of Commons,
Ottawa, Ont.

Understand resolutions before parliament affecting appointments and promotions in Department of National Revenue. This association believes appointments and promotions under Civil Service Commission as at present preferable to anything savouring of return to patronage, and beg that you use your influence accordingly.

GEORGE EDGECOMBE,
Secretary,
Northern Alberta Customs and Excise Officers Association.

The other message is from Quebec:

E. J. GARLAND, M.P.

With reference to proposed amendment to National Revenue Act introduced by honourable Minister National Revenue, we respectfully submit that if resolution is carried in its original form the very object which the Civil Service Act nineteen eighteen had in view would be defeated; and we respectfully draw your attention to the fact that if said resolution is pressed in house same should be strenuously opposed, because if carried would simply mean a return to patronage, a state of affairs which we believe to be detrimental to the service, as it would deprive an officer of incentive in the way of promotion and tend to lessen the morale of the service and impair its efficiency.

Quebec Customs and Excise Officers Association.
J. A. YOUNG, President.
W. P. FITZPATRICK, Secretary.

There is no question, Mr. Chairman, that the minister is asking for power that in the hands of his successor might be used to set up a system of patronage in the department. The minister is quite emphatic in his refusal to consider any amendments regarding returned soldiers or tending otherwise to restrict the power under this bill to determine who shall be appointed to the positions dealt with. For that reason I am opposed to the bill. Of course the minister may be quite confident that he has the necessary majority to vote the bill through anyway. But we have taken a stand against anything of this sort in days gone by, and I think it is only proper that we should stand by the Civil Service Commission until we can see it demonstrated, by reference to past experience, that it has been better for the civil service and for the revenues of the country that civil servants should be appointed on any other principle than the merit system. Of course, it is easy to show that mistakes have been made in the past under the merit system. No system is perfect. But after all we are dealing with patronage versus the merit system, and I do not think there is anyone to-day, in a responsible position, who will stand up and defend patronage as against the merit system.

Mr. EULER: I decline to be put in the position of appearing to be opposed to any preference being given the returned men, or of desiring the abolition of the merit system. I want to say emphatically that such an attitude is entirely foreign to my intention. It is merely a question of embodying an amendment in the act, and I do not see how any such amendments as my hon. friends suggest, incorporated in the act, would ensure against a minister who deliberately desired to exercise discrimination either against men already in the service or against returned men.

Mr. KENNEDY: The bill gives the minister power to ignore the commission.

Mr. BENNETT: I do not propose to trespass long on the time of the committee, but I do submit that the minister has approached the matter from the wrong standpoint. He has endeavoured to make an exception to the rule; what he should endeavour to do is to bring all appointments within the rule. That is what he should be labouring to accomplish to-day instead of seeking to discover exceptions to the rule. I find that when the Spinney bill was considered by parliament it was based upon a report submitted by a select committee, of which the Minister of National Revenue (Mr. Euler) was a member; and in making a speech on that occasion in reference to the report, the hon. gentleman said:

> Technical, professional and scientific employees, it was generally felt, should be appointed with the advice of the deputy heads of the departments.

It is for that principle that we on this side of the house contend; that is to say, that technical and professional men should be appointed with the assistance of deputy heads of the departments. But the appointing power should be with the Civil Service Commission. Any departure from that principle is wrong, and in this instance the minister is departing from it, although he is endeavouring, by a clever use of words in his bill, to utilize the Civil Service Commission in order to give an air, shall we say, of fairness to proposals that are purely political.

Now, we are not dealing with the minister himself, if he will only bear that in mind. We are not dealing with the hon. gentleman personally, but with the Minister of National Revenue, in relation to the question of ap-

pointing professional or technical men with the assistance of deputy heads of departments. That is the subject matter of the discussion. We desire efficiency in the public service. How shall that efficiency be secured? It has been decided by this parliament times without number—and in very many instances owing to the urgings of members who now sit opposite—that the Civil Service Commission provides means whereby efficiency may be secured without recourse to political patronage. That is the principle underlying the Civil Service Act. A departure from that principle is now proposed. That departure, the minister says, is an exception to the rule. But we submit that the method by which the position of the civil service can best be maintained is a simple one: all you have to do is to ask the board of appraisers to set the examination and let the candidates write them as they please. Let the Civil Service Commission conduct the examinations, so far as responsibility for them is concerned, and make the appointments, giving the preference, as the Civil Service Act provides, to returned soldiers. Is it beyond the reach of the Civil Service Commission to get a gentleman from Montreal who was an assistant buyer in a great departmental store to be an appraiser of leather values? Is it impossible for the commission to get one who had been for six or seven years in a trust company, and who in years gone by was associated with the textile industry, to be an appraiser of the products of that industry? Could not the Civil Service Commission do that as well as the minister and his commissioner? The question is a simple one. If the Civil Service Commission is to function, and parliament intends that it shall make the appointments, let the board of appraisers set the examinations and have the commission assume responsibility for them and for the appointments.

As regards the second question—giving preference to returned men—this is a principle in the Civil Service Act which, we contend, should be maintained. If maintained in its integrity it would have the result of retaining in Canada a large number of returned men who are now in another country. All you need to do is to ask for the returns and you will find how many Canadians are receiving pensions in the republic to the south of us and who should be getting them in Canada.

Under these circumstances, so far as we on this side are concerned, the minister may take his bill out of committee, and on the third reading we will offer the two amendments to which I have referred. On the third reading it will be recorded whether or not this house proposes to revert to the old system of patronage which in practice has been so disastrous to this country, and to take from men who have deserving claims on the country the preference which the Civil Service Act now gives them.

Mr. EULER: May I ask a question?

Mr. BENNETT: Certainly.

Mr. EULER: In connection with the appointment of returned men, and giving them preference in positions such as appraisers, is it the hon. gentleman's intention to move an amendment to the effect that returned men shall always receive the preference, although we might find some man in civilian life peculiarly fitted for a particular position as an appraiser? My purpose is to get the best men available.

Mr. BENNETT: Surely—for the salary you will pay. There were nearly half a million returned men in this country, which is substantially one-eighteenth of the population, and in that half million there are individuals equally qualified with any man who may be secured by the department for the salary offered, to serve the purposes mentioned. That is my answer to the minister's question. The preference given to returned men under the Civil Service Act is all we intend to ask for. We do not intend to ask that any new standards be set up. We merely desire to make sure that the standard heretofore observed shall prevail under the act, and that the provisions of the act in its integrity shall be observed.

Mr. EULER: If they are equally qualified they will receive the preference.

The CHAIRMAN: Shall the section carry?

Mr. BENNETT: On division.

Section agreed to on division.

The CHAIRMAN: Shall the title carry?

Mr. BENNETT: On division.

Title agreed to on division.

Mr. EULER: Shall we go on with the third reading when the bill is reported?

Mr. BENNETT: No, at the next sitting we have two amendments to offer.

Mr. EULER: You can offer them now.

Mr. BENNETT: No.

Bill reported.

PENSION ACT AMENDMENT

The house resumed from May 14 consideration in committee of Bill No. 289, to amend the Pension Act—Mr. King (Kootenay)—Mr. Johnston in the chair.

On section 5—Commission attached to department.

Mr. KING (Kootenay): When the committee rose we were dealing with sections 5 and 30; it was suggested that these sections stand for further consideration. I have given the matter some thought, and I think the section as drawn is quite proper and does not in any way curtail the activities of the Board of Pension Commissioners; in fact, it places in the statute the conditions under which we are operating to-day. In 1920 the government of the day brought into the Department of Soldiers' Civil Re-establishment those officers who were formerly attached to the pension board; the only mistake they made at that time was to make the medical officers and investigators departmental officers. As I explained to the house, it is my purpose to leave with the commission those officers upon whom they must depend for information on which to base their judgments, and these are principally the medical officers and investigators. These officers will be under the control of the pension board and will report directly to that body. The other officers, the clerks, stenographers and other employees of that kind, will be in the office of the commission but will be employed by the department. I now move that subsection 4 of section 5 be amended by striking out the words "for the purposes of the department", in the fifth line.

Mr. GEARY: I have one or two remarks to make in connection with section 5. In order to function quite properly and to the satisfaction of those with whom it has to deal, the Board of Pension Commissioners should be a body within itself and should not be controlled by any other body, least of all by any department of the government. Thus far we have had an independent Board of Pension Commissioners. Of course objections have been taken to some of the rulings of that board, and officials who have to deal with applications for pension, as in the case of other applications for relief, are not always as popular as they might be. However, I think perhaps we might say that some of this unpopularity, if such there be, has been caused through the fact that the board stands up so straight that it leans backward. I think it cannot be accused with cause of consciously exercising favouritism or discrimination.

The orders in council to which the minister referred were passed in 1920 and 1921, and authorized the transfer of certain officers of the board to the Department of Soldiers' Civil Re-establishment. I think the minister is right, as far as my information goes, when he states that practically all the officers were transferred with the exception of secretaries and the medical advisers. However, the minister must be aware of the fact that this did not work out well and was the cause of an increasing dissatisfaction which culminated in the investigation conducted by Mr. Scott of Montreal into the working of the department. Mr. Scott made his report in October of 1927; certain contentions of the board were before him and probably formed the basis for his investigation and finding. It was alleged, and I think upheld by Mr. Scott, that opinion and advice was deliberately given by departmental officials to applicants for pension, and in many cases this advice was erroneous. Contrary to the provisions of the statute, pensions were diverted by the department, without the consent of the board, in order to recover departmental outlays and expenditures for hospital maintenance, medical attention and so on, and I think I am right in saying that diversions were made to reimburse certain advances made from the disablement fund. These matters were gone into, and Mr. Scott recommended inter alia as follows:

> (1) The Board of Pension Commissioners should be given such staff or medical examiners, investigators, and clerks as will enable them to function as an independent body for the purpose of,—
>
> (a) Collecting all necessary information and evidence relating to matters relevant to the eligibility of ex-service men and their dependents for pensions, rendering decisions thereon, and calculating the pensions payable.

I submit to the minister that his proposed bill does not give effect to this recommendation; in other words, it perpetuates the very evil which Mr. Scott found to be more or less rampant in the administration of the department. The commission is no longer nominally possessed of the independence which it formerly had, and it is now definitely attached to the department. The bill says in terms, "The commission shall be attached to the department." I do not know what that means, but certainly it is open to the interpretation that the board is now under the department in exercising some of the functions which it must exercise.

Mr. KING (Kootenay). Section 6 of the original act did the same thing.

Mr. GEARY: I have not bothered to read the whole section, but it is as follows.

> The commission shall be attached to the department and the expenses required to be incurred for the discharge of its duties, including the salaries of its officers, clerks, and other employees shall be met out of the moneys provided by parliament for the purposes of the department.

I submit that this is an entirely different kind of attachment from that which existed heretofore and the tendency, if not the fact, is to remove the independence of the tribunal which has been set up and to make that tribunal more or less subservient to the control of the department which is a part of the government; in that way pensions will be brought into politics. If there is one thing on which I think I can speak for the men of the forces, one thing in which they are vitally interested, it is that pensions never should get into politics; pensions must be kept out of politics and there must be a feeling among the men that everyone is being treated on his merits, with no bias, no discrimination and no favouritism. I do submit to the minister that this section is inclined to place this important department under and attached to the new Department of Pensions and National Health, and in fact strikes a blow at the independence heretofore enjoyed by that board.

As I understand it, the appropriation for the board is now voted by parliament; we have the say as to what money they may spend, and having that say we can also control how they spend it. Now it is proposed to do away with the appropriation for the board; under this act it will be transferred to the department, and the staff at present under the control of the board will be placed on the departmental pay roll. I submit that that is an evasion; it is not good, and it is not conducive to the proper determination of applications. It does not give the men the independent tribunal to which they are entitled. I think it follows that the board will be entirely in the hands of the department, as to what staff it may have, and what staff is to be loaned to the board by the department. That is a most important matter. They should not be limited to the staff that the Department of Pensions and National Health chooses to let them have. The Department of Pensions and National Health may let the board have only such staff as will do the work the department wants it to do, and no more; that is, the board may not be allowed to have a sufficient or properly appointed staff.

Then, there is no provision made for an annual report, as it will be absorbed in the report of the Department of Pensions and National Health. I submit that the whole status of the board will become that of a commission within the department. It will not be a commission outside the department, a commission standing on its own feet, and functioning independently—it has no allowance by this government in the way of funds—but it will be a commission of some sort or other within the department. No one has been able to convince me, and I have discussed this matter, that it will not tend towards the board gradually coming under the dominance of the department, and so pensions will be put in politics. I do not know whether I understood the minister to say that the status as a deputy head is to be cancelled.

Mr. KING (Kootenay): It is not usual in a case of this kind.

Mr. GEARY: It is not usual, but it has worked out very well; it should have the status of a deputy head of a department.

I think the minister will agree with me that the commission's power will be curtailed to that of merely giving decisions upon medical examinations and investigations, on reports not obtained by itself, but obtained and made by officials over whom it has no direction or control; officials of the Department of Pensions and National Health. That is a decided change. In speaking of this Pension Act, the minister has said, as appears on page 2571 of Hansard:

> The pension commission will remain as they are at present, independent, but it is true that this department, in the course of its administrative work, will pay the cheques after the adjudication has been made.

I submit that this bill, as it is brought down, is not in accordance with that statement. I do not say that the minister has ignored that in drafting this section, but I do think that if he considers the objections I have raised—just to give him something to reply to; we will discuss it more in detail as time goes on—he will find that the whole trend of this section is to destroy that independence which is so precious, and which should not be touched in the slightest degree. I think he will come to the conclusion that he has gone too far in this bill, and that the power of the commissioners has been seriously interfered with. It is quite likely that it will become a mere adjunct politically, instead of an outstanding independent body.

I submit that the matter is of the highest importance to the men, women and children who are concerned with pensions, and this section should not be passed without the very

closest scrutiny and consideration. I bespeak the co-operation of the minister in giving sympathetic consideration to what has been said. I do not want him to feel that he has to stick to something that he has done, but I ask him to keep an open mind so that as the discussion proceeds and he finds possibly that we are right he may be prepared to modify the section to meet our views. I speak for what I consider the best interests of the soldiers, some at least of whom feel very much alarmed about this section. I do not want him to shake his head at this moment, because the discussion will probably go on for some time, and I hope he will see the light before we are finished.

Mr. KING (Kootenay): I think my hon. friend is labouring under a misapprehension. If he will read the old section and then the new one he will find that we have tried to embody in the latter what was covered by three or four sections heretofore. As far as the commission is concerned, it is an independent body; we have nothing to do, and will have nothing to do, with its adjudication or consideration of pension cases. All we propose to do, under this amendment, is just what we have been doing heretofore, with the exception of a small personal staff of clerks and stenographers here in Ottawa. I cannot conceive why the payment and auditing of those salaries should not be done in one department rather than in two and that that is all that is intended by this amendment.

In regard to the medical staff required for investigations and examinations, I think the commission should have this staff and, in fact, it has been the practice in the department since the Scott report. These officers are now under the immediate direction of the board and if it requires any officers of ours at any time it merely makes the request, and the officers become all officers of the Pension department and report to the pension board.

I am sure there is no desire on the part of the government, and it certainly is not my desire, to encroach in any way upon the pension board, or to interfere with its independence. It has been the desire of parliament since its inception that such a thing should not occur, and I am satisfied that desire still exists. In the administration I believe a great saving could be made and overlapping prevented. I cannot see where the making out of the cheques in the department will in any way interfere with the activities of the commission, or with its independence.

At one time the pension board had some four or five hundred employees scattered throughout Canada. In 1920 the government of that date did not hesitate, by order in council, to strip the board of those employees, leaving only a small group here at Ottawa. As I said before, I think probably a mistake was made at that time when they did not leave the medical officers within the control of the pension board. The section does not materially affect the administration as it has been carried on in the past, and will not affect the independence of the pension board.

Mr. GEARY: Section 7 of the old act reads as follows:

> Subject to the provisions of this act, and of any regulations made under the provisions of this act, the commission shall have full power and authority to deal with all matters pertaining to pensions, consider all applications for pension, and to award, refuse, cancel, pay and administer pensions.

Section 5 of the new act reads as follows:

> Subject to the provisions of this act and of any regulations made thereunder, the commission shall be charged with the duty of considering and adjudicating upon all questions relating to the award, increase, decrease, suspension or cancellation of any pension under this act and effect shall be given by the department to the adjudication of the commission.

What do you mean by "effect shall be given"? It was final before, but now you say "effect shall be given". I do not know how far you are going to give effect to the findings.

Amendment agreed to.

The CHAIRMAN: Shall the clause carry?

Mr. BLACK (Yukon): I think the minister agreed yesterday with the suggestion that subsection 1 of the old section 5 would be rewritten in this amended act. The minister did agree yesterday, and to-day was of the same opinion, that the words "for the purpose of the department" must come out in the proposed section 4. Yesterday his suggestion was that we could insert the old section which reads:

> The commission shall have all the powers and duties of a deputy head of a department for the purposes of the Civil Service Act.

It seems to me that section 5 as proposed is practically right, with the elimination of the words—

> For the purposes of the department.

—and with the insertion of subsection 1 of section 5 of the act as it now stands. After all, under the act as it stands, the report of the commission to the minister is such report, statement or information as the minister may require. He indicates to the commission what they shall report to him. It is thus under the act as it is now that the annual

report is provided for and it is a separate report by itself, whereas under the proposed amendment the minister determines what portions of that report may go into the annual report of the department to parliament. I do not know that that is of very great importance, but the elimination of subsection 1 of section 5 is certainly of importance and changes the effect of the act. It takes away from the commission the powers and duties of a deputy head of a department for the purposes of the Civil Service Act, and reference to the Civil Service Act will show that the powers and duties of a deputy head are very important. If as a matter of policy the minister is of opinion that those powers should be taken away from the commission, that is a different matter; but if it is not his intention to take those powers away, subsection 1 should remain in the act.

Mr. RALSTON: With reference particularly to subsection 1 of section 5, I just had occasion to look up the act with regard to the railway commission, which I suppose would be in somewhat of an analagous position as a judicial commission attached to a department, and I found that there was no subsection such as the one which appears in this legislation with regard to the Board of Pension Commissioners. Therefore it would seem that the purposes of administration are well served by the elimination of that subsection. As I say, the Board of Railway Commissioners do not have it, and I think that is a commission which stands practically in the same position with regard to judicial matters in relation to the Department of Railways as the Board of Pension Commissioners does in relation to the Department of Pensions and Health. There is therefore a good precedent for not including that subsection.

As my hon. friend says, I do not think there is very much in the suggestion about reports. One can well understand that the reports of the Board of Pension Commissioners and of the Department of Pensions and Health would be duplicated in many matters and the idea is that the annual report of the Department of Pensions and Health shall contain in regard to the Board of Pension Commissioners such information as may seem necessary and at the same time not duplicate information that is already given with regard to the general affairs of the department. My hon. friend will remember that the operation of the department has to do with activities with regard to treatment. Those activities with regard to treatment depend upon the decisions of the Board of Pension Commissioners, so that when the Department of Pensions and Health make reports with regard to treatments they are really covering part of the activities of the Board of Pension Commissioners as well which are included in their report and therefore should not be contained in both.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING (ON DIVISION)

Bill No. 157, for the relief of Sydney Franklin Lankin—Mr. Geary.

BELL TELEPHONE COMPANY OF CANADA

The house resumed from April 10 consideration in committee of Bill No. 43, respecting the Bell Telephone Company of Canada—Mr. Edwards (Ottawa)—Mr. Johnston in the chair.

On section 1—Power to increase capital.

Mr. CHURCH: I rise to a point of order, Mr. Chairman. The promoter of this bill, the junior member for Ottawa, is not present, and under the rules of the house no one else can endorse the bill, so I submit that it is not properly before the committee. The name of the junior member for Ottawa is on the back of this bill, and the bill, I submit, will have to be re-endorsed before it can be considered in committee. I ask for your ruling, Mr. Chairman.

Mr. CHAIRMAN: The practice in this house has been for the sponsor of a bill to entrust it in his absence to some other member. The hon. member for St. Hyacinthe-Rouville has stated that he has been entrusted with the charge of this bill, which is now before the committee.

Mr. IRVINE: The junior member for Ottawa is also the sponsor for the preceding bill, relating to the Canadian American International Bridge Company. Why was not that bill taken up by the hon. member for St. Hyacinthe-Rouville, if he is taking charge in the absence of the junior member for Ottawa?

Mr. MORIN (St. Hyacinthe): There was no one to take charge of that bill, but there is in this case.

The object of this bill, Mr. Chairman, is to raise the capital of the company from $75,000,000 to $150,000,000. The company operates in the provinces of Quebec and Ontario. This is the part of our country which is the most densely populated; the telephone service in that territory is expanding from day to day and in a proportion much greater than the growth of the population. The increase in the demand for additional telephone service comes from the cities and from the rural parts of the country. The farmers all want to be able to communicate quickly one with the other and with the cities and towns where they market their products.

This expansion necessarily involves large expenditures every year and the capital to provide for these outlays can only be obtained in two ways, by borrowings and by the issue of additional capital. Expanding continuously from year to year the company must get its funds on the money markets, whatever may happen to be the conditions of these markets at the time. To do this successfully, it must be careful to maintain its credit at a very high level. That is for it the thing of paramount importance, the maintenance of its credit. Its borrowings, therefore, must remain within a very conservative margin of its physical assets. If the company exceeded that limit, and thus impaired its credit, the public would be the first to suffer by it.

The only other source of funds is the issue of capital. The company, having practically exhausted its present authorized capital, and having to meet the demands of the public for additional service, must therefore be authorized to increase its capital.

The increase asked for may at first sight be deemed excessive, but a short examination of the records of the company and of its present situation should convince any unprejudiced mind that the amount is not exorbitant. It is calculated to provide for the needs of the company during the next ten years.

The last increase in capital took place in 1920, and it was for $45,000,000. During these eight years that amount was subscribed by the public at par, or above par, and was invested in the plant; it provided for the natural development of the operations of the company. There is no complaint at all about the use which was made of that money. This amount was not the only investment in additions and extensions to the plant. In 1920 the bonded indebtedness of the company was $16,750,000. That was raised by $23,250,000 to $40,000,000, so that the total capital expenditures on additional plant and equipment amounted to $68,000,000, apart altogether from investments of the depreciation fund.

The average increase in telephones during these years was 38,000 per year. Last year the capital expenditures of the company amounted to $18,000,000; the construction program of the company for the next five years calls for capital expenditures of 102 million dollars. Under such conditions the increase asked for seems to be normal and justified.

A refusal to pass this bill would mean that parliament would intervene to prevent the company from providing the additional telephone facilities demanded by the public. This is a public utility company; it is compelled by its charter to extend the service to whoever asks for it if he complies with certain conditions. After having put this obligation upon the company should this house refuse it the right to issue the additional capital which it requires for that very purpose, it would be a most unfair situation, and as a representative of the province of Quebec I protest against such a stand.

This bill was referred to the select standing committee on railways, canals and telegraph lines. It was a fairly large and representative committee. A number of questions were put by members of the committee and all were answered, apparently to the satisfaction of the members of the committee, since the bill was carried without amendment. The company was represented before the committee by its officers, who were prepared to give all data and information which the committee might require.

The bill has already been before this committee once and a discussion of forty minutes took place. Some statements have been published from a few members that they intended to kill this bill indirectly by talking it out. This is not a fair way of dealing with a bill of this nature. The company is entitled to fair play and the public which is served by this company is also entitled to fair play.

Mr. CAHAN: Is not the hon. gentleman now talking it out to the best of his ability?

Mr. MORIN (St. Hyacinthe): Under these circumstances, and at this stage of the session I feel justified in moving that the bill be now reported, and I make a motion to that effect.

Mr. BELL (Hamilton): I desire to second the motion, that the bill be now reported.

The CHAIRMAN: The motion does not require a seconder. It is not debatable.

Mr. GARDINER: I rise to a point of order, Mr. Chairman. The sponsor of the bill

(Mr. Edwards, Ottawa) is not in the house, and no evidence has been given to the committee that the hon. gentleman who has just spoken has permission or authority to sponsor the bill.

Mr. MORIN (St. Hyacinthe): The point of order has already been raised, Mr. Chairman, and settled by you.

The CHAIRMAN: That is correct. The point was raised on a former occasion by the hon. member for Toronto Northwest (Mr. Church). The hon. member for St. Hyacinthe-Rouville (Mr. Morin) has announced that he is in charge of the bill, having been entrusted with it by the original sponsor, the member for Ottawa (Mr. Edwards). It has always been the practice to accept the word of an hon. member that he is in charge of a bill when its sponsor is not present. Under the circumstances I must rule that the point raised by the hon. member for Acadia is not well taken.

Mr. CHURCH: I move that the committee rise.

Mr. GARDINER: I rise to a point of order, Mr. Chairman. I ask you to require the hon. member for St. Hyacinthe-Rouville to produce his authority to act as sponsor of this bill.

Mr. MORIN (St. Hyacinthe): The hon. member must know that I have the necessary authority, since he was in the committee of railways, canals and telegraph lines when this bill was under consideration, and I then presented the bill for its sponsor.

Mr. IRVINE: I rise to discuss the bill, Mr. Chairman, I am not speaking to the motion at all.

The CHAIRMAN: The motion is not debatable.

Mr. IRVINE: I am not debating the motion, I am speaking to this bill. The bill has not been dealt with by this committee.

The CHAIRMAN: We have to dispose of the motion that the bill be now reported. If the motion is negatived the hon. member will have a right to speak, but that time is not now. Mr. Morin moves that the bill be now reported—

Mr. GEARY: I beg to move, Mr. Chairman, that the hon. member for Wetaskiwin (Mr. Irvine) be now heard. This motion is in order at any time. I am not debating the motion before the committee. I am making a substantive motion that the hon. member for Wetaskiwin be now heard.

The CHAIRMAN: I have to inform the hon. gentleman that only one motion can be considered at a time. The motion of the hon. member for St. Hyacinthe-Rouville was before the committee. I allowed the hon. member for Acadia to rise to a point of order, which probably I should not have done. But the motion which is before the committee at the moment is that this bill be now reported. That motion is not debatable. Those in favour of—

Mr. GEARY: Mr. Chairman—

Some hon. MEMBERS: Order.

Mr. GEARY: I demand the right to speak on a point of order.

The CHAIRMAN: There is no point of order before the committee; there is a motion, which is not debatable.

Mr. GEARY: My point of order, Mr. Chairman is that your ruling is wrong. If you will consult the Speaker or the Clerk of the house you will find that I am perfectly in order in making that motion, and it must be heard. There is no question about it.

The CHAIRMAN: The point of order is not well taken.

Mr. GEARY: I could equally well move, Mr. Chairman, that you leave the chair.

The CHAIRMAN: We have to deal with the first motion, that the bill be now reported.

Mr. GEARY: Mr. Chairman, I desire to take the necessary steps to appeal from your ruling to the house.

The CHAIRMAN: The hon. gentleman knows that the motion is not debatable, and that his appeal is not in order.

Mr. GEARY: I am not debating the motion.

The CHAIRMAN: It is for the committee to decide whether or not this bill shall be reported. If the committee decides in the negative, then the hon. gentleman can raise his point of order, but he cannot do so now.

Mr. CHURCH: I rise to another point of order.

The CHAIRMAN: Order. Those in favour of reporting this bill at this time will kindly say "aye".

Some hon. MEMBERS: Aye.

The CHAIRMAN: Those opposed will kindly say "nay".

Some hon. MEMBERS: No.

The CHAIRMAN: In my opinion the ayes have it.

Mr. McGIBBON: Mr. Chairman, it is quite plain that our proceedings are becoming a farce.

The CHAIRMAN: Order. I declare the motion carried.

Mr. McGIBBON: Parliament is becoming a joke.

The CHAIRMAN: Order.

Bill reported.

The SPEAKER: When shall the report be received?

Some hon. MEMBERS: Now.

Some hon. MEMBERS: Never.

Mr. GEARY: Mr. Speaker, am I in order—

Mr. SPEAKER: There can be no debate on receiving a report. Is it the pleasure of the house that the report be received now?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

Mr. SPEAKER: There is nothing else to do but to ring the bells and call in the members.

Mr. GEARY: What is the question, Mr. Speaker?

Mr. SPEAKER: Is it the pleasure of the house that the report be now received?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. SPEAKER: A division is unavoidable; It is impossible for me to ascertain whether the ayes or the nays have it, though in my humble opinion the ayes have it.

Some hon. MEMBERS: No.

Mr. SPEAKER: Call in the members.

And the members having been called in:

Mr. SPEAKER: The chairman of the committee of the whole having reported Bill No. 43, respecting the Bell Telephone Company of Canada, I have asked the house whether the report shall now be received. It is actually impossible for the Speaker to ascertain the sense of the house in this matter, except by a division.

And the question being proposed to the house by Mr. Speaker: "When shall the report be received," and Mr. Speaker being unable to decide from the ayes and nays the sense of the house as to the time for receiving the said report, he submitted the question to the determination of the house, "That the said report be now received;"

[The Chairman]

The house thereupon decided the question in the affirmative, on the following division:

YEAS

Messrs:

Allan,
Arthurs,
Baldwin,
Bancroft,
Bell (Hamilton West),
Bell (St. Antoine),
Benoit,
Bettez,
Blanchard,
Blatchford,
Bock,
Boivin,
Bouchard,
Boucher,
Boulanger,
Bourgeois,
Bowen,
Bowman,
Boys,
Bradette,
Brown,
Cahan,
Cahill,
Cantley,
Casgrain,
Charters,
Chevrier,
Clark,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Dickie,
Donnelly,
Dunning,
Edwards (Waterloo South),
Elliott,
Fafard,
Forke,
Foster,
Gervais,
Girouard,
Goodison,
Guérin,
Hay,
Heenan,
Hepburn,
Hocken,
Howden,
Ilsley,
Jacobs,
Jenkins,
Johnston (Long Lake),
King (Kootenay East),
Lacombe,
Lacroix,
Laflamme,
Lanctôt,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Letellier,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
MacNutt,
McKenzie,
McMillan,
McPhee,
McQuarrie,
Mercier (St. Henri),
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Odette,
Parent,
Perras,
Preston,
Prévost,
Ralston,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
St-Père,
Sanderson,
Séguin,
Simpson,
Sinclair (Queens),
Smith (Stormont),
Spence,
Steedsman,
Stewart (Edmonton West),
Stewart (Leeds),
Telford,
Tolmie,
Totzke,
Vallance,
Veniot,
Young (Saskatoon),
Young (Weyburn).—104.

NAYS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Anderson (Halton),
Barber,
Bell (St. John-Albert),
Bird,
Bourassa,
Brady,
Campbell,
Carmichael,
Chaplin,
Church,
Cowan,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Gardiner,
Garland (Carleton)
Geary,
Gershaw,

Glen,	Milne,
Grimmer,	Price,
Heaps,	Quinn,
Irvine,	Robinson,
Johnstone (Cape Breton North-Victoria),	Ross (Kingston City),
Kaiser,	Rowe,
Kellner,	Senn,
Kennedy,	Short,
Lucas,	Speakman,
Luchkovich,	Spencer,
Macdonald (Richmond-West Cape Breton),	Stirling,
Macphail (Miss),	Thompson,
McDiarmid,	Tummon,
McGibbon,	Ward,
Maloney,	Woodsworth,
Maybee,	Young (Toronto Northeast).—53.

Mr. COOTE: I was paired with the hon. member for Qu'Appelle (Mr. Millar). Had I voted I would have voted against the report being received.

Mr. GOTT: I was paired with the hon. member for Kent (Mr. Rutherford). I have not arrived at a conclusion as to how I should vote.

Mr. RENNIE: I was paired with the hon. member for Quebec South (Mr. Power). Had I voted I would have voted in favour of the report being received.

Mr. SPEAKER: The question now is, when shall said bill be read a third time?

Some hon. MEMBERS: Now.

Some hon. MEMBERS: Next sitting.

Mr. SPEAKER: Next sitting of the house. I should explain that although the hon. member for Toronto Northwest (Mr. Church) voted twice, that fact is easily explained. In fairness to the hon. gentleman I might say that he did not hear the motion as put, and made a mistake in his vote. I think he meant to vote against the report being received.

ST. LAWRENCE RIVER BRIDGE COMPANY

The house resumed from May 1, consideration in committee of Bill No. 71, to incorporate the St. Lawrence River Bridge Company—Mr. Smith (Stormont)—Mr. Johnston in the chair.

On section 1—Incorporation.

Mr. CHURCH: When this bill was before the committee last I had spoken for four or five minutes, and stated that this bill should not be allowed to pass. Governor Smith of the state of New York has taken the stand that such international bridges should be built by the state or federal authority or by the municipal authority, and this parliament has jurisdiction over bridges which are international or interprovincial or which affect navigation. In this connection I would like to quote the words of Governor Smith:

> Such bridges should be built by the state or states or by one more governmental subdivisions or by a public municipal authority similar to the port authority," the governor declared in his blanket veto of the three measures. "If such a bridge is to be built over international waters it should be constructed jointly by the United States in conjunction with the Canadian government or by the state of New York in conjunction with the Canadian province affected."
>
> Such projects, the governor felt could be financed at lower cost by the state or federal governments, while, he added, "they are in their very nature public; to authorize privately-owned toll bridges is a step as backward as to authorize privately-owned highways, under the wording of these acts, the franchise is practically made perpetual."
>
> "If it pays private corporations to erect these bridges," the governor's memorandum continued, "it will certainly pay the state to do it. If tolls are to be charged, the state should be the recipient of the tolls, and they should not be in excess of what is required to operate and maintain property, pay the interest on the bonds and make the necessary annual contributions to the sinking fund for their retirement."

I contend that since this public policy has been laid down by the governor of the state of New York we should not pass this bill tonight. In addition to that we must remember that there is considerable dispute with regard to the rights of navigation in this case; which should be paramount in any event over the interests of anyone's private bill. This is contested international territory running from Brockville through Cornwall to the great port of Montreal. The rights of navigation are paramount. This is an international stream, and it is contended that it is subject to the rights of navigation. The surplus waters belong to the province subject to navigation and the bed of the river, the banks and rapids.

In my opinion, Mr. Chairman, this question should not be considered at the present time, until the decision has been given by the Supreme Court of Canada, as referred to in sessional papers No. 50, P.C. 115, dated January 18th, 1928. As this is an international question, affecting both countries, I cannot understand why there should not be a special sitting of the supreme court to hear and determine this question and not lay it over until the fall. The delays are not at all creditable. The provinces of Quebec and Ontario and the government of Canada will be represented by counsel on this hearing, and no matter what the decision is regarding

the jurisdiction of this parliament, they will not be satisfied and there will be an appeal to the Privy Council.

One of the matters involved is this particular question of the erection of bridges and other erections on international streams affecting navigation. These various questions have come up for a decision by the supreme court, because of the order in council to which I referred, and which reads as follows:

Does the ownership by the province of the bed of any stream, whether such bed be level or sloping, give to the province the ownership of water powers:
(a) created thereupon by Dominion works for the improvement of navigation; or
(b) existing thereupon by nature?

Clause 2 of the reference covers the particular bill now before the chair. Clause 3 reads as follows:

Has the province any proprietary interest in or legislative control over:
(a) the canals, with lands and water power connected therewith, and the lake and river improvements which were conveyed to the Dominion by section 108, schedule 3, of the British North America Act, 1867, or in or over the disposal of any water powers created thereby or existing thereupon from time to time; or

This particular bridge will extend from the province of Ontario over to the state of New York, and it is covered by the four corners of this particular reference. The clause continues:

(b) water-powers created by works for the improvement of navigation constructed by or under the authority of the Dominion since confederation; or
(c) works constructed wholly for power purposes by the Dominion out of moneys appropriated by parliament for such purpose?

All of these subsections have to be read together, regarding the erection over international streams of public works, of bridges or similar structures, and an application is further necessary under the Navigable Waters Protection Act. The fourth clause of this particular reference also covers this bridge, and reads as follows:

Has the Dominion exclusive legislative power to regulate waters for the purpose of navigation:
(a) in navigable waters; and
(b) in non-navigable waters?

This particular river is navigable right at this point. If this erection is allowed by an order in council of this government, or is allowed after a proper hearing with all parties present, under the Navigable Waters Protection Act such an erection will come within the four corners of this clause. Another reason why the bridge is within the reference is because of clause 5, which reads as follows:

[Mr. Church.]

Where the Dominion, for navigation purposes, expropriates or uses any part of the bed of any stream vested in the province, is the province entitled to any compensation for such expropriation or use?

Then clauses 6 and 7 read as follows:

6. Has the Dominion the exclusive legislative control over and proprietary interest in water-powers brought into being by works authorized by parliament to be erected in an international stream for the purpose of carrying out an agreement between Canada and any foreign country looking to the erection of joint works for the improvement of navigation in such stream? If not, what are the powers and rights of the province with regard to such water-powers?

7. Where the bed of a navigable stream is owned by the province or by a private individual, is the title of such owner subordinate to the public right of navigation, and to the provision of any statute which may be enacted from time to time by parliament, within the powers conferred by section 91 (10) of the British North America Act, 1867.

This particular reference of a public matter affects the body politic of Canada. This matter is now before the Supreme Court of Canada on a reference, and is sub judice and this parliament should not forestall what action the Supreme Court of Canada would take in that particular case regarding the right to cross this navigable stream to the state of New York by a private bridge. The rights of navigation are paramount, and a structure cannot be erected there without joint consent of Canada and the state of New York. I contend that it is against public policy; it is contrary to public policy that private parties should be given extraordinary powers such as this legislation proposes to give.

Well, the bill goes to the foot of the list, and it will not do any harm if it never gets up again.

PENSION ACT AMENDMENT

The house resumed consideration in committee of Bill No. 289, to amend the Pension Act—Mr. King (Kootenay)—Mr. Johnston in the chair.

The CHAIRMAN: When the committee rose at six o'clock we were considering section 5. An amendment had been adopted.

Mr. BENNETT: I suggested to the minister yesterday that there should be included in the new bill a provision whereby the commission would be given the powers of a deputy minister, and he seemed to be favourably inclined towards that suggestion. I understand that from to-day after mature consideration he is not disposed to accept it. We can only protest against the measure as it stands and since the majority is ample to effect the purpose which the minister has in mind, when the third reading of the bill is

being moved, we will move that subsection for the purpose of adding it to the bill. That is the easy and simple way and it will shorten the discussion.

Mr. KING (Kootenay): Will the hon. member move that to-night?

Mr. BENNETT: No, on the third reading of the bill. If it is desired we will move it now as an amendment, but in view of what has been said by the minister it is a waste of time to do it, and we will therefore move it on the third reading.

Mr. McGIBBON: The minister is rather stretching the spirit of this whole legislation. When the bill was referred to the special committee on pensions I raised the point whether that committee was going to have the final authority on everything. We were told that we would have and that the recommendations of that committee would be adopted in toto. The minister has on a number of occasions broken faith with the spirit of that agreement.

Mr. RALSTON: Will my hon. friend give one instance in which the recommendations of the committee have not been carried out?

Mr. McGIBBON: I have already brought up two or three of them.

Mr. RALSTON: Will my hon. friend suggest one?

Mr. McGIBBON: I can suggest one. There was an amendment made last night.

Mr. RALSTON: What was it?

Mr. McGIBBON: In regard to the information that the pension board was to give to the applicant for pensions.

Mr. RALSTON: On the suggestion of my hon. friend.

Mr. McGIBBON: Yes, but the point is that it was not in the bill.

Mr. RALSTON: I beg my hon. friend's pardon. The recommendations of the committee came up without that suggestion. My hon. friend suggested that it would be well to have that information, and the suggestion was accepted by the minister.

Mr. McGIBBON: That was not the recommendation of the committee.

Mr. RALSTON: I have the recommendations of the committee under my hand.

Mr. McGIBBON: Pardon me. The minister has not. He has the recommendations as they appeared before the house.

Mr. RALSTON: I beg my hon. friend's pardon. I have under my hand the recommendation of the committee on that particular point. I am reading from page 318 of the votes and proceedings. If my hon. friend will look at the bill as it came to the house yesterday and follow the wording, he will find that the recommendation of the committee is word for word in the bill as it was presented to the committee.

(b) The medical classification of the injury or disease causing the disability or death in respect of which the application has been made;

(ii) The medical classification of such injuries or diseases as have been dealt with by the commission in connection with the application;

(iii) Whether the injury or disease resultant in disability or death was or was not attributable to or incurred during military service or whether it pre-existed enlistment and was or was not aggravated during military service.

Those words exactly were incorporated in the bill brought down by the government and introduced by the minister. In addition to that my hon. friend suggested yesterday that the grounds for refusal or acceptance of the pension should also be stated, and that recommendation was accepted by the minister.

Mr. McGIBBON: It is better for a man to know exactly what he is talking about. The recommendations of the committee were not put in print and consequently the minister does not have them. The recommendations of the committee were turned over to a subcommittee to draft them and they did not draft them in the spirit or the form in which they were given. That was the point I brought before the committee last night.

Mr. RALSTON: If I may correct my hon. friend, all I have before me is a copy of the votes and proceedings of April 30. I was not on the committee. On page 317 under the heading "Recommendations" I find these words:

The recommendations of your committee are as follows:

They proceed to give recommendations up to page 328 and they conclude with a recommendation for printing. That report was laid on the table and unanimously adopted by the house. I do not know what more we can have as the report of the committee. I should like to know whether we are being presented with something spurious in the votes and proceedings.

Mr. McGIBBON: I will leave it to the judgment of the committee that the recommendation in printed form was not what was given to the subcommittee. The recommen-

dations were sent to the subcommittee to redraft them. I am not complaining. I said the other night that I was not complaining, but when at the very outset I raised the point, we were told that the recommendations of that committee would be accepted in toto. The chairman of the committee will bear me out in that, because I raised the point on the second reading. I say that the spirit of that agreement has been broken.

Mr. RALSTON: I know my hon. friend is under a misapprehension. There is no recommendation by the committee in regard to the subject with which we are now dealing. The recommendation of the committee with regard to pension legislation is word for word in the bill as it appears in the report. My hon. friend must be fair about this matter. The section now being dealt with is not in the recommendation of the committee; it was not dealt with by the committee in any way. It is a matter of administration which the minister said would be dealt with on the floor of the house and before this committee. The special committee has not dealt with it at all. This is the only committee that has discussed it and we are now dealing with it here. I do not think my hon. friend should charge bad faith when the special committee had nothing to do with it at all. It was not referred to them.

Mr. McGIBBON: It is a departure in this way, that it is something new. It never came before the special committee.

Mr. RALSTON: Does my hon. friend suggest that it is not competent to bring before this committee and before parliament something that does not happen to have been the law before with regard to pension matters? With all due deference to the committee, the chairman and the members of it, I ask him: Does he think the report of the committee is to be the last word on pension regulations and is to exclude everything else with regard to these matters?

Mr. McGIBBON: That was absolutely the promise.

Mr. RALSTON: As one member of parliament I do not propose to be bound by any promise that may have been made that a special committee is to be permitted to make recommendations and that no one else is to have a word to say on subjects not dealt with by it. That is a most preposterous suggestion.

Mr. POWER: I think the hon. member for Muskoka is under a misapprehension. Matters relating to pensions and other things which interested soldiers were referred to the committee of which my hon. friend is a member. But it was never promised that if there was anything that we left out, the minister or somebody else could not make a suggestion. We were not speaking ex cathedra or as being infallible in all respects. As chairman of the committee I am not prepared to say that the very last word in legislation regarding soldiers was brought down by that committee. Indeed I think within a very few years we shall probably have to revise a great deal of the legislation which has been brought down this year.

Mr. LAPOINTE: Next year.

Mr. POWER: Let us hope not next year. I never understood from the minister that it was not his intention to add to our recommendations in a way that would be beneficial to the administration of the act and that would not be inconsistent with our recommendations. We dealt in so far as we could with amendments to the Pension Act dealing directly with soldiers. We endeavoured as far as possible to make this legislation more workable. If the minister comes and tells us that the departmental administration could be better carried on under such and such circumstances I do not see that that is in any way a violation of any promise which might have been made either to the house or to the members of the committee. We were not asked to deal with these matters. It was not suggested before the committee that we should deal with details of administration and we did not deal with them. I am not familiar with the amendment proposed by the minister. If it is not a good one I see no reason why any member should not get up and object to it. If it is a good one let us not object to it on the ground that the few of us who were members of the committee were not consulted about it. I do not think such a procedure would be fair to the minister; I do not think it is fair for us to endeavour to throw a monkey wrench into the administration of the department.

Mr. McGIBBON: We all appreciate the remarks of the hon. member for Quebec South. I think if he will refer to the stenographic reports of the proceedings of that committee, he will find that everything I have said is backed up by those reports, and there was no member of that committee more strenuous than the hon. member himself in stating that the committee would have the whole say as to the bill that was going to be brought in.

Mr. POWER: My hon. friend will see in the report of the committee these words:

Your committee has not dealt with such amendments to the Pension Act as might be advisable in view of the proposed amalgamation of the Department of Soldiers' Civil Re-establishment with the Department of Health.

We specifically state in our report, which was concurred in by the house, that we did not deal with those matters, and I cannot understand the position taken by my hon friend. As chairman of the committee, I state publicly and before the house that we did not deal with those matters, and all during the discussion, so far as it was possible, we got away from matters which were purely of an administrative nature. We thought that we had done our job sufficiently well when we brought in amendments to the act relating directly to the welfare of the soldier, relating more directly to his welfare than questions of the kind which have arisen now. That must have been well understood by members of the house, because when the bill was first brought down over a week ago, the hon. leader of the opposition and other hon. gentlemen opposite on various occasions stated, "If this is the recommendation of the committee, it will pass; if it is not, let it stand for discussion." There was no suggestion that only matters referred to by the committee should be legislated on this year. There are, of course, many matters relating to soldiers on which legislation could perhaps be brought down this year which would be beneficial to the soldier, but we could not possibly deal with all matters relating to or in the interests of the soldiers. But we are dealing with as many as we can, and if there are any others, I do not see any objection to the minister making any suggestions along that line.

Mr. McGIBBON: I do not want to get into an argument over this. I think most members of the committee tried to help out the chairman and the government and I would like to bear witness here to the impartiality of the chairman during all the meetings of the committee. But I think it is rather late for him now to hide behind the fact that the report was adopted unanimously by the house, because it was at his suggestion that we on this side allowed the report to be adopted unanimously. Certainly he did give us to understand, speaking on behalf of the government—I brought the question up myself—that nothing would be in the bill that had not been considered by the committee.

Mr. POWER: I want to check up the hon. gentleman right there. I stated that the government had given me an undertaking that they would put into effect and bring down legislation ratifying and confirming everything that was in our report, but I did not say that the government would not bring down anything else, and if my hon. friend wishes to be fair, I think he will admit that that is the case. If not, I do not know what to say about it.

Mr. McGIBBON: I do not think I need to take any lessons in fairness from the hon. member for Quebec South. I think my reputation in that regard will compare favourably. I remember notifying my hon. friend the evening before that I was going to bring this matter up, for the very reason that I had heard that the government was going to bring in a bill and had matters under considreation which were not going to be submitted to the committee. That was at the first or second meeting of the committee. I told the hon. gentleman the evening before at a social engagement what I was going to do, and if he did not give the rest of the committee to understand that we would have the final say as to the bill, he certainly gave me that impression. I think if he wishes to be fair, he will agree that we did all we could to enable the chairman and the rest of the committee to bring in amendments that we thought were fair and reasonable, and to present an non-partisan report, and we refrained from making any minority report because we wanted to present a united front to the house and the country on this question, which is not a political one.

Section as amended agreed to.

On section 30—Federal Appeal Board.

Mr. BENNETT: This stands in the same position. This is not a committee recommendation; it is a departmental section, and the question of the Civil Service Act applying to these employees is also in issue here, is it not?

Mr. KING (Kootenay): The clerical service for the appeal board has been supplied from the department. If in the reorganization it is found advisable to make some of the clerks and stenographers permanent within the department, that will be done, but I do not think it is the desire of parliament or of the people of this country at the present time to look upon the appeal board as a permanent board. This is merely to control the services which are now being given to the board through the department; it is simply confirming what is being done at the present time.

Section agreed to.

Mr. KING (Kootenay): My hon. friend from Vancouver-Burrard has suggested that he would like the committee to reconsider section 25. This section was passed some days ago. It is a section coming from the committee, and it is supposed to be in accordance with the unanimous recommendation of the committee. I hesitate after the discussion of a few moments ago to open up any section that has been passed, but if it is thought wise, I shall be glad to hear from my hon. friend.

The CHAIRMAN: I might point out that section 34 was allowed to stand.

Section 34 agreed to.

On section 25—No pension to widow unless married before disability, or living with or maintained by pensioner.

Mr. CLARK: I am very glad that the minister of this department and the Minister of National Defence and the chairman of the pensions committee are so broad in their views in regard to this act, and that we may introduce matters other than those considered by the committee if it appears that something has been omitted.

I have two suggestions to offer in regard to section 25. The first is in the nature of a legal amendment, and the other one affects the principle of the act.

Taking first the legal amendment, I submit that this section can have no effect as it stands. Paragraph (b) (i) reads:

> Provided that a pension shall be paid when a member of the forces on and after the coming into force of this act secures from the commission a certificate showing that any pensionable injury or disease from which he was suffering at the time of the marriage would not in the opinion of the commission result in death.

The intention of the committee I know was that the words "on and after the coming into force of this act" should mean the coming into effect of this amendment, whereas if the section is passed in its present form it becomes a part of the principal act and will be read as a part of that act, and the words "on and after the coming into force of this act" will mean the 7th of July, 1919, the date on which the principal act came into effect. I do not want to elaborate on this argument. There are decisions of the courts on the point, but unless it is necessary—

Mr. POWER: That question has been submitted to the Department of Justice, and their report is in accordance with the view of my hon. friend, that we should substitute the words "on and after July 1, 1928," for the words "on and after the coming into force of this act."

Mr. CLARK: I was just going to suggest that the words "the coming into force of this act" be struck out in each of the sub paragraphs.

Mr. RALSTON: I drafted an amendment referring to each of the lines.

Mr. KING (Kootenay): I move, Mr. Chairman, that the section be reopened for the consideration of this amendment.

Motion agreed to.

Mr. RALSTON: I move to amend section 25 by striking out the words "coming into force of this act" in line 2 of subsection (b) (i) and substituting therefor the words "July 1, 1928"; by striking out the words "coming into force of this act" in line 3 of subsection (b) (ii) and substituting therefor the words "July 1, 1928"; by striking out the words "coming into force of this act" in lines 3 and 4 of subsection (b) (iii) and substituting therefor the words "July 1, 1928"; and by striking out the words "coming into force of this act" in line 3 of subsection (b) (iv) and substituting therefor the words "July 1, 1928".

Amendment agreed to.

Mr. CLARK: Before the section is agreed to I wish to bring to the minister's attention something else which I think is very serious. As an illustration, take the case of many soldiers who returned, say, in 1918, before the passing of the main Pensions Act, and who married after their return, probably as the result of an engagement made prior to the war, in ignorance of the provision that the widow would not be entitled to a pension if she married a disabled soldier after the appearance of the disability; in fact she probably married him when he was apparently quite fit and without any expectation of death as a result of the disability. How is that case provided for under these amendments? Take subsection (i).

Mr. RALSTON: Subsection (i) applies to future marriages. Subsections (ii) and (iv) are applicable.

Mr. CLARK: Subsection (ii) provides:

> That a pension shall be paid in the case of a member of the forces who has married before the coming into force of this act, and who has obtained from the commission a certificate showing that any pensionable injury or disease from which he was suffering at the time of the marriage, would not in the opinion of the commission result in death.

Nearly ten years have elapsed, and I should say that hundreds of these men have died as a result of the disability referred to, and their widows are not receiving a pension. How can you provide for such cases under that subsection? Obviously they are not provided for, and those men who married in 1919, before this act came into force, are surely the most deserving of all, for they married in ignorance of any prohibitive provisions. Now take subsection (iii):

That a pension shall be paid in the case of a member of the forces who has married and who has died of a pensionable disability prior to the coming into force of this act,—

Perhaps this is the clause which is intended to apply:

—if, at the time of the marriage, the condition of such member of the forces was such that the prospective wife after making reasonable enquiries would not anticipate that the injury or disease would be a substantial factor in causing death, provided, however, that it shall be conclusively presumed that such injury or disease was not a substantial factor in causing death, if at the time of the marriage there existed no resultant pensionable disability from such injury or disease.

Just picture a woman who married a returned soldier in 1918 now proving that she made reasonable inquiries which led her not to anticipate that the injury would result in death. Why would she make "reasonable inquiries" as to the expectation of the man's life? I think the suggestion really is not fair. It is rather ridiculous to expect that the wife would make such inquiries, for there was nothing in the law at the time to make it necessary for her to do so. That argument might be used after the main Pensions Act came into effect, when she would be warned that if she married after the appearance of the disability she would get no pension; but for those cases where marriage took place before the passing of the main Pensions Act it is not reasonable. Now subsection (iv):

That a pension shall be paid in the case of a member of the forces who has married prior to the coming into force of this act and who fails to apply to the commission for a certificate showing that any pensionable injury or disease from which he was suffering at the time of the marriage would not in the opinion of the commission result in death and who subsequently dies of a pensionable disability if at the time of the marriage the condition of such member of the forces was such that the prospective wife after making reasonable enquiries would not anticipate that the injury or disease would be a substantial factor in causing death; provided, however, that it shall be conclusively presumed that such injury or disease was not a substantial factor in causing death, if at the time of the marriage, there existed no resultant pensionable disability from such injury or disease.

The same argument applies to this subsection. I would make two suggestions. First, that we adopt the provision which was embodied in Bill No. 70 in 1925 which passed this house, and which provided:

That a pension shall be paid when the marriage takes place prior to a date one year after discharge of a member of the forces.

That would cover the cases I have mentioned of men who married before the coming into effect of the main Pensions Act, and would give them a year after their discharge within which to complete the contract of marriage and protect the wife. The other suggestion is that the words:

—or if the member of the forces was not in receipt of a pension at the time of the marriage.

—be added at the end of paragraphs (iii) and (iv). Then the last sentence in each paragraph would read:

—provided, however, that it shall be conclusively presumed that such injury or disease was not a substantial factor in causing death, if at the time of the marriage there existed no resultant pensionable disability from such injury or disease, or if the member of the forces was not in receipt of a pension at the time of the marriage.

It would have this effect. As it stands now, if there is a pensionable disability for which the man has not been pensioned, the widow is out of luck and can never receive a pension. It seems to me that the words "or if the member of the forces was not in receipt of a pension at the time of the marriage" ought to be conclusive and the wife should be entitled to a pension should he die as a result of this disability. This section is a very complicated one and requires some mature consideration on the part of the minister and of the law officers of the crown. The section should stand until the minister has had a chance to reconsider it. I firmly believe that there are two or three points in it which have escaped the attention of the committee and which ought to be reconsidered before the section passes.

Mr. RALSTON: As regards the case where marriage was solemnized soon after the termination of the war, or soon after discharge, the sections as drafted are, I think, intended to cover every case. The section to which my hon. friend refers, embodied in the bill of 1925, is now covered by the sections before us. What the 1925 bill did was to make it absolutely sure that where a woman married within a year after discharge, in the event of the death of her husband she would be entitled to pension if there was a total or a pensionable disability. Now it depends on what seems to be the really logical factor in

deciding these cases. My hon. friend knows, as does the house, that the reason for the section as it originally stood was the desire to avoid a repetition of the experience of other countries; so that this country would not be paying pensions in cases where the marriage was, or might be said to have been, a death bed marriage. The result of this practice in the republic to the south of us has been that they are still paying pensions on account of the civil war.

I would point out to the committee that this section is much broader than the provisions in England. In England, if the marriage took place after the discharge of the soldier or after the end of the war, no pension is payable to the widow if the man dies from a pensionable disability. We are going much further, and I for one am very much pleased indeed to see that we are adopting the principle contained in this section. But the principle is that there must be some examination of the circumstances under which the marriage was performed; and if the marriage was performed under such circumstances that the woman could reasonably anticipate that the injury or disease from which her future husband was suffering at that time—if it happened to be a war disability—would eventually cause his death, then no pension would be paid, inasmuch as it involved a liability not contemplated at the time of enlistment. That is the principle of sections 3 and 4.

There is another provision to the effect that the spouse may make the thing more certain by going to the Board of Pension Commissioners and asking them to inquire into the circumstances of the husband's physical condition at the time of marriage, and give a certificate that at the time of marriage the injury or disability was not of such a nature as, in the opinion of the commission, would result in death. Under either of these circumstances the pension is payable, and in a number of cases I have examined it would appear as if a great many of those who heretofore have been denied pensions will get the benefit of the amendment which is offered. May I say further that the effect of the amendment is not simply to provide for cases where death occurs at some time in the future, but to permit widows who have already made applications, and whose applications have been refused, to come now to the board and say, "We are able to prove the circumstances which are required under these sections and are therefore entitled to pension".

Mr. BENNETT: That would be since the act came into force—since 1919.

Mr. RALSTON: No; my hon. friend did not get the effect of the provision.

[Mr. Ralston.]

Mr. BENNETT: I read it carefully.

Mr. RALSTON: The effect of the first section is that in the case of all past marriages—

Mr. BENNETT: Regardless of time.

Mr. RALSTON: Yes, so long as they were before July first, 1928, as now provided by the amendment suggested by my hon. friend from Burrard. So that everyone gets the benefit of it whether the marriage takes place within a year or two years or three.

It is now ten years after the war. I may say to the committee that in the United States, under their pension legislation, the right to pension of the widow of a soldier ceases, as I understand it, ten years after the war. If the marriage takes place any time after ten years subsequent to the war, the right to pension goes. So that we are doing better, because by this act if marriage takes place fifteen years after the war, provided a certificate can be obtained, the widow can still claim pension. I do think the section ought to commend itself to the committee, and in the interests of those whom it is sought to benefit it would be inadvisable to attempt to incorporate in it any arbitrary provisions. We have already tried to deal, under the meritorious clause, with the cases which my hon. friend from Burrard has mentioned. The hon. member probably knows of cases of men who were engaged before they went overseas and who have applied under the meritorious clause, and some cases have been granted.

Mr. BENNETT: And some refused.

Mr. CLARK: Would they come under this section?

Mr. RALSTON: Yes; look at subsections (ii) and (iv); they are covered in both. If they are still living they may go to the Board of Pension Commissioners and get a certificate; and it is provided that even if they do not get a certificate and death occurs subsequently the widow may still go to the board and say, "At the time I was married to my husband this was his physical condition and I had no reasonable ground for expecting that it would cause his death." In either case the pension is granted, so that the section covers the case mentioned by my hon. friend. The section to which the hon. gentleman has referred did not meet with the response which this country desired, and I hope that this section will have a more favourable response. This is word for word in keeping with the report of the committee, except for the fact that we have substituted July 1 for the words "before the coming into force of this act", and I feel that substantial relief is being afforded.

Mr. CLARK: The minister says that this provision covers the case I have mentioned. I thought I had made it clear that it does not. What woman, before there was a pension law, would make reasonable inquiries as to the expectation of life of her fiancé? Yet this is what is required here. The only other provision under which she can secure recognition is this:

Provided, however, that it shall be conclusively presumed that such injury or disease was not a substantial factor in causing death, if at the time of the marriage there existed no resultant pensionable disability from such injury or disease.

But if the pension board, subsequent to the marriage, finds that the man, prior to the marriage, was suffering from a disease which afterwards progressed to such an extent that he became pensionable after marriage—although the disease pre-existed marriage—then under the subsection referred to the woman will not be entitled to pension.

Mr. RALSTON: My hon. friend is taking the proviso the wrong way; it is a proviso for the benefit of the wife, and it states that in certain cases it is conclusively presumed that the disease did not contribute to death. It does not say that in other cases it may not be proved that the disease did not contribute to death. If it comes under this proviso, if it is conclusively presumed, that does not stop her from proving it quite apart from that.

Mr. CLARK: If there is no resultant pensionable disability.

Mr. RALSTON: But this does not say that because there was a resultant pensionable disability it is thereby presumed that that disability was going to cause death.

Mr. CLARK: As I said before, this is very complicated; I see it one way and the minister sees it another. This is how I see it: If no resultant pensionable disability existed at the time of marriage the woman may qualify for pension, but if after the marriage it is ascertained that a disability existed prior to the marriage for which he was afterwards pensionable, under that subsection she cannot qualify for a pension.

Mr. RALSTON: Under that proviso she does not get the benefit of that conclusive presumption, but she may show that the disability was not one which would likely cause death.

Mr. CLARK: Now the minister and I are in perfect agreement. Now, show me the woman who, in 1918, before there was a pension law, would think of making reasonable inquiries as to whether or not her fiance had a reasonable expectation of life. No man or woman would ever think of such a thing.

Mr. POWER: Why does my hon. friend mention 1918?

Mr. CLARK: I mention it for the reason that many men returned from the front in 1918 and many were married in that year but the Pension Act did not come into effect until July 1919.

Mr. POWER: There were pension regulations before that, and there was the old Militia Pension Act.

Mr. CLARK: Yes, but the difference is this: They would have notice of an law on the statutes, but they would not have notice of any regulations. Ignorance of the regulations might be excused, but ignorance of the Pension Act would not excuse them.

Mr. RALSTON: That applies to anybody married up to July 1, 1928, or until to-night, when we are discussing this matter. These people have had no notice of this, but my hon. friend will remember that the situation suggested is whether a prospective wife made reasonable inquiries. Perhaps there were no inquiries necessary, but I would have thought that if the prospective husband suffered from a severe disability it would be reasonable to assume that the two of them together would consult a doctor as to what effect that disability would have, whether in 1918 or 1929.

Mr. CLARK: No, the minister does not get my point. In 1919 there was a statute passed, which said they were not entitled to a pension if they married after the appearance of the disability, but they did not know of that in 1918.

Mr. RALSTON: Yes, the same provision was there.

Mr. CLARK: But it was not on the staute books.

Mr. RALSTON: Does my hon. friend think either one of the parties read the statutes or the regulations?

Mr. CLARK: There is a difference in the legal position, and that makes their case so much stronger. I feel that the words "or if the member of the forces was not in receipt of a pension at the time of the marriage" should be added at the end of the sections (iii) and (iv). That does not make any very material difference, but it will clear up that point about the resultant pensionable disability. I ask the minister to take that under consideration and not press this section through to-night.

Mr. POWER: The principle involved in this section always has met with my bitter opposition ever since we have had pension committees. I have supported the principle that any widow who married a soldier after the appearance of his disability was not entitled to pension in case her husband died. That is the opinion held in England as laid down in the statutes of that country, and I have been one of those who fought against the adoption of that principle here. This is the principle which was also adopted by the senate. I would call that fact to the attention of my leader, hoping that some day it might qualify me for a place in the senate. However, this year I allowed myself to be convinced that possibly a good case could be made out for the widow who married after the appearance of the disability.

Mr. CLARK: Does my hon. friend think it would be possible to arrange for a seat in the senate right away, in order to let us get this measure through?

Mr. POWER: I heartily endorse that suggestion. I do not know whether there are any vacancies from my province just now, but if my hon. friend would help me out we might create one.

Mr. McQUARRIE: My hon. friend can reform the senate then.

Mr. POWER: Certainly it would be a good senate then. However, I was prepared to accept the principle that in certain cases a widow who marries a man whom she knew to suffer a disability should get a pension; the thought I had in my mind and which was entertained by many others was to get away from the danger of death bed marriages and of perpetual pensions going on for years after the death of the soldier, benefiting people who could not be considered to have helped the soldier in any way while he was at war. The government of this country promised the soldier when he went away that they would look after his dependants, his wife and his children, but they did not promise to look after any wife he might marry after he returned.

I am free to admit that a case has been made out with respect to the returned soldier when we say that if in the event of his death we deprive his widow of a pension, in certain circumstances possibly we deprive him of a chance of getting married, although I do not believe this country would think very much of the woman who would refuse to marry a returned soldier on the ground that she would not be in receipt of a pension in case he died.

However, that principle has been accepted, and I submit to this committee that it should be restricted in every possible way in order that this country may not be burdened for years and generations to come with pensions which have not been earned but which may be paid to people who have no possible right to them. So we are surrounding this measure with certain restrictions.

It was proposed to the committee that persons who could prove a bona fide engagement to marry before the soldier went overseas should be entitled to pension. That contention received strong support from the National Council of Women and from a great many members of the committee, and I think would receive support from the public also. However, it must be remembered that here would be involved the question of evidence of an engagement to marry, which is a very difficult thing to prove. In many cases, the soldier being dead, the only evidence we would have would be that of the person claiming pension, and without saying anything derogatory to the soldier who went overseas, I submit that we would have hundreds of applicants who would come before the Board of Pension Commissioners and produce affidavits to the effect that in London they became engaged to marry a certain soldier who was afterwards killed overseas, or who returned to Canada and afterwards died as the result of a disability incurred overseas. I think to have admitted that principle would have made the act unworkable.

Other suggestions were made; it was suggested that in the case of soldiers who married within one year after their discharge and afterwards died the widows should be entitled to pension. I submit that if we place any such time limit it will be extended again and again, as has already happened this year in another connection. So the committee thought it advisable, instead of playing with questions of limitation, to remove them altogether in almost every case. In my opinion, if we are going to lift the restrictions which are placed about this section, we might just as well say to the house, "Let us do away with the principle, so that every woman who marries a soldier who returned from overseas and later died would be entitled to pension." It seems to me, however, that this section, drafted as it is, is one which could be accepted. It restricts in one way, and in another way it is far broader in its operation than any section drafted along the lines of the suggestions made in recent years that there should be a time limitation, or that those who married prior to the coming into force

of the act of 1919 should be entitled to certain benefits. This protects the widow from the time the soldier was wounded, provided the conditions specified herein are adhered to.

After all, we want to be of some practical benefit to the soldier, and I think the committee laboured with that end in view. On four separate occasions amendments to the Pension Act covering this matter were passed by the House of Commons, and were rejected by another house. It is at least possible that if the act seemed too wide, this section would benefit, I would almost say, hundreds of cases, and may appear to our friends in the other house as a less innocuous form. Personally I think it goes very far, and the legislation is at any rate based on a principle other than that of time limitation. Every member of this house knows that that is useless from the standpoint of restriction, and it is also arbitrary. I heartily commend the section to the house, if it is intended to do anything which may be of use to the soldier. With the amendment suggested by the hon. member for Vancouver-Burrard (Mr. Clark), which makes clear the intent of the act, I think that the section should be accepted as it is, and should be passed. It was fully discussed in the committee. There were different opinions; I think a number of the members did not agree that this is the best possible section, but they all agreed that something should be done for the persons concerned.

Mr. BOYS: As I understand it, the member for Vancouver-Burrard wants to know why it is the burden of proof is placed upon the widow, and that also puzzles me a little. Why should it not be up to the department in the first place? The marriage is proved; it is proved that a member of the forces died; then comes the question, shall the widow be entitled to a pension? Why should she not be entitled? Then you say, "You shall not have a pension unless you can show that prior to marriage you made certain reasonable inquiries, and after that you did not anticipate that the injury or disease would be a specific factor in causing death." When she shows that she was married, and her husband died from the injury, why should it not be up to the department to show that any reasonable inquiry on her part would have disclosed that death would likely result from the injury from which her husband was then suffering? You are putting the burden of proof upon the woman. Why should it not be upon the department, when she once establishes the fact that she was married to a soldier, and that he died from his injury?

Mr. POWER: Is my hon. friend referring to the words after the word "provided?"

Mr. BOYS: I am referring to the words which appear in subsection (iii), paragraph (b) of section 32; section 25 of this bill. I will read it to make it clear:

> That a pension shall be paid in the case of a member of the forces who has married and who had died of a pensionable disability prior to the coming into force of this act, if, at the time of the marriage,—

I understand there is a change there.

> —the condition of such member of the forces was such that the prospective wife after making reasonable inquiries would not anticipate that the injury or disease would be a substantial factor in causing death.

The point I am trying to make is that the burden of proof should not be put upon the woman in that respect. I do not think any woman would be apt to know anything about this law. I suppose she would satisfy herself that she wanted to marry the man, and perhaps would know that he had some injury or trouble of some kind, but I do not suppose she would go any further, and I do not think she would ever make any such inquiry.

Mr. POWER: It would be reasonable for her not to go any further.

Mr. BOYS: I do not think it would be reasonable for her not to do that, when she would not know anything about the law. I will admit that if the man was suffering from an injury or disease which any reasonable person would expect might cause death, perhaps she should not get a pension then if she married him. But my point is that it should be up to the department, and not up to the woman. You say to her: "You have qualified in every way, but you have not made inquiry, and because you have not you must suffer."

Mr. POWER: I would go so far as to say that it would be reasonable for her to make no inquiry at all and she would be entitled to pension.

Mr. BOYS: I do not think my hon. friend would seriously suggest that any board or commission would come to the conclusion that a person who had made no inquiry had made reasonable inquiry.

Mr. McGIBBON: I am not opposing this suggestion, as I think it is of considerable merit, but I made a proposition to the committee that I thought was simpler and probably more effective than this one. If you put all the women on an equality and restricted them to the first marriage after discharge, I think you would simplify it. It is something you can justify without any discrimination.

Mr. McQUARRIE: I submit that the hon member for Quebec South (Mr. Power) has taken a wrong view of this matter. I understood him to say that he had always been opposed to granting pension to the widow of a soldier who had a pensionable disability at the time of marriage.

Mr. POWER: Where she married him after the appearance of that disability.

Mr. McQUARRIE: Or who had married the soldier after the appearance of the disability. I think that is going a little too far. I quite agree that in the case of death bed marriages, as they are called, where, for the sake of getting a pension a woman marries a man who is just about to die—if there have been such cases, and I doubt very much if there have been many—she should not be entitled to the pension. In the ordinary case, where a man has a pensionable disability and gets married and has children, a situation arises which, to my mind, constitutes an anomaly. As I understand the act, in such a case there would be a pension allowed in respect of the children, but no pension would be given to the mother of those children. The pension would not be sufficient to enable the mother to pay her full living expenses and also the living expenses of the children; it would be sufficient only to provide for the maintenance of the children. I do not think a marriage of that kind should in any sense be termed a death bed marriage. It was a marriage which took place in the usual way, and there is no question that the mother of the children of a man who fought for this country in the war should receive special consideration.

I have in mind a case which may or may not have been brought to the attention of the committee—I was not on the committee myself—where a man and his three sons went to the war voluntarily. One of the sons was killed in the war and there was no pension in respect of him because he was not married. Another son, after I think two years or more of service in the hottest part of the fight, received a pensionable disability and he was invalided back to Canada. On his return he set about pursuing his ordinary occupation and he was able to carry on for some time. He got married; he had three children, and quite recently he died leaving a widow and three children with nothing at all to take care of them except the pension which would be allowed in respect of the children. It is quite true that the man at the time of his marriage was receiving a pension and I presume it would also be held that in his case his disability constituted a factor in the causes which brought about his death. It seems to me, however, that that is a case which should be provided for and I would suggest that it would be only fair and reasonable for us to provide for payment of a pension to a widow where one or more children are involved. I quite agree with the hon. member for Vancouver-Burrard (Mr. Clark) that the clause as it reads is not satisfactory, because, as he pointed out, what has to be shown is not that the man was receiving a pension at the time of marriage, but that he had a pensionable disability. That seems to be very unreasonable. I understand that if a pensionable disability existed at the time of the marriage, the widow is not entitled to a pension. I do not think that is what was intended by the committee. It would be more reasonable if it was provided that the man was receiving a pension at the time. In that way the clause would mean something because it is a difficult problem to decide whether the pensionable disability actually existed at the time of the marriage or not. If the man was receiving a pension then of course there could be no dispute about the matter. But even in that case I think the committee has not gone far enough and the people of Canada as a whole are willing that pensions should be allowed on a reasonable scale and that we should not be too technical in considering applications for pensions.

I have had a good deal of experience in dealing with pension cases and I am afraid I shall have to admit that I have come to the conclusion that the pension authorities have adopted a policy to the effect that they will if possible refuse to grant a pension. I do not know whether such instructions were issued or not, but it seems as if they were imbued with the idea that it was their duty to keep down pensions as much as possible. That is not what we should have in this country at all. That is not what the Canadian people desire. I would suggest that we should perhaps go to the other extreme; that we should be liberal in granting pensions and that there should be authority or jurisdiction or power in the pension commission to grant pensions in cases where there is a real necessity for them.

Section agreed to.

Bill reported.

SUPPLY—DUMPING DUTY

The house resumed, from Monday, May 14, consideration of the motion of the Minister of Finance (Mr. Robb) for committee of supply, and the proposed amendment thereto of Mr. Anderson (Halton):

That all the words after the word "that" be stricken out and the following substituted therefor:

"In the opinion of this house the necessary action should be taken by the government forthwith to effectively control the importation into Canada, either on sale, or on consignment, of natural products of a class or kind produced in Canada under conditions which prejudicially or injuriously affect, or threaten to prejudicially or injuriously affect, the interests of Canadian producers."

Mr. J. A. FRASER (Cariboo): When the house rose last night I had made reference to the declaration of the Prime Minister that what the government objected to in the presentation by the delegation was that they were asking the government to give the Minister of National Revenue and the officials of that department authority and power to fix throughout the year a tariff on the natural products of the Dominion of Canada. I listened very attentively to what the delegation had to say, and let me point out that the delegation made no such request of the government at any time. My observation would lead me to believe that the delegation was a company of reasonable and intelligent people, and that they did not come to Ottawa for the purpose of presenting to the government any request that would make them look foolish. These gentlemen knew perfectly well that they had been enjoying protection by virtue of some statute or regulation or order in council. I quite admit that they may have been confused as to the correct name to give to some of these statutes or regulations or orders in council, but they knew perfectly well that for the two preceding years they had been enjoying certain benefits by virtue of the application of some law or regulation or order. They were also of the opinion that they were entitled to the continuance of the benefits they were receiving under the law or regulation or order, because it is and has been the settled policy of the government of the Dominion of Canada ever since confederation to give protection wherever protection is necessary and reasonable. The manufacturers have been enjoying that privilege for a great number of years, and if the manufacturers are entitled to it, there is no reason why the farmers and producers of all kinds should not be entitled to protection. They may not have had a clear appreciation of the order in council, but they understood perfectly the application of its cancellation. They knew that their protection had vanished, and they came to Ottawa asking for the restoration of the protection which they had enjoyed.

I make the statement that the Prime Minister in making the statement he did, that this delegation came to Ottawa seeking authority for the customs officials to set a tariff or impose a duty, did not place the request of these gentlemen in the proper light. He put an improper interpretation on the request that had been presented to the government. In addition to that, he practically told them that he did not propose to accede to their request. Let the producers of the Dominion of Canada just analyse the statement which the Prime Minister made on that occasion, and I think they will agree with what I have said. I will quote from the stenographic report of the statement of the Prime Minister. He said:

I hope you will go away feeling that the government is only too delighted to have this opportunity of hearing your representations, and of stating the situation to you in the light of the facts as they are. And what I hope you will carry away with you is the correct impression, not that any statute has been repealed, and not that any power given to the governor in council has been repealed. That all remains, and will continue to remain as it is. All that has been repealed is what we have been obliged to recognize was an interpretation that was leading to extremes, in a manner which, speaking for myself personally, seemed to be highly prejudicial to the very interests that it was intended to safeguard.

Mr. MACKENZIE KING: Hear, hear; that is all right.

Mr. FRASER: That was the statement made by the Prime Minister, and I want the producers of this Dominion to note exactly what the Prime Minister states. He states that the statute has not been repealed, that the power given under the order in council has not been repealed, that all remains and will continue to remain as it is. Remember, when the Prime Minister was speaking, the order in council had been repealed, and he makes the statement that it is going to stay repealed, because he says, "and will continue to remain as it is."

Mr. MACKENZIE KING: No. The powers given under the statute remain as they are.

Mr. FRASER: The power of the governor in council has been repealed, and it was repealed at the time the Prime Minister made that statement.

Mr. MACKENZIE KING: No; my hon. friend is mistaken. What was repealed was the order in council, not the power given to

the governor in council. The power given to the governor in council remains, but the particular order that the minister recommended under that power was repealed—not the power that the governor in council has.

Mr. FRASER: The order in council has been repealed. Therefore section 6 and section 43 are inoperative.

Mr. MACKENZIE KING: No.

Mr. FRASER: That was the effect, and the Prime Minister stated that that state of affairs was going to remain. That is my interpretation.

Mr. MACKENZIE KING: Let me give my hon. friend the right interpretation. Section 43 remains in the statute. That section gives certain powers to the governor in council. That section still remains, and those powers still remain. Under that section a certain order was passed by the government, at the instance of the minister. That particular order has been repealed, but the minister to-morrow can bring another recommendation before council and the governor in council can pass an order under the general power that still exists.

Mr. FRASER: I am well aware of that, but, with all deference to the right hon. the Prime Minister, I maintain that when the order in council had been repealed the legislation was inoperative.

Mr. MACKENZIE KING: No, not the legislation.

Mr. FRASER: Yes, the legislation, and you cannot put it into effect.

Mr. MACKENZIE KING: That is where the whole confusion has arisen. The legislation is still there which gives the governor in council power to pass any order in council under it.

Mr. FRASER: It is still there, but what good is it? It is not operative. You cannot operate under it.

Mr. MACKENZIE KING: Yes, we can.

Mr. FRASER: No sir, you cannot, without another order in council.

Mr. MACKENZIE KING: We could put through another order in council in five minutes.

Mr. FRASER: I do not know that you can. The Prime Minister says that he could put an order in council through in five minutes, but he sat in power from 1922 to 1926, and he did not pass such an order in council.

Mr. MACKENZIE KING: There was no need for it.

Mr. FRASER: No need for it? I know that the fruit growers of British Columbia were complaining during all those years of exactly the same thing, and they were asking for this relief. I still maintain that the statement made by the Prime Minister shows that the legislation is not operative. It is not working, and he says that it is going to remain that way. So the fruit growers of British Columbia cannot look to this government for any remedy under the existing conditions.

Mr. MACKENZIE KING: That is quite wrong.

Mr. FRASER: I am sorry, but I must disagree with the Prime Minister.

Mr. MACKENZIE KING: It is quite wrong, and the best appeal is to the statute itself. The statute is still there.

Mr. FRASER: That is quite all right. I am not contending that the statute was repealed, but let me ask the Prime Minister this question: Are you going to put into effect another order in council to-morrow, as you state you have power to do?

Mr. MACKENZIE KING: Yes, the very minute the minister comes to council and gives us reasonable grounds for putting that order into effect, the governor in council will I believe act on the advice of the minister.

Mr. BENNETT: That will not please the hon. member for Weyburn (Mr. Young).

Mr. FRASER: What are reasonable grounds?

Mr. MACKENZIE KING: When the purpose of the statute is to be invoked.

Mr. FRASER: In view of the repeal of the order in council, the legislation is inoperative so far as giving protection to the fruit growers of British Columbia is concerned, and I would ask, what are the chances of the fruit growers getting the benefit of any such order in council and getting the benefit of this legislation provided this government remains in power? We can only judge them by their past performances. This order in council and this statute continued in existence from 1922 to 1926, and the Liberal government of those days made no move to provide the growers of fruit and vegetables with any protection at

all. They were voted out of office, and it was not until their successors had got in the saddle that any protection was provided for those engaged in this industry. I challenge any member of the government or any of its officials to deny that statement. I say they sat for four years with this machinery at their disposal, but they absolutely refused to make it effective in any shape or form. Now, do the fruit and vegetable growers of this country expect to get legislation or orders in council from this government to protect their industry?

Mr. YOUNG (Weyburn): Was there not a duty of 30 per cent in effect all those years?

Mr. FRASER: I am not talking about the common, ordinary duty at all. I am talking about the application of the special duty under section 6 and section 43, and my hon. friend from Weyburn knows it very well.

Mr. YOUNG (Weyburn): The dumping duty goes on without the necessity of an order in council.

Mr. FRASER: Well, the dumping duty that I am talking about was not on.

An hon. MEMBER: You are talking about your own.

Mr. FRASER: No, I am talking about the dumping duty under 47a. Now, 43 was not put in operation.

Mr. YOUNG (Weyburn): Section 43 cannot and does not provide for a dumping duty.

Mr. FRASER: It provides for a special duty.

Mr. YOUNG (Weyburn): No.

Mr. FRASER: You are tangling this thing up so we cannot tell what you are talking about. The fact remains that the Liberal government did not provide any protection for our fruit and vegetable growers, and they will not provide it now. I challenge contradiction of that statement.

Mr. ILSLEY: There is protection of 90 cents per barrel under the general law.

Mr. FRASER: I am not talking about that, I am talking about the special, or dumping, duty.

Mr. ILSLEY: But you are saying—

Some hon. MEMBERS: Order.

Mr. ILSLEY: Will the hon. gentleman permit a question?

Mr. FRASER: Certainly.

Mr. ILSLEY: What is the protection afforded by the general law on a barrel of apples; how does it compare with the United States tariff?

Mr. FRASER: We do not talk of barrels of apples in British Columbia, we talk of boxes of apples.

Mr. ILSLEY: My hon. friend knows that the tariff deals with barrels of apples.

Mr. FRASER: Yes.

Mr. ILSLEY: Does he not know that the tariff is 90 cents per barrel?

Mr. FRASER: I think that is correct.

Mr. ILSLEY: That is 20 cents higher than the United States tariff—one of the highest tariffs in the world on apples.

An hon. MEMBER: What has that got to do with it?

Mr. ILSLEY: My hon. friend was saying that no protection was afforded, and—

Some hon. MEMBERS: Order.

Mr. FRASER: Now then, the Prime Minister stated to the delegates that the statute was going to remain as it is. It would have been just a little clearer to them had he added "as it is and was from 1922 to 1926." Then they would know exactly what he meant, which was that the statute was not going to be put into operation. I interpret the action of the government as an acknowledgment that they are impotent to put into effect that special duty on fruits and vegetables on account of the peculiar situation, half of their support being free trade and the other half protection. The Prime Minister also said that:

> The authority under the order in council was applied in a manner which, speaking for myself personally, seemed to be highly prejudicial to the very interests that it was intended to safeguard.

That is, the Prime Minister told the fruit and vegetable growers, after they had been enjoying the benefits of that protection for the last three or four years: You were not enjoying any protection at all; you only thought you were enjoying it. But as a matter of fact they were actually enjoying the protection, because he says here that it was—

> —highly prejudicial to the very interests that it was intended to safeguard.

Now, I want to ask the fruit and vegetable growers of the Dominion if they think that under the operation of the order in council and the appraisers' bulletins they were pre-

judicially affected; or were they benefited. I am confident that every fruit grower will say: Why, for the last two years we admit that we have been enjoying benefits, and that is what we are coming here for. These practical men know perfectly well that they have been enjoying benefits under that condition of affairs. Not only has the producer benefited, but the consumer has not complained of the duties that were imposed under that section. I will refer to this a little later.

I say to the fruit and vegetable growers of the Dominion: As long as this government is in office the powers under those sections of the act are dead and will not be revived. In my opinion the Prime Minister wishes that order in council buried forty feet deep in the fertile soil of fair Saskatchewan, and he certainly will not erect over it a monument with the inscription, Resurgam. He would like to see it buried there forever.

Mr. MACKENZIE KING: But not the statute. Leave the statute with its powers.

Mr. FRASER: You cannot get me as badly balled up as you got the delegation the other day; I have studied it pretty closely since that time.

Now, I should like to address a few remarks to my hon. friend from Laprairie-Napierville (Mr. Lanctot), who spoke last night on the effect of this section and pleaded eloquently for protection for the fruit and vegetable growers in his section of Quebec. How does he expect to get it from this government? I do not think he has a chance in the world. Under present conditions it is an impossibility for the government to provide it. The translation of his speech appeared this morning, and he said something like this: After the session is over I expect to come down to Ottawa with a delegation and put my request before the Government, and I think the Government will see that it is granted. Well, I do not think anything of the kind. I am confident that the government has no intention of restoring the order in council which would bring into operation the special duty. Therefore it seems to me it is impossible for the hon. gentleman to vote against this amendment.

But there is also another angle to this controversy. It is a matter in regard to which the cabinet itself is not of one opinion. That may be all right; I am not finding any fault with it. But I am pointing out to the people of this Dominion the existing conditions so far as the cabinet is concerned in relation to this legislation. You will find in the same report from which I quoted a few minutes ago a statement made by the Minister of National Revenue towards the close of the delegation's visit. I wish to read that statement, and you will bear in mind that the Prime Minister (Mr. Mackenzie King) had stated that the customs officials—the Minister of National Revenue and his officers—were not applying this act as the government had intended, but that they were fixing the tariff throughout the year, and that he did not think this was a proper application of the order in council. What had the Minister of National Revenue to say in that regard?

> In the first place, 47a, the law under which the minister could be given authority to fix values, gives the governor in council or the cabinet authority to empower the minister to fix the value.

The Prime Minister in speaking to this delegation emphasized the fact that they were fixing the duty; the Minister of National Revenue says that they are fixing the value.

> The authority to fix values is not in council at all, is not in cabinet. The power that is in council is to give the authority to the minister to actually fix the value. I think that should be understood.

The Minister of National Revenue, whose duty it is to interpret the act and to interpret the intention of the government, as well as to apply the act to the existing conditions, gives that interpretation. He says that the law empowered the minister to fix values. He states that the authority to fix values is not in council at all; it is not in the cabinet. The power that is in the council is "to give authority to the minister to actually fix the value" He goes on:

> The one misconception, or possible misconception that I would desire to remove is this: that whereas the order in council did give the minister power to fix values, and did not state for what period those values should stand, it should not be assumed that these values were fixed by the minister for the whole year, and they stood all the year round.

That is to say, notwithstanding, as the Prime Minister pointed out, that these officials were to fix the duty for the year round, the Minister of National Revenue declares that such should not be assumed to be the case. He goes on:

> The orders in no case, I think, were fixed to stand for a whole year. I think it would be very, very difficult for any minister to come in and say that he has fixed the values to, say, the months of July and August. . . . The whole idea of the minister and his officials is to endeavour to keep those values in force only for such time as such emergency exists. I do not think that there were any instances where it was kept on the year round. I think some of the trouble arose out of this fact: We did

fix the value of lettuce, and through an oversight in the department—and I am quite willing to take responsibility for that—at the time it was recommended to us that the fixed value should be taken off the lettuce, through an oversight it was not done, and that value was left on the lettuce for a period longer than it should have remained. I have no great knowledge of the details of all this, but I do know that the department officials do try to carry out the intention of the law and I think that we have been fairly successful in doing that.... I think we have been fairly successful, from the fact that, so far as I am aware, there was never any objection made to it on the part of the consumer.

That is what the Minister of National Revenue said. He went on to say:

I do not want the impression to go abroad that values which had been fixed were fixed for the year. We have in this country a Department of National Revenue. We are collectors of revenue; that is practically our job, and this is one of the things that has been wished on it. However, I might say that we have taken the word of those who know the conditions. My friend the Minister of Agriculture advises me that he thinks a duty should be put, or a higher valuation should be put on certain goods, on vegetables, or on eggs, we will say. He makes the recommendation to the Minister of Customs. The Minister of Customs has been merely the instrument in carrying out the desires of that department.

There you have the Minister of National Revenue at variance with the Prime Minister of the country. More than that, the Minister of National Revenue absolutely ties up the Minister of Agriculture as the party responsible for recommending values. He finds that an emergency exists and then he passes on a recommendation as to value, and the Minister of National Revenue imposes it. What about my hon. friend the Minister of Agriculture (Mr. Motherwell)? I thought he came from Saskatchewan. And I thought my hon. friend from Weyburn (Mr. Young) was from the same province. The hon. member for Weyburn complained that he could not get information. I think there is an explanation. The Minister of Agriculture has been playing the game of hide and seek with Mr. Weyburn, and Mr. Weyburn says, "I spy". That is the explanation. That is why the hon. member could not get his information.

I have just a few more words to say in conclusion. The district I have the honour to represent contains a great number of fruit and vegetable growers. I had the opportunity of passing through the apple district when the order in council was passed in 1926 fixing the price of apples. If the government could get in contact with the people and could realize the satisfaction which they derived from the imposition of that order in council I think they would reconsider this question and again fix the values of these products. The apple growers at that time, from one end of the valley to the other, made the same comment without any variations. They said: "We are glad that that value has been fixed, because we know now that we are going to get a certain minimum for our apples." For the last two years the trouble has been this: We packed and shipped our apples but we did not know whether there would be any return on them. The apple grower shipped these apples, and out of the first receipts he had to pay for these special charges, and in many instances the amount the apples sold for would not cover the charges. The result was that the grower actually had to dig down into his pocket, after cultivating his orchard and gathering and packing his fruit and shipping it. Apart from losing the whole of that fruit he was out of pocket in connection with the cost of these charges. If this government would realize these conditions and look carefully into the situation I believe they would reconsider the passing of the order in council as it applied from 1926 until the other day.

Mr. F. W. GERSHAW (Medicine Hat): Those who have taken part in this debate have wandered far afield and the discussion has developed into a free for all on the old subject of the tariff. The hon. member for Yale (Mr. Stirling) last night, in his clear and concise way, quoted at length from a letter written by the Secretary of the Medicine Hat chamber of commerce. I wish to say that this chamber is not a partisan body, and I am sure it has no desire or intention to provide campaign propaganda for any political party. I am sure also that it would be the very last body to claim that it represented the real feeling of the majority of the people in that district. There are many people there —consumers—who believe that they should have the privilege and the opportunity of purchasing fruits and vegetables, when they come in, at reasonable prices and not at prices greatly enhanced by the tariff.

It seems that a wrong impression has gone abroad in two respects, and I believe that impression has been due to the material which has been broadcast so generally on one aspect of this question. The first impression, which in my opinion is wrong, is that the members of the Liberal and Progressive groups are not looking after the interests of the producers, the farmers. These groups, I might mention, were some years ago responsible for retaining the Crowsnest rates. These rates constitute the bill of rights of the Canadian shipper and have resulted in the

saving of much money annually to those producers in the prairie provinces. Since the imposition of the Fordney-McCumber tariff against our cattle, grain and other farm products, farmers generally are realizing that we need wider markets, and consequently we have been constantly searching for such markets for our products. Not so long ago the Liberal party went down to defeat in an endeavour to secure a reciprocity arrangement with the United States to give wider markets to our producers.

The second impression which has gone abroad, and which is not correct, is that early fruits and vegetables come in free of duty. Now, let me say that, rain or shine, in season or out of season, this parliament maintains a duty against the importation of these commodities. It is mentioned by the Minister of Finance last night, and I repeat the list now. The duty on apples is ninety cents a barrel; the duty on blackberries, gooseberries, raspberries and strawberries two cents per pound; and all other green fruit not provided for 25 per cent; cabbages, 30 per cent; potatoes, 35 per cent; tomatoes, 30 per cent; turnips, 30 per cent; and vegetables not otherwise provided for 30 per cent. These rates seem to me to be fairly substantial. In addition, it is quite clear that the government, who possibly at most removed the power which the minister or some officer in the department had, at a stroke of the pen, of changing the value or increasing it for duty purposes, surely have the power to impose that duty again by order in council at any time. I believe that the tariff in this respect may work in a way which is of no benefit to the producer, and it will certainly increase prices to the consumer. One case was mentioned last night where the peach producers sold 50,000 boxes of peaches in the prairie provinces, and yet the people had to pay a duty on something like 400,000 boxes, which was the amount used. It seems to me that in the interests of the people generally, this dumping clause should be invoked only when very special conditions arise; and I believe that in connection with such things as food products, and especially fresh fruits and vegetables, which are so necessary to the health of the people, the dumping duty should be imposed—in addition to the duties which are always in existence—only when very exceptional conditions arise.

Mr. C. H. DICKIE (Nanaimo): I will not detain the house very long. The hour is late and, I understand, it is expected to have a division on the question this evening. Coming as I do from a district in which they raise a considerable quantity of fruit products, a district also in which there is considerable activity in poultry, I feel I should be remiss in my duty if I did not say a word or two against the cancellation of the order in council imposing the dumping duty. From just one little part of my district last year there were exported 40 carloads of strawberries alone. We also have large chicken ranches throughout the country. The poultrymen are in despair because of the fact that immediately there is a surplus of eggs in Seattle they send them over to the markets of Vancouver and Victoria, and down goes the market for our eggs. Last year we imported from the United States 3,000,000 dozen eggs. They came in at a very inopportune time so far as our poultrymen were concerned. The remedy for such a condition is easy indeed. When we have a surplus we cannot send our eggs to the United States because we are faced with a duty of eight cents a dozen. But we allow their eggs to come into this country at three cents a dozen. I know no argument in the world against our having a duty as high as the Americans impose against us in regard to eggs.

This matter of fruit and vegetables has been gone into thoroughly by men more conversant with the subject than I am. The hon. member for Yale (Mr. Stirling), the hon. member for South Essex (Mr. Gott), the hon. member for Fraser Valley (Mr. Barber) and others have gone comprehensively into the matter and their arguments have been very convincing indeed. I cannot see why the government should not act on their advice. I have received communications by the dozen from boards of trade and chambers of commerce as well as from agricultural societies and individuals, all protesting against the removal of the dumping clause.

Let us get down to the kernel of this matter. The kernel of the matter is this: Out of deference to the wishes of a small group of western farmers the government removed the dumping clause. That is the explanation of the whole thing. And when this is done, what guarantee have we that protection will be given when we need it? Protection cannot be given without offending my smiling friend from Weyburn (Mr. Young) and his colleagues. I say, it is out of deference to their wishes that the dumping clause was removed. The representatives of the good people of Quebec will vote against this amendment and take their medicine with a smile. While voting against it they are voting for the importation of vegetables and fruits from the United States. We have heard that 79 carloads of vegetables rolled into Montreal in one week

from the United States—vegetables that could have been grown in Quebec. The members from Quebec, if they vote against this amendment, will simply be voting for a handshake and good-bye to their sons and daughters who will be obliged to cross the line and follow the money we are sending into the United States for fruit and vegetables. I can hardly understand the attitude of the people of Quebec with regard to this matter. I cannot understand a protective people bowing down to the dictates of a small coterie of people from Saskatchewan who believe otherwise. As I say, these members from Quebec will take their medicine lying down, and in the meantime the western free trade winds are wafting their kindred across the line to the United States. How long will they stand it? I feel sorry for them in their humiliation. Soon you will see a cartoon of Jacques, good fellow, with the hon. member for Weyburn over him, his foot on his neck, saying, "You have to take this because it is what we want in Saskatchewan".

We in British Columbia are prepared to pay $1.75 or $2 for our wheat. We wish to see the people of Saskatchewan, Alberta and Manitoba successful and we are prepared to pay more for our bread and for our chicken feed, of which we use a lot in British Columbia, because we want to see the people of the prairies successful. But whether the winds of the prairies have dried up the milk of human kindness in their breasts I do not know. The fact is that whenever we try to sell them our fruit they object; they want to buy from the United States if they can get it a little cheaper. We are willing to buy anything they produce and pay good prices for it because we realize that they deserve all they can get. But what is the situation now. We are going into the highways and byways of the world cajoling people to come into Canada to settle on the land, and when they come here why do we not tell them the truth? Why do we not say to them: "You will not need to milk cows in the chilly eve or dewy dawn, because we get our butter from New Zealand. You do not need to be 'the man with the hoe', because we get vegetables from the United States. We are importing our eggs from the United States. All you have to do is to go into the prairie country and raise wheat, which will take you five or six months in the year, and the rest of the time you will have a chance to gather in the communal halls and talk radicalism, or whatever you might term it."

We have a great country in Canada, but we have got to consider the necessity of compromise. No one will deny the fact that our fruit growers in British Columbia have had a very hard time. We did not coax these people to come; we did not pay their way in, but they came in with money, and millions of dollars were spent in trying to make fruit raising a success in the Okanagan valley. These men are still there trying to do business, and they want you to buy their apples. They demonstrated last year that you did not have to pay any more for their apples because of the fact that you did not buy from the United States. This year, as the hon. member for Yale has told you, they are faced with a great crop, and they are faced with a great crop in the United States. The prairie provinces will be flooded with their C grade apples, and that will prevent the British Columbia growers having a market for their good grade apples. No man knows the fruit indutry better than my good friend, the member for Yale. The hon. member for South Essex placed the vegetable question fairly before you.

For once the hon. member for Comox-Alberni (Mr. Neill) did not launch his lifeboat and come to the rescue of the government, but he gave a splendid argument in favour of protecting the interests of British Columbia. While he was speaking I could almost hear the Prime Minister murmur, "You too, Brutus!"

As I say, we want relief, and we want the spirit of compromise. We want to buy all we can in Canada and keep our money here. Unless we keep more of our money in Canada we have not a chance in the world of making this the great nation which we desire to make it. We are told by Mr. Frederic Hudd, the statistician of the United States government, that last year our adverse trade balance with the United States was $360,000,000—our statistician puts it a little less. Let us take the American figure of $360,000,000. If we put that $360,000,000 into circulation, have it percolate into every nook and cranny of the business of Canada, you would have 500,000 men at work here. You would have the men returning from the United States, and you would make this country worth while. Why should we have an adverse balance of trade with the United States, Mr. Speaker? We are a country of 9,500,000 people, sending over $800,000,000 to the United States, and they send $457,000,000 of their money here. I have used that argument in the house before, but it is a good argument and I am going to use it again. We should have a favourable balance of trade with these people instead of an adverse balance. We should conserve our raw resources and patronize home industries

and we would have the people flocking from the United States instead of going from here to the United States.

If we pay a little more for our apples; if we pay a little more for our eggs, or a little more for our butter, it will be worth it. I know the working men of British Columbia are willing to do so. We want the purchasing power, and we do not mind paying good prices. If the farmers succeed; if the vegetable growers succeed, and if the poultry men succeed, they will erect buildings and give work to carpenters, painters and plasterers. They, in turn, will erect buildings, and that is how an industrial community is built up.

There is no argument at all against a seasonal tariff on vegetables coming into this country. There is no argument against an effective duty on eggs coming into this country from the United States. Take the case of butter and eggs alone. When we entered into that very foolish—I won't say treaty—arrangement with New Zealand, which gave the same terms to them as were embodied in the treaty with Australia, we in British Columbia were going through a rather trying time. The dairymen had not succeeded, but times were getting better. Wages were improving, and people were eating more butter, and the dairymen began to succeed. When we entered into this treaty with Australia the Americans saw the danger. They had a duty of 8 cents a pound against us for butter, but, notwithstanding that duty, in 1925 we sent over $2,500,000 worth of butter to the United States. They saw that butter would be coming in from New Zealand, and they immediately placed a duty of 12 cents a pound on that commodity. That meant that we lost that $2,000,000 or $3,000,000 of trade with the United States, and the arrangement with New Zealand meant that 14,000,000 pounds of butter came into British Columbia and Halifax in seven months. That meant disaster to the dairy people. As has been stated in this house more eloquently than I can put it, all through Ontario they sold their stock, and in British Columbia they went out of the dairy business. If you go there now you will see them going out of the poultry business just the same.

Why, Mr. Speaker, can we not take a leaf out of the book of the people south of us? We have been acting as an immigration agent for them for years. They have attracted our people; they have been getting our population. We spend millions of dollars to induce people to come and settle in Canada. We can bring about the repatriation of many of our people; the members from Quebec can bring back thirty or forty thousand of their compatriots if they would just agree to adopt legislation along the lines I am so clumsily trying to place before you to-night. We have the raw material here; we have a great agricultural country, and we have many other resources.

On motion of Mr. Dickie the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, May 16, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Third and final report of the select standing committee on industrial relations, with the evidence upon which the report is based—Mr. McIntosh.

PRIVATE BILLS

REFUND OF FEES

Mr. A. W. NEILL (Comox-Alberni) moved:

That as it appears by the Minutes of the Proceedings of the Senate of April 25th and 26th, 1928, that the preamble of Bill No. 16, an act respecting certain patent applications owned by the British Steel Piling Company, Limited, was reported as not proven by the committee on miscellaneous private bills of that house, the fees and charges paid thereon be refunded, less the cost of printing and translating the said bill.

Motion agreed to.

Mr. DAVID SPENCE (Parkdale) moved:

That, in accordance with the recommendation contained in the eighth report of the select standing committee on miscellaneous private bills presented on the tenth instant, the additional charge paid on the following bills be refunded, namely:

Bill No. 262 (Letter F7 of the Senate), intituled: "An act for the relief of Louise Morris Hays Grier," and

Bill No. 282 (Letter B8 of the Senate), intituled: "An act for the relief of William Henery Leonard Gale."

Motion agreed to.

DEPARTMENT OF THE INTERIOR

INVESTIGATION OF MCCLYMONT CHARGES BY ALEXANDER SMITH, K.C.

Hon. CHARLES STEWART (Minister of the Interior) laid on the table of the house the evidence taken before Alexander Smith on the charges of R. A. McClymont.

INQUIRY FOR RETURN

DISMISSALS OF CIVIL SERVANTS

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, yesterday the hon. member for Ontario (Mr. Kaiser) made an inquiry regarding civil service superannuation and contributions to the superannuation fund, and I promised him a reply to-day. The information I have is that the matter is now being assembled by the Department of the Secretary of State; the work is not yet completed.

May I take this opportunity of saying to hon. members who probably are peeved at the delay in bringing down returns, that we are advised by the different departments that the extraordinary number of returns required this session and their voluminous character have added materially to the expense of carrying on the work, and we are further advised that some of the departments must have either more time or more help to enable them to complete the work.

PRIVATE BILL

FIRST AND SECOND READING—SENATE BILL

On motion of Mr. Ryckman, Bill No. 314, respecting the Dominion Fire Insurance Company, was read the first and second times and referred to the select standing committee on banking and commerce.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MR. R. S. ROBERTSON, K.C.

Mr. MAYBEE.

1. Did R. S. Robertson, K.C., of Toronto, act as counsel representing the government in Toronto civic harbour enquiry?
2. If so, who appointed him, who requested his appointment, and what amount was he paid in fees, expenses, or otherwise?
3. How much has been paid the said Robertson by the government or by any department of the government in the years 1922, 1923, 1924, 1925, 1926, and 1927?
4. Has any money been paid the said Robertson in 1928, and is any money now due him from the government or any department thereof?
5. Is the said Robertson at the present time acting for the government or any department thereof in any litigation or otherwise?

Mr. RINFRET:

Department of National Revenue—Customs and Excise Division:

1 and 2. No information.

3. 1922 to 1925, both inclusive, nil; 1926, $58.75; 1927, nil.

4. (a) $266.64, (b) no information.

5. Nil.

Income Tax Division:

1 and 2. No information.

3, 4 and 5. Nil.

Department of Justice:

1. Yes.

2. The employment of Mr. Robertson was authorized by the Minister of Justice if the commission should require the assistance of counsel. Accounts paid by Department of Marine and Fisheries.

3 and 4. No payments by Department of Justice.

5. Not for Department of Justice.

Department of Marine and Fisheries:

1. Yes.

2. Question re appointment, to be answered by Justice department. Department of Marine and Fisheries paid $5,755.81.

3. Answered above in so far as this department is concerned.

4. No, in so far as this department is concerned.

5. This department has no information.

Department of National Defence:

1 and 2. No information.

3. $1,325.50 in the year 1926.

4 and 5. Nil.

MR. GERHARD ENS

Mr. WILSON (Wentworth):

1. Has Gerhard Ens of Rosthern, Saskatchewan, been appointed to any position in the public service of Canada?
2. If so, to what position and on what date?
3. At what salary?

Mr. RINFRET:

1. Gerhard Ens is at present employed with the Land Settlement branch of the Department of Immigration and Colonization.

2. Appointed to visit all Mennonite settlements in the west, report on the conditions of the settlements, and advise incoming settlers of the Mennonite type as to where they can secure suitable land for settlement. His engagement is to continue for three months from March 29, 1928.

3. $100 per month.

PORT OF AMHERTSBURG, ONT.

Mr. GOTT:

1. Was any work done by the Canadian government at the port of Amherstburg, Ontario, during the year 1927?
2. Does the government propose doing any dredging at Amherstburg during the navigation season of 1928?
3. Has it been reported to the government that the east bank of the channel in front of the town wharf leased by the D. & W. Ferry Company at Amherstburg has been upheaved by stranded steamers?

4. Will the government make endeavour to have the shoal removed as quickly as possible if investigation discovers an existing reef?
5. What is the depth of water, clear or supposed depth from the east channel bank to the wharf at Amherstburg?
6. In view of the location of the town, being the first port in lake Erie, will the government give consideration in making expenditures, large or small to the plans of the Canadian Deep Waterways Association of having a channel from the head of the lakes to the ocean?
7. Has representation been made to the government from any person, association, firm or organization from the town of Amherstburg to deepen to the Amherstburg wharves from the east channel bank so that the heavy draft steamers might fuel at Amherstburg?
8. Has an estimate ever been made as to the cost of the aforementioned work?
9. If so, what is the estimate?
10. If not, will the government proceed with same, in view of proposals of the Canadian Deep Waterways Association?
11. Can any assurance be given that the survey will commence during the 1928 season of navigation?

Mr. RINFRET:

1. No.
2. Matter under consideration.
3. No.
4. Yes.
5. 16 feet.
6. Yes.
7. Yes.
8. No.
9. Answered by No. 8.

10 and 11. Survey will be undertaken when considered advisable and necessary.

EDMONTON INCOME TAX OFFICE STAFF

Mr. SPENCER:

1. What is the total number of officials employed in the income tax office, Edmonton?
2. As regards the clerks and stenographers in this office: (a) what are their names, (b) what are their grades, (c) what are their salaries, and (d) when were they appointed?
3. Were these positions advertised?
4. If so, how many applications were received?
5. If not, who were the applicants recommended?
6. Was there any examination held as to physical and mental requirements?
7. What safeguards were taken to insure that appointees were of good character?
8. Were candidates who had passed the civil service examination for the various positions offered positions?
9. If not, why?

Mr. EULER:

1. Number of employees, 12.

2.

Name of Employee (a)	Grade (b)	Salary (c)	Date of Appointment (d)
			1928
Arnett, Jean	I	$ 720	13th Mar.
Bates, John Thomas	II	960	17th Apr.
Belanger, Theresa	III	1,260	14th Dec.
Doyle, Loretta Irene	I	720	13th Mar.
Lessard, Marie Albertine	I	780	2nd Apr.
McKnight, Kathleen Cora	I	720	19th Mar.
Walker, Dorothy Lucille	I	720	18th Apr.

3. No.
4. Answered by No. 3.
5. Answered by No. 2 (a).
6. Yes.
7. Investigations of local inspector and chief inspector.
8. Inasmuch as the income tax division does not come under the Civil Service Commission, no examinations were held by the commission.
9. Answered by No. 8.

UNOPPOSED MOTION FOR PAPERS

POST OFFICE DEPARTMENT—APPOINTMENT AND REJECTION OF R. E. HALL

Mr. STEVENS:

For a copy of all correspondence, reports, memoranda, advertisements, decisions, ratings, and other documents in possession of the Civil Service Commission and the Post Office Department relating to the recent promotional competition to fill the position of principal postal clerk in the Ottawa city post office, involving the appointment and rejection of one R. E. Hall.

[Mr. Gott.]

TRADE AGREEMENT WITH RUSSIA

On the orders of the day:

Mr. HENRI BOURASSA (Labelle): Will the Prime Minister (Mr. Mackenzie King) lay on the table, first, the orders in council which preceded the trade agreement between Canada and Russia, and, secondly, the notes exchanged in London relating thereto? I might observe, with regard to the latter documents, that they are referred to in several of the despatches which have been brought to the house on motions by the hon. member for Battle River (Mr. Spencer) and the hon.

member for North Winnipeg (Mr. Heaps) respectively. Regarding the orders in council, there is no objection to tabling them right away; and so far as the notes are concerned it should be only a matter of form to have them brought down after communication with London.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I see no objection to promising to lay the orders in council on the table. I do not imagine there will be any objection to tabling the notes either, but I should like to communicate with the British government first.

STRUCTURAL STEEL WORKERS

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): I wish to call the attention of the Minister of Labour (Mr. Heenan) to a very serious strike of structural steel workers employed on an important public work in Toronto, which strike is likely to spread throughout Canada. These workers do not come under the Industrial Disputes Investigation Act unless both sides consent. What is the situation, and what has been done or is being done by the minister in the matter? The minister, I understand, is going away to-morrow. May I inquire what action will be taken?

Hon. PETER HEENAN (Minister of Labour): The government has done now about all it can do in the matter. We have no authority but we have offered our offices between the parties to the dispute, and I expect to have them on the telephone within an hour in order to discuss the matter with them again.

Mr. CHURCH: That is not going very far.

Mr. SPEAKER: Orders of the day.

Mr. CHURCH: I should like to find out who is the acting minister.

Mr. SPEAKER: Order.

STATEMENTS OF R. McCLYMONT

ATTENTION CALLED TO PUBLICATION OF ADVERTISEMENTS IN THE PRESS

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I should like to direct the attention of the right hon. the Prime Minister (Mr. Mackenzie King) to the fact that for some ten days or more a series of advertisements has been appearing in local newspapers which reflect seriously on the honour of members of this house. I refer to advertisements that have been signed by one Richard McClymont. Obviously that sort of thing should not continue indefinitely, and while I do not expect the Prime Minister to give an answer immediately, because he might like to consider the matter, I think it of sufficient importance to direct his attention to these advertisements and to ask him whether he does not think some action should be taken to protect, if not the members of this house, at least the vast number of civil servants that are affected by implications in the statements that are made in the advertisements in question. I leave the matter with the Prime Minister for his consideration.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Everyone who has seen the advertisements must have formed in his own mind some impression of the individual who is inserting them and spending his money for such a purpose. I really think it is attaching undue importance to him to direct any attention to the matter.

SEVEN SISTERS FALLS

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): May I ask the Minister of the Interior (Mr. Stewart) whether or not the Seven Sisters waterfalls has been leased, alienated or parted with?

Hon. CHARLES STEWART (Minister of the Interior): I can say the Seven Sisters are still intact and have not been leased.

CHINA-JAPAN RELATIONS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): The other day I asked a question in regard to the trouble between Japan and China and the Prime Minister (Mr. Mackenzie King) replied that he had no official information. As I understand it, Canada is to-day a member not only of the assembly but of the council of the League of Nations, and it seems to me that by this time we should take some cognizance of the situation which is commonly known to exist. Article X of the Peace treaty reads:

> Members of the league undertake to respect and preserve, as against external aggression, the territorial integrity and existing political independence of all members of the league.

In view of this provision I should like to ask the Prime Minister what action is being taken in this very serious situation.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The situation in China, as I understand it, is in the nature of a civil war, and the action to which my hon. friend refers is not so much, from the point of view of Japan, active external aggression as it is action taken to defend some of its nationals in a particular area. China and Japan are both members of the League of Nations, and if China felt that she was being attacked aggressively I assume that she would have made some representations to the League of Nations. The provisions of the league require that when any request of the kind is submitted all countries which are parties to the league shall be so informed. Canada has received no information from the secretary general of the league that any representations have been made by China that she is being attacked, and certainly this government has not felt that Canada has any special responsibility to take action while all other nations refrain from so doing, or await representations by China on her own behalf.

MEMBER VOTING INADVERTENTLY

On the orders of the day:

Mr. T. W. BIRD (Nelson): Yesterday while a vote was in process the hon. member for Toronto Northwest (Mr. Church) voted contrary to his intention. Beauchesne states the usage of the house very clearly on this point, and it is a fact that when a member makes a mistake of that kind his vote must stand as originally recorded. In this case the rule has been ignored; I notice that the reports in Hansard and in the votes and proceedings record this vote according to the intention of the hon. member. I am aware that Your Honour made some remarks in explanation of the mistake, but I do not think those remarks could be construed into an order to change the record. However, if that is the case, I would ask if this ruling will change the usage of the house in future. Hon. members will remember that two years ago this rule was applied to me with all its rigour, in consequence of which I became the victim of certain gentlemen whose idea of sportsmanship is somewhat attenuated at election time.

Mr. SPEAKER: The ruling I gave in the case of the hon. gentleman was a sound ruling, and I will live up to it in the future. Last night, when I saw the hon. member for Toronto Northwest (Mr. Church) rising I felt very sure, as everyone felt, that he had not heard the question as put. I need not stress that point; the hon. gentleman is deaf and therefore did not hear the question as put, because he had expressed to me and to others his desire to vote against the bill in all its various stages. However, his vote should not have been changed in the votes and proceedings, because May, Bourinot and all the other authorities on parliamentary procedure state that once a vote is registered in the House of Commons it cannot be changed in the report.

Mr. HOCKEN: As I recall the circumstances, the conditions in this case are quite different. My hon. friend from Toronto Northwest voted both ways, but the hon. member for Nelson (Mr. Bird) was paired when he voted.

DEPARTMENT OF NATIONAL REVENUE ACT AMENDMENT

Hon. W. D. EULER (Minister of National Revenue) moved the third reading of Bill No. 291, to amend the Department of National Revenue Act.

He said: Although I am asking now for the third reading of the bill, I have requested my colleague the Minister of Finance (Mr. Robb) to move the house back into committee for the purpose of introducing an amendment. In the debate yesterday I was asked whether in the appointment of certain officers specified in the bill by the governor in council, or by the Civil Service Commission, returned men would receive the preference. I think I stated very distinctly and emphatically that we did so intend to continue that preference provided other conditions were equal with regard to the qualifications necessary. It was suggested, I think by my hon. friend from New Westminster (Mr. McQuarrie), that this might be very well included in the bill itself. I felt at the time, and I am not sure that I have really changed my mind, that it was not necesary so to do, but I think possibly it may meet the wishes of most of the members of the house, and perhaps the returned men themselves will be more reassured on the point, if such a clause is inserted in the bill. The amendment which will be later moved in committee, if the house goes into committee will provide for that.

Hon. J. A. ROBB (Minister of Finance): At the request of my colleague, the Minister of National Revenue, I beg to move, seconded by Mr. Dunning, that Bill No. 291 be not now read a third time but that it be referred back to the committee of the whole with instructions that they have power to amend by adding the following paragraph to subsection 4 therein:

Provided that in the appointment of officers under the provisions of this subsection, other

qualifications being equal, preference shall be given to persons who have been on active service overseas on the military forces or who have served on the high seas in a seagoing ship of war in the naval forces of His Majesty during the war, who have left such service with an honourable record or who have been honourably discharged.

Hon. R. B. BENNETT (Leader of the Opposition): I congratulate my hon. friend the Minister of National Revenue on having tardily recognized the soundness of the suggestions made to him yesterday. Had he adopted them then it would not have been necessary to move his bill back into committee. It is very satisfactory to know that the minister has discovered that after all some good may come out of Nazareth, and that we on this side of the house at times do make suggestions which are sound and in the public interest. I congratulate the minister for having accepted our suggestions in that regard.

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

On section 1—Minister may nominate certain officers.

The CHAIRMAN: An amendment has been moved by the Minister of National Revenue, as follows:

Provided that in the appointment of officers under the provisions of this subsection, other qualifications being equal, preference shall be given to persons who have been on active service overseas on the military forces or who have served on the high seas in a seagoing ship of war in the naval forces of His Majesty during the war, who have left such service with an honourable record or who have been honourably discharged.

Mr. POWER: I think the minister will agree that he should add such words as would indicate that these men should have served in the military forces of Canada. I do not know the feeling of other members of the house with regard to this matter, but personally I am very much opposed to men who have served anywhere in the military forces of the empire coming here to Canada and taking positions which belong to Canadians.

Mr. EDWARDS (Frontenac): In my judgment there is a weakness in the wording of this amendment, as far as the returned soldier is concerned; apparently it holds out to the returned soldier a preference because of his service overseas, but it is not so worded as to give him that preference beyond any doubt. I refer particularly to the words, "other qualifications being equal." It would be very easy to tell a returned soldier, "Yes, you have the qualifications necessary to fill this position, but your qualifications are not so great as the qualifications of another man." It does seem to me, if you want really to give the soldier the preference to which he is entitled, you should specify that he possesses the qualifications necessary to fill the position. For example, you might have a returned soldier who was thoroughly qualified to fill the position. He might be put in competition with a man applying for the same position, and who was a graduate of a university. From an educational standpoint, I suppose the second man would be superior to the first, and yet the returned soldier might possess all the qualifications required satisfactorily and effectively to perform the duties of that office. It leaves it open to the minister or to the board to get out of giving the returned soldier the preference to which he is entitled.

Mr. CLARK: I would just like to say a word with regard to the suggestion of the member for Quebec South (Mr. Power), and point out that many Canadians served in the British army, and did not serve in the Canadian army at all; he would discriminate against them. Similarly, many Englishmen and Scotchmen served in the Canadian forces and, if his principle were adopted, we would discriminate against them. Personally, I am opposed to any such idea being embodied in the legislation of this country. Let us treat on the same basis all residents of the empire who served the empire in the Great War.

Some hon. MEMBERS: No.

Mr. POWER: Would my hon. friend be prepared to allow Americans who served in the Great War to receive preference? Under the amendment, as proposed, I think they would.

Mr. CLARK: The hon. member's proposal would do that very thing. We all had Americans serving in our units, and they are eligible, under the proposal of the member for Quebec South. The Canadians who served in the British army would be barred by the suggestion of the member for Quebec South.

Mr. POWER: I am prepared to go so far as to say that residents of Canada who served in the British army shall be eligible. After all, the principle underlying my suggestion is that positions in the civil service of Canada shall be open to Canadians.

Mr. CLARK: What are you going to do with those who are in the service already?

Mr. McGIBBON: Might I remind the member that the Civil Service Act protects them; they must be Canadian citizens.

Mr. HENRI BOURASSA (Labelle): Since no devout supporter of the government has

enough gratitude in his heart to congratulate the opposition, I think it belongs properly to one who is not affiliated with either party, to outline once more the curious influence which Toryism exercises upon certain departments, and upon certain members of the government.

The question of whether the returned soldier should be given preference or not is a very wide one. I think we have gone far enough in that direction. I am second to none in rendering honour to Canadians who served in the army, but, at the same time, there are many good Canadians who served their country by working in Canada and for Canada. We are undermining to a large degree the sense of patriotism and citizenship by always bringing to the front the soldiers, whether they belonged to the Canadian army or to the British army, as people who deserve gratitude and preference over the Canadian citizen who has worked all his life in perhaps a simpler capacity, but certainly in as useful a capacity, as far as Canada is concerned, as by serving in the army.

Some hon. MEMBERS: A safer capacity.

Mr. BOURASSA: Safer for Canada, yes. I fail to see where many of the most outspoken and especially noisy upholders of everything militaristic have, either in the last war or in preceding wars, given evidence of their desire to serve in a non-safe capacity. I have noticed very frequently that the real soldier, the man who went to the fields and fought battles, is usually more modest than the politician who makes such a noise about it. That is one point.

The other point is the one raised by the hon. member for Quebec South (Mr. Power). Are we going to allow the habits of the administration to grow to the extent where no difference is to be made, in preferment, or otherwise, as between the men who acknowledge themselves servants of Canada primarily —whether they believe in the co-operation of Canada in British wars or not, whether they take the point of view of Canadianism or that of British imperialism and Imperial co-operation, is an entirely different question— and the British soldiers?

Consider what the government of Great Britain does for its own people, and what the government of Australia does. I do not think you will find in any statute of Great Britain or of Australia any disposition to put on the same footing as their own people Canadians who may have served accidentally in the army of Great Britain or the Australian militia. You would not find it in India; you would not find it in South Africa, and you would not find it in any British statute. Quite properly, the British look to their own people first; Australia looks to its people first, and South Africa does the same. I think the Canadian government and the Canadian parliament should look to their people first also.

Therefore, the proposal made by the hon. member for Quebec South should recommend itself to the attention of the house, and I think to the attention especially of the members sitting to the right of the Speaker. Perhaps the Minister of National Revenue (Mr. Euler) may be able to take some little inspiration from his friends, rather than to give way so complacently to the opponents of his government and of his party.

Mr. POWER: I have an amendment to the amendment, as follows:

That the said amendment be further amended by adding in the fifth line thereof, after the words "military forces", the words "of Canada".

Mr. EDWARDS (Frontenac). I would suggest to my hon. friend from Quebec South that he call this question especially to the attention of the Postmaster General (Mr. Veniot). My reason for that is that his remarks a short time ago seemed to be generally accepted by hon. members on that side of the house. The Postmaster General was not present. If he had been present he could not have given his approval in view of the action which he has taken in times past and, indeed, not very long past, because I can give the committee a case where the Postmaster General turned down the application of several Canadians who served overseas in the Canadian army and gave the position to a man who served in the British army.

Some hon. MEMBERS: Order.

Mr. EDWARDS (Frontenac): What is out of order in that? I do not know whether hon. gentlemen opposite characteristically want to exercise their lungs or not, but there is no reason or common sense back of their cries. I am calling the attention of the committee to the fact that a few months ago the government itself did not feel inclined to follow out the suggestion made now by the hon. member for Quebec South (Mr. Power) and I am prepared to give a specific case in which they departed from that very principle which is now so loudly applauded on the other side of the house.

Mr. POWER: It may be a reform from within.

Mr. EDWARDS (Frontenac): The policy followed by the government in the past has not been that proposed by the hon. member for Quebec South. The policy has been on

the contrary to recognize returned soldiers who served in the British army and who after the war came to Canada and took up their residence here in preference to those who served in the Canadian army.

Mr. ROSS (Kingston): Does the amendment to the amendment include Canadians who served in the air force?

Mr. POWER: My amendment is by no means perfect. I am going only as far as I can in the short time I have at my disposal. If any hon. member wishes to add any other class, I have no objection to giving that my support.

Mr. ROSS (Kingston): Perhaps the hon. member had better hold his amendment for a while and make it perfect. If these men are not included I wish to protest because some of the best Canadians served in the air force. As there was no Canadian air force they served in the British army and we have hundreds of them here. The bravest, most courageous Canadians served in that force and I object to their omission from the amendment.

Mr. POWER: Will my hon. friend agree to some such subsection as this:

Or being resident in Canada at the outbreak of the war, served in the forces of His Majesty.

Or some words which would indicate that they are Canadian citizens and not citizens of any other country:

Or being resident or domiciled in Canada at the outbreak of the war, served in one or other branch of His Majesty's forces.

I am prepared to add that to my amendment.

Mr. KAISER: The subamendment is not clearly understood. I am first and foremost a Canadian. Nothing appealed more to me than to find so many native-born Canadians enlisting in various branches at the time of the war and I would be inclined to give a preference to Canadians who were resident and domiciled in Canada at the outbreak of the war over any other returned soldier who may have later on become a Canadian.

Mr. McQUARRIE. I appreciate what the minister has done but it is not entirely in accordance with the suggestion that I made. What I suggested to him was that he would include in his bill the provision in the Civil Service Act in regard to returned soldiers. The section to which I referred is subsection 4 of section 29 of the Civil Service Act. As it is rather long I will not read it, but there is one class that is not taken care of in the amendment. It is included in these words:

Or when any persons who have served as aforesaid have died owing to such service, the widows of such persons.

The widows of those who served in the war should be given a preference but they are left out. I would suggest that the minister include subsection 4 of section 29 of the Civil Service Act in his bill.

Mr. EULER: My hon. friend would hardly think widows would be acting in the class of officers such as are mentioned in the bill, namely, preventive officers.

Mr. LAVIGUEUR: I wish to second the amendment of the hon. member for Quebec South and I congratulate him upon bringing forward such an excellent amendment. We all say that charity begins at home; but too often we find that our returned soldiers are not given the preference but that some who served in the British army and who are not citizens of Canada are given the preference. The hon. member for Frontenac-Addington stated a few minutes ago that the preference was not always given to the returned soldier.

Mr. ROSS (Kingston): Would the hon. member consider changing the word "charity"? I do not think any soldier wants charity.

Mr. LAVIGUEUR: I think we have confidence in the minister that he will not make such a mistake as the Civil Service Commission too often makes and that he will see that the preference is always given to returned men resident in Canada.

Mr. McQUARRIE: In regard to the remark of the minister that I could not expect the widows to be employed in the preventive service, I might point out that women are now employed in the customs service and also in the preventive service. It seems to me that in some cases they would be very useful.

The CHAIRMAN: The amendment moved by the hon. member for Quebec South now reads:

That the said amendment be further amended by adding in the fifth line thereof after the words "military forces" the following words: "or being resident or domiciled in Canada at the outbreak of the war, served in His Majesty's forces".

Subamendment agreed to.

Section as amended agreed to.

Bill reported.

Mr. EULER moved the third reading of the bill.

Hon. R. B. BENNETT (Leader of the Opposition): In amendment to the motion for the third reading of the bill now proposed by the minister, I propose, seconded by Sir George Perley, the following amendment:

That the said bill be not now read a third time, but that it be referred back to the committee of the whole with instructions that they have power to amend the same by providing that (a) customs appraisers of all classes whether serving at the various ports and places of entry or as dominion appraisers; (b) All officers in the customs-excise preventive service; and (c) All officers assigned to duty as investigators of values and claims for drawback, shall be appointed by the Civil Service Commission after public competition and examination by the Civil Service Commission in association with such representatives of the department as may be named by the minister and any others that he may think necessary to properly determine their qualifications.

I do not propose to trespass upon the time of the house further than to say that it is essential that we should maintain in its integrity the principle of appointments to office being made by the Civil Service Commission. I yesterday directed attention to the observations made by the hon. Minister of National Revenue (Mr. Euler) when as a member of a select committee in 1921 he pointed out that technical and professional positions should only be filled after consultation between the Civil Service Commission and the deputy head or head of the department that might be affected.

The amendment which we now propose is one that in practice has been found to work out satisfactorily. Upon inquiry I find that only within the last three weeks or less it has been necessary to appoint appraisers, and that an examination was conducted by the Civil Service Commission, with the aid of officials named by the department, together with two business men in Toronto, who assisted in determining the qualifications of the various applicants.

What we ask is that in a matter of this kind, where very important interests are involved, there should be afforded the opportunity by public competition to select those persons who, by reason of the examination they have passed, and the demeanor they have shown before the minister or the deputy or the persons named by him and such other persons as may be selected for the purpose by the minister, have demonstrated their fitness to discharge the duties of the position. Appraisers, drawback investigators, and those in the preventive service, will thus be selected from a body of men whose political faith need not and will not be considered at all. The bill as it now stands provides that the recommendations shall be made in a certain way, and that really the minister himself shall determine who shall be appointed, and the Civil Service Commission is merely mentioned for the purpose, as I said yesterday, of permitting some use to be made of its name without in fact any value being attached to what it may do. Under these circumstances, without trespassing further on the time of the house in view of the engagements of the minister, I merely content myself with moving the amendment, and protesting against removing from the jurisdiction of the Civil Service Commission the appointment of these appraisers and drawback investigators, who will deal with very important matters in which political consideration may prevail, as well as in the performance of their duties by members of the preventive service, which is so very important.

[The Chairman.]

Hon. W. D. EULER (Minister of National Revenue): The hon. leader of the opposition was very kind a few moments ago to congratulate me upon accepting an amendment which supposedly came from the other side of the house, and for which I was rather mildly censured by my hon. friend from Labelle (Mr. Bourassa), but which, by the way, leaves me quite unmoved. I wish I could congratulate my hon. friend similarly upon the introduction of his amendment, but I regret that I am not able to do so. I am not going to rehearse the arguments advanced yesterday. There is really nothing new in what the hon. leader of the opposition has suggested. He has simply put into formal words the objections which were voiced yesterday and to-day. I think there is nothing to be gained by arguing the matter any further. I would merely say this, that if the amendment were accepted, it would absolutely negative and defeat the purpose of the bill. There would really be nothing left. The purpose of the bill is to place in hands other than those of the Civil Service Commission the appointment of this small class of officers. That is the effect of it, and if the amendment were accepted, it would merely leave these appointments exactly where they were before, and for that reason I cannot accept it.

Mr. E. J. GARLAND (Bow River): I do not feel that I can allow this bill to be finally decided upon by the house without at least placing myself on record with respect to it. I was somewhat astonished at the closing remarks of the minister who is in charge of this bill. He has just said that the amendment of the hon. leader of the opposition (Mr. Bennett), if accepted, would negative the whole purpose of the bill. A hasty scrutiny

of the debate yesterday rather led me to the momentary conclusion that the minister's whole argument yesterday was that the purpose of the bill was to improve, if possible, the personnel of his staff.

Mr. EULER: Quite so.

Mr. GARLAND (Bow River): In other words, that he would maintain the merit system. That was the impression he intended to give to the house. But now he says that the actual application of the merit system under the Civil Service Commission would negative the purpose of the bill.

Mr. EULER: I say nothing of the kind.

Mr. GARLAND (Bow River): That is the effect. I think it would pay hon. members, it would pay me at least, to scrutinize for a moment or two the bill itself, and to find out where it is going to lead us. We find, in the first place, the motive behind the bill, and we conclude that the Minister of National Revenue must have no confidence in the present Civil Service Commission. If he has confidence in the Civil Service Commission and in their ability properly to examine and select the individuals required by his department, then naturally there would be no object in this bill whatever. Therefore I am fair in asserting—I await contradiction from the minister if I am wrong—that he has no confidence in the present Civil Service Commission, in so far as their ability to select the personnel of his staff is concerned. All right. That being the case—

Mr. EULER: You are assuming too much.

Mr. GARLAND (Bow River): —the minister says, I am going to erect a suitable body of examiners within my own department. I am going to establish an examining body within the Department of National Revenue, and ask them from time to time to examine and make selections from those who may apply for these positions. That will be a body in which I have confidence, and naturally I shall feel that the persons they select will be of value to me. But before adding them to the personnel, I shall refer their names to the Civil Service Commission for a decision from that incompetent body from which I am taking away the whole administration of this work. He is in effect saying: I have a board within my department in which I have confidence, and which is competent to select the proper applicants, but in order to delude the public, in order to blind their eyes to the real facts of the matter, I am going to refer their names to the Civil Service Commission with the proviso that if within fifteen days they do not approve of the nominations by the departmental advisory board, the governor in council shall decide. Well, Mr. Speaker, I have my own opinion about the decisions of the governor in council. In effect, this is patronage at its very worst. The situation then, briefly, is this. The minister is going to place these particular positions which are mentioned in this bill definitely under the administration of wide-open patronage.

I think it would be as well for the minister before voting finally on the bill—although I have no hope of changing his course—to turn his attention for a moment or two to the situation in the United States. It is not all that it might be, but it is a good deal better than it was some time ago. We all know of course that whatever government is in power seeks to restrict the operation of appointments under the merit system. All governments, irrespective of party, desire more definitely the restoration of the patronage system, but particularly is this the case with the present government. In fact its predecessors introduced the merit principle. In the United States I find that exactly the same excuses were used for the continuation of patronage in making appointments to the civil service that the minister is now using for wide-open patronage in his department. When the Volstead Act was passed by congress appointments to the prohibition enforcement bureau were exempted from the provisions of the civil service law, on the plea that it would be necessary for the executive to be free to get men of character to enforce the law. I need not call the attention of the house to the results. They were certainly notorious and hopeless, and were best descirbed in the organ, known as Good Government, published by the Civil Service Reform League of the United States, in these terms:

> Everyone knows that a large proportion of that force is composed of grafters, thugs and miscreants, who not only take bribes, but are guilty of unlawful acts of violence.

And further:

> In the beginning the league pointed out the probability of this result if the positions were exempted from the provisions of the civil service law, and has endeavored constantly to procure an amendment of the law which would classify the entire prohibition force without covering in the present members. . .
>
> Certainly a force appointed after competitive civil service examination, and investigation of the character of the applicants by an independent body such as the Civil Service Commission, would eliminate a large proportion of such scalawags as are now appointed on political recommendations, and would vastly improve the character of the service.

The Winnipeg Tribune, commenting upon that article, states:

Abandonment of the merit system and resort to patronage in precisely that arm of the service which is most exposed to temptation, and resort to patronage where the work demands the most absolute integrity, is inexcusable. It is amazing to find responsible cabinet ministers so blinded by partisan prejudice and so self-complacent.

Very strong words. They are words that I would accept and voice as my own. It is not necessary, of course, to convince students of political science that the patronage system is not the system by which you will get men of high moral character and the best qualified for responsible positions. Contemporary history shows us that. As an illustration—I think it was used by the hon. member for Vancouver Centre (Mr. Stevens) yesterday—I was interested in finding out just how many of those persons who were recommended for dismissal by the customs commission had been appointed under the old patronage system or by the Civil Service Commission. I wrote to the commission under date of April 17 last, and I have their reply in my hand, signed by the secretary, Mr. Foran:

Dear Mr. GARLAND,

In reply to your letter of the 16th instant, I beg to say that of the customs employees who were recommended for dismissal or retirement by the customs committee, not one was an appointee of the Civil Service Commission. As regards the other employees who were mentioned in the evidence before the committee, I am not in a position to say whether or not any of them were appointees of the commission, but if you could furnish me with the names in question, I should be glad to have the necessary inquiry made,

Yours sincerely,

W. FORAN,
Secretary.

Not one was an appointee of the Civil Service Commission. I am not going to be so discourteous to my hon. friend as to suggest for one moment that the appointments he is likely to approve of will be of the scalawag or the notoriously immoral or bad type; but I say definitely to him now that he is opening the way to the widest kind of patronage, which in the very course of human nature will lead to just that condition of affairs at some time or other—possibly not during his control of the department. I hope not, at least, for I have a good deal of confidence in him. But he is weakening not only the position of the government with respect to the Civil Service Commission, but their declarations of their belief in the merit system.

The organ to which I referred just now, Good Government, reported in its issue of December, 1922 that:

The federal grand jury of New York denounced as "disgraceful" the management of the federal prohibition offices in New York city under the two chief enforcement officers, and gave as the reason for this condition the fact that appointments of prohibition agents and inspectors are made without competitive civil service examinations.

Mr. EULER: It may not be pertinent at this point, but may I ask my hon. friend this question: Would he say that the service in the province of Alberta from which he comes, and the government of which he supports, is so bad? Because there, I understand, it is entirely a matter of political patronage.

Mr. GARLAND (Bow River): I seek no shelter in the matter. I am absolutely opposed to political patronage in my own province, and I am using every effort I can with my own colleagues and friends to institute a civil service commission in Alberta. I am absolutely in favour of the merit system. The hon. gentleman can never frighten me with any references of that kind.

Mr. EULER: I disclaim any such intention.

Mr. GARLAND (Bow River): I would apply the principle of merit to every single appointment within the power of governments. The article goes on to quote the grand jury letter as follows:

Apparently the agents selected for active work of suppressing illegal traffic in whiskey have been chosen principally for political reasons when it was necessary to select men for this work who are worthy of confidence and of such stable character that they would not yield to the temptations to which it was well understood they would be subjected.

I ask you, Mr. Speaker, is there any other occupation in the public service to which men are so subject to bribery and every other subversive influence that may induce them to forswear allegiance to their particular occupation as those employees to which the minister refers in this bill. I say the whole principle of the bill is unsound. It is a reversal of the policy to which hon. members opposite gave lip service in the past. I regret that they do not give more than lip service to it to-day.

I now take the attitude of the Citizens' Research Institute of Canada in this connection. Resolution No. 3, passed at one of their recent conventions, reads as follows:

Whereas, the effect of political patronage in the appointment and administration of the personnel of the civil services of Canada has been condemned by public opinion, and was abolished in the federal services by the Civil Service Act of May, 1918;

Therefore be it resolved that this civil service research branch of the Citizens' Research Institute of Canada record its firm opinion in favour of the fullest application of the civil ser-

vice law where it now prevails and the extension of the merit principle therein embodied to other government services, provincial, municipal, etc.

With that resolution, Mr. Speaker, I am in complete accord. It is not my desire or purpose to delay the house unduly on this question. My opinion on it is well known. I have never hesitated to state unequivocally my views regarding the merit system versus political patronage. But in order to overcome any obstacles that might be raised on practical grounds, I took the trouble a year ago to ascertain from the Civil Service Commission just exactly what steps they would pursue if they were instructed to undertake the examination and appointment of such a personnel as is mentioned in the bill. I have in my hand the letter which I received at that time, and which at my request was renewed a few months ago in order that it might be absolutely up to date. The answers to my questions are:

In view of the unusual importance attaching to the problems arising out of the customs investigation, I think it is necessary to again outline the procedure the Civil Service Commission would follow if it were called upon to select officers for the preventive service of the Department of Customs and Excise.

Exactly the same method would be applied to the appointment of appraisers or of any other officials that might be required by the hon. Minister of National Revenue. I ask particular attention to these words, because in every case they meet the points raised by him:

1. Applications would be openly invited throughout Canada from persons qualified to perform the particular type of work in question.

2. Those candidates who did not possess at least the elementary education required, or were otherwise obviously unfitted for the special nature of the work, would be eliminated from further consideration.

3. The qualifications of the remaining applicants would be considered—

Note this.

—by an examining board on which the various interested parties would be represented. These would include the Department of Customs and Excise, presumably in the person of the chief of the preventive service—

And in the event of appraisers, the chief of the appraisal staff.

—or such other officer—

Mr. DUNNING: My hon. friend is partly reading from a letter and partly interpolating something of his own. Does that letter refer to the appraisers?

Mr. GARLAND (Bow River): I had not even gone to the trouble of securing an expression of opinion in writing from the Civil Service Commission in regard to the appointment of appraisers, but about a week ago I went over there personally and interviewed Doctor Roche and Mr. Foran on the matter and they stated definitely that exactly the same system of examination will apply to appraisers that applies to the preventive service. That answers my hon. friend's question.

Mr. DUNNING: It is much better to read the letter.

Mr. GARLAND (Bow River): I am glad my hon. friend has called my attention to the point. The letter states:

These would include the Department of Customs and Excise (presumably in the person of the chief of the preventive service, or such other officer as might be designated by the deputy minister), the Commercial Protective Association, or such other body or bodies as might be necessary to represent the interested manufacturers and retailers of Canada, and the Civil Service Commission; and assistance from the Royal Canadian Mounted Police and trained investigators such as Mr. Walter Duncan would also be enlisted.

4. The factors on which applicants would be examined and on which the selection for appointments would be made would include: experience in investigational work; intelligence and powers of observation; knowledge of criminology and customs problems; integrity and good moral character. I need not add that an examination is not necessarily academic in character, but that its subjects vary according to the qualifications required for the proper performance of the work, and that "scholarship" in the accepted sense of the word, "essay writing" or "ability to count in decimals," as quoted in your letter of March 19th last, would form no part of an examination for this type of position.

5. Those candidates finally selected would be subject to a rigid investigation as to their integrity and trustworthiness; and on the basis of an examination conducted as above, with the sole aim in view of securing the best possible men available in Canada for this important work, and with freedom from pressure of personal or other considerations, I am confident that the right type of officers, satisfactory alike to the department and to the public, could be secured.

There was one other point which, as it happened, I took care to raise with the commission—a point that was raised last year. I refer to men whose names, because of the nature of the occupations they fill, the department prefers as far as possible not to make public. I took up that point with the Civil Service Commission and the following is the answer:

The necessity for the publication of the names of the successful candidates in the Canada Gazette could readily be obviated by the insertion in the item of the estimates providing the necessary appropriation of a clause "These appointments shall be made under the Civil Service Act except as regards section 39 (1),"

this being the clause in the act providing for the publication in the Canada Gazette of the names of the successful candidates.

Yours truly,

W. FORAN,
Secretary.

That, to me at least, provides a conclusive answer to practically every argument raised by the Minister of National Revenue yesterday.

Now I am not going to quote what the Minister of Justice (Mr. Lapointe) has said in the past, nor am I going to quote the Prime Minister (Mr. Mackenzie King), the Minister of Immigration (Mr. Forke), and others whose statements have already been given. But I do not think that the complete statement of the Minister of National Revenue has yet been put on Hansard this year. It would not be fair to him to have a sentence or two torn from the context and the public left to draw their own conclusions therefrom. I shall therefore quote from Hansard, pages 4414 to 4417, June 1, 1921. The Minister of National Revenue, then plain Mr. Euler, said:

For my part, I believe that the amendment proposed to section 38 of the present act does make it possible to destroy the vital principle of the act, namely, the abolition of political patronage . . . I am under the impression that the commissioners have tried to carry out the act honestly and in accordance with what was expected of them by parliament.

The only change that has taken place in the commission since that day is that two of the members of the then commission have been dismissed and their positions filled by my hon. friends opposite. The hon. member continued:

It is quite conceivable that we may have a majority of the members of the Civil Service Commission composed of men who honestly believe that the civil service should be controlled by political patronage. There are members of this house who believe that and they have a perfect right to that belief. But if we had that condition we would necessarily find that the commission would divest itself of all its powers and the whole civil service would lapse back into the old practices of political patronage. I do not see how it could be otherwise.

Mr. Calder then interrupted:

The hon. gentleman forgets that parliament sits from year to year.

Mr. Euler: If, as I begin to suspect, a good many members are rather in favour of the return of political patronage, that perhaps would not be a safeguard.

Mr. Sexsmith: Is it the hon. gentleman's information that under the old law political patronage was done away with?

Mr. Euler: I am not qualified to speak on that but I know it is done away with as far as I am personally concerned. I never was given the opportunity to exercise it, nor do I desire it . . . So far as I am personally concerned I am opposed to the system of political patronage as it obtained in the past. . . . It is nevertheless true that the advantages of that system are far outweighed by its disadvantages.

Those are the words of the Minister of National Revenue who to-day is asking the house to give third reading and sanction to a bill which has within it the widest type of political patronage in its very worst aspects, because not only does the minister quite frankly come out and say, "I am seeking political patronage in the matter and I want to have the administration of all appointments in my department", but he attempts to befog the question in a peculiar paragraph wherein he undertakes to refer to the Civil Service Commission for a period of three weeks or fifteen days, the names of those whom he has selected.

Let me say frankly that I have known the hon. gentleman for some seven years and have admired his political record. But I had not thought that he would ever, simply by joining a government such as the one we have opposite, come to such a pass as to attempt to deceive himself, in spite of his own convictions, in a matter of this importance. I had placed in my hands this morning a little note with reference to this question. It is of such merit that I feel it ought to go on the record. It reads:

This is the age of wonders! Among the more recent marvels is a new complete compilation of the Standard Dictionary, Noah Webster's and all other kinds of English speaking vocabularies. Supporters and voters of the present Liberal government will hear with justly inflated pride that this work is being undertaken by the cabinet of the present administration. Slow but sure is the motto, or one word at a time, and the launching of the plan has been entrusted to the Hon. Mr. Euler, Minister of National Revenue. The word he has chosen for the initiation of his prodigious effort is the word "merit."

The former and now archaic meaning of "merit" is well known. As applied to government service it used to imply competition for positions, open and free to all alike, and the Civil Service Commission was utilized to see that this was done.

Our modern Sir Galahad of pure English has changed all this. In future Mr. Euler will write as follows to the Civil Service Commission:

"Dear Commission:—Some of our good friends in the maritimes, who are staunch adherents of our heaven-born party, have asked me to appoint a zealous party worker as an appraiser, in the civil service. His name is Hurry Makemvote. I will be obliged if you will put your convenient rubber stamp on this name within 15 days, or, if you do not, I will have the governor in council do so for me."

We are familiar with the Liberal arts and artifices. Now observe the fine, complex of

this Liberal-party rendition of generic definitions. Mr. Euler elucidated his expansive theory as to the new meaning of the word "merit" in the House of Commons on Tuesday, the 8th instant. Referring to the plan outlined in the above proforma letter to the commission, he said:—"There is to be no interference with the Civil Service Act."

Mr. EULER: May I ask my hon. friend from what he is quoting?

Mr. GARLAND (Bow River): I am just quoting a letter which an indignant supporter of my hon. friend's party placed in my hands this morning, and I suggest that it shows the public attitude in regard to this matter.

Mr. EULER: Surely if my hon. friend is going to read a letter in this house he should state from whom he received the letter.

Mr. GARLAND (Bow River): Let me put the mind of my hon. friend at rest by taking responsibility for it myself.

Mr. EULER: Then my hon. friend wrote it to himself?

Mr. GARLAND (Bow River): We will so assume, for the purpose of this discussion. Now if my hon. friend is satisfied perhaps we can continue:

> Old meanings are as chaff to this new Liberal school of thought. The magician has waved his wand and presto! words renounce their parent derivations and become converts to the exact reversal of their original meaning.

That is the fact; that is why I noted with astonishment the opening and closing remarks of my hon. friend this afternoon in answer to the leader of the opposition.

Mr. C. G. POWER (Quebec South): I rise to a point of order.

Mr. GARLAND (Bow River): Just wait till I finish.

Mr. POWER: I am rising to a point of order. Some years ago Mr. McMaster, the then member for Brome, read what was said to be an imaginary letter having reference to the actions of a certain Mr. Wigmore.

Mr. GARLAND (Bow River): This is not an imaginary letter; it is right here, and my hon. friend can see it with his own eyes.

Mr. POWER: It was said to be an imaginary letter, or at least a letter written by some person with an imagination. A letter somewhat similar to that which the hon. member now seeks to place on Hansard was read by Mr. McMaster. Debate with regard to the propriety of such an action took place in the house and the Speaker, Hon. Mr. Rhodes, ruled that this letter could not be read into Hansard, and I believe on the following day he ordered it to be deleted. I now ask Your Honour for a ruling in connection with this letter.

Mr. SPEAKER: If the hon. gentleman has reference to a letter written by a former Minister of Customs, I may say that I read that letter myself in the course of a debate in this house.

Mr. CANNON: That was the letter which brought on the incident, but it is not the letter to which my hon. friend is referring.

Mr. SPEAKER: What is the point of order? What is the objection to the hon. member reading the letter?

Mr. POWER: The point is this: I am under the impression that my hon. friend is reading into Hansard an unsigned letter which he says we may take as coming from himself. For all practical purposes it is an unsigned letter, and the hon. gentleman refuses to reveal the name of the author. I submit, sir, that he has no right to read such a letter into Hansard. If he is making a speech of his own, let him do so, but if he reads a letter he must say from what source it comes.

Mr. GARLAND (Bow River): The letter which I am reading is one for which I take the full responsibility, and if it will ease the mind of my hon. friend I will sign a copy and give it to him as a souvenir.

Mr. POWER: I do not think my hon. friend can write letters and put them on Hansard.

Mr. SPEAKER: A moment ago I heard the hon. gentleman say that the letter was from himself; if he now says the letter is unsigned it is a different matter. Such a letter should not be read into Hansard; all letters when read must be signed and they become part of the documents of the house. Am I to understand that the hon. gentleman has not signed the letter?

Mr. GARLAND (Bow River): If that is required to comply with the rules I have no objection to signing the letter.

Mr. SPEAKER: Very well; there is no objection.

Mr. EULER: I would like to know whether the hon. gentleman will say whether or not someone else has signed that letter.

Mr. GARLAND (Bow River): No, it is unsigned.

Mr. LAPOINTE: Then how can you say it is from an indignant supporter of the government?

Mr. GARLAND (Bow River): I would refer the minister's obtuse mind to the extraordinary terms used in the letter; if that does not satisfy him that the supporter is indignant, nothing will satisfy him.

Mr. LAPOINTE: He may be indignant, but it does not satisfy me that he is a supporter of the government.

Mr. SPEAKER. I understand that the letter is signed by the hon. member?

Mr. GARLAND (Bow River): Yes.

Mr. MacLEAN (Prince): May I ask to whom the letter is addressed?

Mr. GARLAND (Bow River): My hon. friend should not worry so much about it; the letter is not addressed to anyone. The continuation of this excellent contribution to this discussion deals with the remarks made by the Minister of Justice, the Prime Minister, the Minister of National Revenue and others, in this way:

Mr. Lapointe said in 1921, "I do not believe in political patronage."

Now we begin to see just exactly what he did mean. We really thought at the time he did not believe in patronage, but now we find that he is going to vote for this bill, which is nothing else but political patronage. We find that the Prime Minister a few years ago said that he stood strongly for the merit system, but now we find him throwing those sentiments to the winds. What did he mean? Then the Minister of National Revenue stated, in absolutely unequivocal terms, that he never wanted to exercise political patronage in any shape or form, but now he sets up a system within his department under which he brings within his control or the control of the cabinet the appointments to these positions.

Mr. EULER: Does the hon. gentleman say that the Minister of National Revenue is deliberately doing this in order to exercise patronage?

Mr. GARLAND (Bow River): Not at all.

Mr. EULER: That is the impression my hon. friend is seeking to leave.

Mr. GARLAND (Bow River): There is no doubt that patronage will be exercised; I am sure the minister has no delusions in the matter. I ask him frankly to state definitely to the house that patronage will not be exercised and that he will not befriend his friends.

[Mr. Lapointe.]

Mr. EULER: There is only one primary principle which will be observed, as I said yesterday; efficiency will be the determining factor in the appointment of these officials.

Mr. GARLAND (Bow River): I have suggested to the minister a method by which the Civil Service Commission can make these appointments with exactly the same result.

Mr. EULER: Does my hon. friend think the evidence of prejudiced parties should be received with the same respect accorded evidence from anyone else?

Mr. GARLAND (Bow River). Is not my hon. friend a prejudiced party?

Mr. EULER: The minister is responsible for the department, while the Civil Service Commission is not.

Mr. GARLAND (Bow River): They are both government bodies. Arguments of that kind are ridiculous, and indicate the paucity of argument which can be found in support of this bill. The conclusion to which I have come, and to which I have been coming during some seven years in this house, is that the Liberal party have definitely foresworn their alleged adherence to the merit principle as far as federal politics are concerned, due to the very force of opinion within the party. The ministers are slowly and steadily invading the rights of the commission, depleting those rights and emasculating that commission so that, if this government remain in power much longer, when they are defeated there will be no Civil Service Commission left, or such a useless commission that it will be a joke to the public of this country.

Mr. DUNNING: Will my hon .friend permit a question there? He has been speaking of the principles of political parties in relation to this matter. What are the principles of the United Farmers of Alberta in this regard?

Mr. GARLAND (Bow River): I have stated exactly my position.

Mr. DUNNING: I asked my hon. friend his party principles; he has been discussing ours.

Mr. GARLAND (Bow River): I do not know. I do not represent the United Farmers of Alberta in the provincial house. I represent an organization which has declared, time and time again, definitely against patronage in any form.

Mr. DUNNING: There is then a difference in the United Farmers of Alberta?

Mr. GARLAND (Bow River): The minister is attempting to draw a herring across the trail, but he cannot do it in this case; he is not going to delude me at all. I will say to the Minister of Railways that I believe, if he were permitted to undertake the organization of a proper civil service commission, in which he would have some control and could oversee the appointment, he would, having the experience he has had in this country in respect to the question of political patronage, support the merit principle. I think he will admit that he is behind the merit principle himself.

Mr. DUNNING: Any man who is responsible for the administration of any business wants to apply the merit principle, but he may desire to apply the merit principle by appointments in connection with which those who have responsibility for the administration will have something to say. The question is not one of the merit principle, but it is as to who shall determine who has the necessary merit; that is all. We may not be so far apart as my hon. friend may think.

Mr. GARLAND (Bow River): I have given the minister an excellent illustration from the Civil Service Commission themselves of how they can serve the purpose to the very end which the government state they have in view; yet they reject that and proceed with this scheme. The appointment of appraisers, preventive officers and investigators is to be accomplished within the department. The department will refer the names they may select to the Civil Service Commission, but if they do not appoint them within fifteen days, then they will be appointed by the governor in council. I heartily support the motion of the hon. leader of the opposition, and I hope this bill will be voted out.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I would just like to say a word in connection with the arraignment of the political parties by the hon. member who has just sat down.

Mr. GARLAND (Bow River): I rise to a point of order. I did not criticize the political parties; I have criticized, throughout my entire statement, the application of patronage by political parties.

Mr. DUNNING: My hon. friend arraigned the Liberal party, and I am in the judgment of the house whether he did or not. I asked a question as to what principle the United Farmers of Alberta followed in regard to this matter, and my hon. friend's answer was in relation to his own personal principle. I would respectfully point out that apparently the United Farmers of Alberta have one policy provincially, and the policy advocated by my hon. friend with reference to federal affairs is another policy in connection with the same matter.

When my hon. friend is accusing me on this side of the house, belonging to this party, as being insincere in the matter, and using the expressions that he has, I think it is only right and just that there should be given, as a matter of public record, the position of his own party in the matter.

Mr. IRVINE: Will the minister describe how the United Farmers of Alberta appoint civil servants in Alberta?

Mr. DUNNING: I know very well that principle advocated by the member for Bow River does not exist in Alberta—my hon. friend from Bow River will be the last to deny it, because he admits himself his party is not operating in Alberta by the application of what he describes as the merit principle —because if my hon. friend is advocating, in the provincial field, the application of such a principle, surely that is evident that it does not exist there to-day.

Mr. IRVINE: It does.

Mr. GARLAND (Bow River): It does not exist to the extent that we have not yet a civil service commission. My information is that the Alberta government has a committee appointed for the purpose of deciding whether it will be advisable to have such a civil service commission there or not.

Mr. JOHN EVANS (Rosetown): Looking on this bill, as I do, as being a retrograde step on the part of the government, after the operation for some years of the Civil Service Commission, I may be pardoned if I wish to take a few minutes in recording my views on this question. I would ask also that the views of the customs officials of my own province, and other western provinces, be recorded.

The Minister of Railways just asked what was the principle of the United Farmers of Alberta regarding this question. I think that he of all men should know that the large organized farmer bodies in western Canada have for years advocated the adoption of the merit system. He has been a member of these bodies, and the Canadian Council of Agriculture has for many years maintained as one of the planks in their platform abolition of political patronage.

I cannot help but remark that there has been a tendency for some years to discredit the work of the Civil Service Commission, and the cabinet now seems disposed to make all the appointments possible, and to ignore the Civil Service Act. It is surely admitted that since confederation the need has been felt for one central co-ordinating body, to take cognizance of the various departments of the public service, to harmonize and to give system and unity to the whole administrative organization.

In looking up this question during the past few days I find that Sir George Murray, in his report of 1912, emphatically declared that duplication and topheaviness in the various departments was due to the want of some co-ordinating authority empowered to deal with the staff and organization of the department, so as to secure the utmost economy and efficiency in the public service. I feel that the present dissatisfaction—indeed, I was going to say chaos, and perhaps that word is not too strong—is due to the want of a body whose authority and jurisdiction would cover the whole service. I think it is wrong at the present time to undermine the work of the Civil Service Commission by an act of this kind.

In the report of the commission in 1918 regarding the printing bureau, I find they said that under any but governmental ownership the sheriff would long ago have closed the door. In the report of the parliamentary committee of 1923, the question of the co-ordination of the activities of the government was dealt with at considerable length, and several precedents were quoted. In this connection the following recommendation was made:

> Another proposal which merits exploration, is an appropriate adaptation of the so-called "Business manager plan" which has evoked universal commendation in its application to municipal government.

It is to be feared that during the life of the last parliament some of the evils were accentuated by the fact that too many appointments were made notwithstanding the Civil Service Act. I cannot look upon the present bill but as a part of a plan for the continuation of that practice.

A man who has been in the civil service in Ottawa for a good many years came into my office a little while ago and said that he was tired of the whole thing. He stated that in the room in which he worked there were as many as eleven employees and he assured me that seven or less would be sufficient to do every bit of the work that was needed to be done in that room. He was an honest boy and the impression he left was that he was never allowed to do his best and that he was tired day after day of having to kill time.

Instead of the government taking upon itself the appointment of civil servants to administer certain branches in the several departments, it should without delay so augment the commission, if need be, that some co-ordinating method might be adopted in the service either by a kind of general manager or some central authority who could oversee the work of all the departments and branches without the terrible waste and overmanning which now exist and which in themselves are not only very expensive for the country but degrading to the employees themselves, as the effect must be detrimental to the character of everyone. As I said the other day, it has surprised me that a bill of this kind has come forward, especially seeing the views of the ministers so well recorded in Hansard some years ago. I first of all look at the words of the present Minister of Justice (Mr. Lapointe), who expressed himself on March 11, 1921, as follows:

> Mr. Speaker, I endorse the remarks of the hon. member for Maisonneuve (Mr. Lemieux) and I am opposed to the resolution moved by the hon. member for Victoria. I do not believe in political patronage. It has been tried in many countries of the world, and it has been found wanting everywhere. I think that positions should go to merit and never to influence, on the part either of the candidates themselves or of their families, and I am opposed to nepotism in the distribution of public offices. . . There is one matter I wish to deal with for a moment or two, and that is the fact that this government is not giving proper support to the Civil Service Commission.

Those are the words of the present Minister of Justice. Then again I have the words of the present Prime Minister (Mr. Mackenzie King), and while I do not want to read the whole of the paragraph which I copied from Hansard some time ago, I will read one sentence. On May 2, 1921, he said:

> If there is need for consideration of any amendments to the Civil Service Act, let it be undertaken by a committee of the house formed for that particular purpose, but do not let us proceed with a series of destructive enactments in the form of a bill, everyone of which tends to weaken the scope, the authority and the usefulness of the Civil Service Commission.

Surely one cannot help wondering now that the whole cabinet are behind a bill of this kind which is absolutely contradictory to their own words, views and sentiments and, one would have thought at the time, to their action had they been in a position to put their words into effect. Instead of co-ordination and elimination, what do we find? There is a tremendous waste of time and money and many hon. members have advocated a return

to the old patronage methods. This is surprising to some of us on this side. It may be that in the past we have not had the right men on the Civil Service Commission, but before I would blame that body for all the ills existing in the public service to-day I would blame some of the shortcomings of the government in not upholding the hands of the commission in their duties. Moreover the commission undertook to direct a work that had been carried on for a number of years under perhaps the most debasing system that was prevalent in any country, the old political patronage system, which I believe was carried on to its fullest extent in this country with all its resultant work of favouritism and inefficiency. This class of appointment is the very last that should be put outside of the scope of the Civil Service Act and I am more than surprised at the Minister of National Revenue coming forward with this bill. I have looked on the debauch in the service of collecting the national revenue during these years as practically traceable to the patronage system and I am surprised that the minister himself to-day would want to assume responsibility for the appointment of those officers who perhaps are more responsible for the efficient collection of the revenue than any others.

According to the bill the Minister of National Revenue will have a board of examiners set up to determine the fitness of applicants, a board not responsible at all to parliament or in a way to himself, a board which will not be in any sense responsible for the work of the appointees. The Prime Minister, as reported on page 2847 of Hansard of May 2, 1921, used these words in a discussion on the Spinney bill:

> This bill specifies three classes of appointments which are to be taken out of the hands of the Civil Service Commission and transferred to the government, thereby permitting the government's followers, in all certainty, to make recommendations which the governor in council will act upon. That is a step entirely in the wrong direction. . . Now, Mr. Speaker, these facts make it wholly apparent that if a measure of this kind is permitted to pass even the second reading it is setting back in a very real and substantial way the efforts of the past few years in the direction of civil service reform. .

If the whole responsibility of the civil service was on the commission, that body would at once take means to eliminate the overmanning, duplication and inefficiency. It is one of the most deplorable features of our civil service that all underlings are likely to be placed in a position that prevents any development in ability, because they are not allowed to do their best; and inefficiency must be the result. That this is the case I have been convinced. Can anyone imagine what the detriment to the individual character must have been in the printing bureau before the last reorganization took place? From an editorial in the Toronto Globe of June 4, 1926, I gather that the sum of $744,000 was saved by that reorganization, and that economies and adjustments made in the Post Office department have affected a saving of $850,000. From the same paper, of the same date, I read these words:

> If economies in the Interior department were effected similar to those in the printing bureau, as estimated by Dr. Roche, it would mean a saving of at least $1,000,000 or more a year.

Again, from another journal, a supporter of the government, I believe, the Ottawa Citizen, I read that it has been conservatively estimated that $25,000,000 could be saved by a thorough reorganization of the public service and the adoption of efficient business management. I think the average taxpayer would say that the money was needed, and was worth saving, and it could be applied to the reduction of the national debt.

From the tone of the government during the last six or seven years, one is bound to come to the conclusion that their desire is to return to the old patronage system. I should like to see the control of the civil service free entirely from party politics. There must be a connection somewhere, but in any event the Civil Service Commission should in no way be subject to the party in power, but should be composed of men who would make of the commission a body independent and responsible. A recapitulation of the facts of the last few years I think would show that our civil service is practically made subservient to partyism, and I think that the minister of National Revenue in the enactment of this bill is only creating for himself great difficulties in cleaning up his department of some abuses which we know to exist, and this bill will only make it harder still for him to get efficiency. That the civil servants who are in the customs service in Saskatchewan and Manitoba realize this is evidence I think that they see a danger ahead in this respect, and I would ask the government even at this late date to reconsider before placing an act of this kind on the statute book. I cannot but look on it as a part of a scheme to undermine the work of the Civil Service Commission. I felt that I could not let this opportunity pass and that I would not be doing my duty if I did not raise my voice in protest against such a thing.

Mr. HENRI E. LAVIGUEUR (Quebec-Montmorency) (Translation): Mr. Speaker,

if I am not mistaken this bill has for its object to amend the Act concerning the National Revenue Department so as to remedy the situation in regard to certain appointments among the higher officials in that Department. Among other things, it is stated:

"(4) The Minister may, after such examination as he may prescribe, select and nominate suitable persons for appointment by the Civil Service Commission, to positions appertaining to any of the following classes of offices,—

(a) Customs appraisers of all classes whether serving at the various ports and places of entry or as Dominion appraisers;

(b) All officers in the Customs-Excise preventive service;

(c) All officers assigned to duty as investigators of values and claims for drawback.

If such appointment is not made by the Commission within fifteen days from the date of notice to it of such selection and nomination, the Governor in Council may, on the recommendation of the Minister appoint during pleasure any such officer.

The officers so appointed by the Commission or by the Governor in Council, as the case may be, shall be paid such salaries or remuneration in accordance with civil service regulations as may be determined by the Commission or the Governor in Council respectively, and the Minister may appoint the times and manner in which the same shall be paid.

Mr. Speaker, what influenced the hon. Minister of National Revenue (Mr. Euler), to introduce this amendment to the Act concerning the National Revenue Department, was that after the famous inquiry on the administration of the Customs Department, the Commission carrying out this inquiry, recommended particularly to the government that a reorganization should be carried out.

Furthermore, such recommendations were made by the Commercial Protective Association. The minister accepted the recommendation of the Commissioners, and also those of the Association, and after giving them careful consideration, he thought fit to introduce this bill, so as to co-operate in the appointment of the higher officials in his Department. In my opinion, this does not take away from the Civil Service Commission the right of making the appointments, seeing that they are to be asked to make such appointments; but the Department would co-operate with the Commission in selecting the most capable, competent and qualified persons to fill these positions.

The Minister as well as the heads of his department are acquainted with the needs of the department; they have a knowledge of the important duties to be carried out; they certainly are in a position to advise the Civil Service Commission or the Governor in Council in regard to these appointments.

The hon. Minister of National Revenue in introducing this measure, thought it would be in the interest of both his department and the country. He informs us that it is not done with the object of bringing about political patronage; I am satisfied of this fact.

I find it strange that the leader of the opposition and his first lieutenants so strongly oppose this measure. Evidently these gentlemen do not always practice what they preach, because I remember that at the last general election, and previously, candidates of the opposition taunted us in this way: "You are in power since 1921. When we were at the helm of affairs we tried to decrease the powers of the Civil Service Commission, in 1921, by a bill introduced by one of our leaders the Hon. Mr. Spinney, and purporting to take away from this Commission, the authority of making appointments which it was not in a position to judiciously make, and you were opposed to it. You are in power since 1921 and you have kept up the Civil Service Commission. We pledge ourselves that should we be returned to power in 1926, one of the first acts of the conservative government will be to dismiss the Civil Service Commission.

I myself heard Conservative candidates make this statement and on many occasions at political meetings. To-day, the Minister of National Revenue in the interest of his department and the whole country, wishes, not to ignore the Civil Service Commission, but to co-operate with it in order to select the best officials available for his department, and this, as I have previously mentioned, to conform with the recommendations of the Commission of Inquiry and those of the Commercial Protective Association. Well, Sir, I repeat again to those who so strongly oppose this bill, that they are not sincere and consistent, since their candidates proclaimed the contrary at the last general election.

My views, Sir, as regards the Civil Service Commission are well known. I had the opportunity of referring to it many times in the house, and I shall never let the occasion slip by to state that I am absolutely opposed to that Commission.

I congratulate the hon. Minister of National Revenue who is seeking to remove a certain control and prerogative from the Civil Service Commission. I should like to see all his colleagues in the cabinet follow his good example and act in the same way for each of their departments.

Why do our hon. friends of the opposition, who are so strongly in favour of the Civil

Service Commission and taunt us when we dare criticize the Commission, not ask that all appointments be made by the Commission? Is it not a fact that all the most important appointments are made without consulting it. When it is a question of appointing a judge, it is not the Civil Service Commission that makes the selection but the government, and I believe that all such appointments have been judicious ones. When it is a question of selecting higher officials such as deputy ministers, the clerks of both houses, the Civil Service Commission has no word to say in the matter, they are appointed by the government. The same thing happens when ministers' secretaries are appointed and this procedure is followed for many other appointments.

Would our friends of the opposition approve of having all appointments made by the Civil Service Commission, even those of judges, senators and all positions pertaining to the administration of the country? Such is not my opinion and I have often stated so in this house. I think that the minister who devotes his time to the interests of his department and makes a complete and serious study of it, is better qualified than the Civil Service Commission to select the best officials for his department.

I feel confident, Sir, that the house will approve the request of the hon. minister of National Revenue and will support the measure which I consider of the utmost importance and in the interest of the whole country. I shall therefore give it my entire support.

The house divided on the amendment (Mr. Bennett) which was negatived on the following division:

YEAS

Messrs:

Anderson (Halton),
Arthurs,
Barber,
Bell (St. John-Albert),
Bennett,
Bird,
Black (Yukon),
Black (Halifax),
Bowen,
Cahan,
Campbell,
Cantley,
Carmichael,
Casselman,
Chaplin,
Charters,
Clark,
Coote,
Cowan,
Dickie,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Ernst,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Gott,
Grimmer,
Heaps,
Hocken,
Irvine,
Jelliff,
Jones,
Kaiser,
Kellner,
Ladner,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
MacNutt,
Macphail (Miss),
McGibbon,
McGregor,
Maloney,
Matthews,
Maybee,
Quinn,
Rennie,
Robinson,
Ross (Kingston City),
Rowe,
Ryckman,
Ryerson,
Senn,
Short,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Speakman,
Spence,
Spencer,
Spotton,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Tolmie,
White (London),
Woodsworth,
Young (Toronto Northeast).—78.

NAYS

Messrs:

Allan,
Auger,
Bancroft,
Beaubien,
Benoit,
Bissett,
Blanchard,
Bock,
Boivin,
Bouchard,
Boucher,
Boulanger,
Bourgeois,
Bradette,
Brown,
Cannon,
Cardin,
Casgrain,
Cayley,
Chevrier,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Donnelly,
Duff,
Dunning,
Elliott,
Forke,
Foster,
Gershaw,
Gervais,
Girouard,
Glen,
Goodison,
Guérin,
Hall,
Heenan,
Hepburn,
Howard,
Howden,
Ilsley,
Jacobs,
Jenkins,
Johnston (Long Lake),
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Lacroix,
Laflamme,
Lang,
Lapierre,
Lapointe,
Lavigueur,
MacLean (Prince),
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Millar,
Milne,
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Neill,
Odette,
Perras,
Power,
Prévost,
Ralston,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
Rutherford,
St-Père,
Sanderson,
Sinclair (Queens),
Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Totzke,
Vallance,
Young (Saskatoon),
Young (Weyburn).—92.

PAIRS

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

Messrs:

Marcil,	Perley,
Veniot,	Hanson,
Tobin,	Harris,
Kay,	Wilson (Wentworth),
Cahill,	Simpson,
Bowman,	Hodgins,
Hay,	Hubbs,
Edwards (Ottawa),	Preston,
Baldwin,	Johnstone,
Euler,	Manion,
Parent,	Boys,
Fafard,	McQuarrie,
Mercier (St. Henri),	Bell (Hamilton),
Pouliot,	Lennox,
Rhéaume,	Church,
Fiset,	MacLaren,
McLean (Melfort),	Macdougall,
Lovie,	Kennedy,
Mercier (Outremont),	Geary,
Dubuc,	Guthrie,
Bothwell,	Embury,
Blatchford,	McRae,
Thorson,	Brady,
Verville,	Price,
Dussault,	Cotnam,
Raymond,	Bell (St. Antoine),
Langlois,	Tummon,
Wilson (Vaudreuil)	White (Mount Royal),
Morin (Bagot),	Peck,
Robitaille,	Pettit,
Fontaine,	Anderson (Toronto-High Park).

Mr. BRADY: I was paired with the hon. member for Winnipeg South Centre (Mr. Thorson). Had I voted I would have voted for the amendment.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted I would have voted against the amendment.

Mr. TUMMON: I was paired with the hon. member for Chambly-Verchères (Mr. Langlois). Had I voted I would have voted for the amendment.

Mr. TOBIN: I was paired with the hon. member for Toronto-Scarborough (Mr. Harris). Had I voted I would have voted against the amendment.

Mr. SIMPSON: I was paired with the hon. member for Pontiac (Mr. Cahill). Had I voted I would have voted for the amendment.

Mr. ANDERSON (Toronto-High Park): I was paired with the hon. member for Hull (Mr. Fontaine). Had I voted I would have voted for the amendment.

Mr. McLEAN (Melfort). I was paired with the hon. member for Inverness (Mr. Macdougall). Had I voted I would have voted against the amendment.

[Mr. Lavigueur.]

Mr. PECK: I was paired with the hon. member for Bagot (Mr. Morin). Had I voted I would have voted for the amendment.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted I would have voted for the amendment.

Mr. MERCIER (St. Henri): I was paired with the hon. member for Hamilton (Mr. Bell). Had I voted I would have voted against the amendment.

Mr. McQUARRIE: I was paired with the hon. member for L'Islet (Mr. Fafard). Had I voted I would have voted for the amendment.

Mr. BOWMAN: I was paired with the hon. member for East Middlesex (Mr. Hodgins). Had I voted I would have voted for the amendment.

Mr. CHURCH: I was paired with the hon. member for Jacques-Cartier (Mr. Rhéaume). Had I voted I would have voted for the amendment.

Mr. GUTHRIE: I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted I would have voted for the amendment.

Mr. MANION: I was paired with the Minister of National Revenue (Mr. Euler). Had I voted I would have voted for the amendment.

Mr. KAY: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted against the amendment.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted I would have voted for the amendment.

Mr. PARENT. I was paired with the hon. member for North Simcoe (Mr. Boys). Had I voted I would have voted against the amendment.

Motion (Mr. Euler) agreed to on same division reversed, and bill read the third time and passed.

SUPPLY—DUMPING DUTY

The house resumed, from Tuesday, May 15, consideration of the motion of the Minister of Finance (Mr. Robb) for committee of supply, and the proposed amendment thereto of Mr. Anderson (Halton):

That all the words after the word "that" be stricken out and the following substituted therefor:

"In the opinion of this house the necessary action should be taken by the government forthwith to effectively control the importation into Canada, either on sale, or on consignment, of natural products of a class or kind produced in Canada under conditions which prejudicially or injuriously affect, or threaten to prejudicially or injuriously affect, the interests of Canadian producers."

Mr. C. H. DICKIE (Nanaimo): I had about concluded my remarks last evening but there is one matter to which I had not time to refer, and which I shall just mention to-day, because I presume the house will be ready for another division as soon as I am through. This was the asparagus situation in Canada. It will be remembered that a Mr. Fisher appeared with the representatives of the fruit growers in a meeting not long ago and inquired what action could be taken in order to prevent cars of asparagus from coming in after the asparagus in Ontario was ready for the market. I do not recollect what the answer was. However, the Ontario asparagus was ready for the market on May 4, and on May 7 one car of asparagus from California was unloaded at Montreal. There have been several cars since. The government might have taken cognizance in some way of the inquiry of Mr. Fisher. I have here a telegram protesting against the importation of Washington asparagus into British Columbia when our British Columbia asparagus is also on the market. This matter I will take up with the minister. With these few remarks I conclude.

The house divided on the amendment (Mr. Anderson, Halton) which was negatived on the following division:

YEAS

Messrs:

Anderson (Halton),
Arthurs,
Barber,
Bell (St. John-Albert),
Bennett,
Black (Yukon),
Black (Halifax),
Bowen,
Cahan,
Cantley,
Casselman,
Chaplin,
Charters,
Clark,
Cotnam,
Cowan,
Dickie,
Edwards (Frontenac-Addington),
Edwards (Waterloo South),
Ernst,
Esling,
Fraser,
Garland (Carleton),
Gott,
Grimmer,
Jones,
Kaiser,
Ladner,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond West Cape Breton),
MacNutt,
McGibbon,
McGregor,
Matthews,
Maybee,
Neill,
Pettit,
Quinn,
Rennie,
Robinson,
Ross (Kingston City),
Rowe,
Ryckman,
Ryerson,
Senn,
Short,
Sinclair (Wellington North),
Smith (Cumberland),
Smoke,
Spence,
Spotton,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Tolmie,
White (London),
Young (Toronto Northeast).—59.

NAYS

Messrs:

Allan,
Auger,
Bancroft,
Beaubien,
Benoit,
Bird,
Bissett,
Blanchard,
Bock,
Bouchard,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bradette,
Brown,
Campbell,
Cannon,
Cardin,
Carmichael,
Casgrain,
Cayley,
Chevrier,
Coote,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Donnelly,
Duff,
Dunning,
Dussault,
Elliott,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Forke,
Foster,
Gardiner,
Garland (Bow River),
Gershaw,
Gervais,
Girouard,
Glen,
Goodison,
Goulet,
Hall,
Heaps,
Heenan,
Hepburn,
Howard,
Howden,
Ilsley,
Irvine,
Jacobs,
Jelliff,
Jenkins,
Johnston (Long Lake),
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Lacroix,
Laflamme,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Luchkovich,
MacLean (Prince),
Macphail (Miss),
McDiarmid,
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Millar,
Milne,
Morin (St. Hyacinthe-Rouville),
Morrissy,
Motherwell,
Odette,
Perras,
Power,
Prévost,
Ralston,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
Rutherford,
St-Père,
Sanderson,
Sinclair (Queens),
Smith (Stormont),
Speakman,
Spencer,
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Totzke,
Vallance,
Woodsworth,
Young (Saskatoon),
Young (Weyburn).—110.

PAIRS

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

Messrs:

Marcil,	Perley,
Tobin,	Harris,
Veniot,	Hanson,
Cahill,	Simpson,
Bowman,	Hodgins,
Hay,	Hubbs,
Edwards (Ottawa),	Preston,
Baldwin,	Johnstone,
Fontaine,	Anderson (High Park),
Euler,	Manion,
Parent,	Boys,
Fafard,	McQuarrie,
Mercier (St. Henri),	Bell (Hamilton),
Rhéaume,	Church,
Fiset,	MacLaren,
McLean (Melfort),	Macdougall,
Mercier (Outremont),	Geary,
Pouliot,	Lennox,
Guérin,	Maloney,
Dubuc,	Guthrie,
Bothwell,	Embury,
Blatchford,	McRae,
Thorson,	Brady,
Verville,	Price,
Dionne,	Thompson,
Raymond,	Bell (St. Antoine),
Langlois,	Tummon,
Wilson (Vaudreuil),	White (Mount Royal),
Morin (Bagot),	Peck,
Boivin,	Hocken.

Mr. CHURCH: Mr. Speaker, I was paired with the hon. member for Jacques Cartier (Mr. Rheaume). Had I voted I would have vited in favour of the amendment.

Mr. BELL (St. Antoine): Mr. Speaker, I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted I would have voted for the amendment.

Mr. SPEAKER: The question is now on the motion that the Speaker do now leave the chair for the house to resolve itself into committee of supply.

Motion agreed to.

SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

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

The Copper Bounties Act, 1923, administration, $250.

Mr. MALCOLM: I move that the committee rise and report progress, and ask leave to sit again.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

BELL TELEPHONE COMPANY OF CANADA

Mr. RENE MORIN (St. Hyacinthe-Rouville) moved the third reading of Bill No. 43, respecting the Bell Telephone Company of Canada.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, I have an amendment to offer, seconded by Mr. Irvine, as follows:

That said bill be not now read a third time, but that it be read a third time this day six months hence.

Mr. MORIN (St. Hyacinthe-Rouville): I rise to a point of order. The amendment is not in order as no notice has been given. According to the rules, notice of motion must be given beforehand.

Mr. SPEAKER: Standing order 113 reads as follows:

No important amendment may be proposed to any private bill, in a committee of the whole house, or at the third reading of the bill, unless one day's notice of the same has been given.

Has notice of this amendment been given?

Mr. CHURCH: I have another amendment of which I gave notice yesterday.

Mr. SPEAKER: I declare the amendment out of order.

Mr. DUNNING: The member for Toronto Northwest (Mr. Church) cannot now move another amendment. He has exercised his right to speak on the third reading in moving the amendment which has been declared out of order.

Mr. GARLAND (Bow River): There may be other amendments to which the hon. gentleman can speak later on.

Mr. WILLIAM IRVINE (Wetaskiwin): In many respects I regret that I find it necessary to oppose the bill before the house. The chief reason why I regret it is I believe that the hon. gentleman who is sponsoring it has overlooked certain things in regard to it. His position in the house is not doubted by anyone, and I believe he is sincere and has the good of the public at heart. But while this bill was before the committee of the whole the hon. gentleman's actions were not the best that might have been hoped for. Such a bill as this involves the public interest to a very large extent, and should be discussed fully. I question very much whether it ought to be passed at all, but certainly it

should not be passed in its present form. There are amendments which should be introduced, and which should have been moved in the committee of the whole where they could have been discussed thoroughly.

We in this corner of the house have been accused of talking the bill out. I want to dissociate myself from that insinuation. I think that hon. members should be free to offer any criticism which they feel should be made regarding any bill, without the imputation that they are adopting blocking tactics. Personally I have no interest at all in talking out this or any other bill, but certain things in connection with the public interest apply to this bill which I think should be fully discussed on the floor of this house.

When the hon. gentleman moved in the committee of the whole that this bill be reported, I do not think that was good tactics. One of Disraeli's biographers, in discussing Mr. Gladstone, said that people did not object to Mr. Gladstone so much because he usually had a trump card up his sleeve which he applied at the proper time, but they objected because he usually said that the trump card had been placed there at his disposal by Providence. I do not object to the hon. gentleman playing this trump card which he had up his sleeve, but when it is argued that such trump card is in the best interests of legislation, and the best interests of the country, I very much doubt it.

We are passing, Mr. Speaker, gradually from the old competitive system. The competitive system is yielding to great mergers and combines. When this system was at its height we had competition in services and competition in prices, which was an effective check upon overcharges. I do not wish to return to that old system where we had numerous small businesses trying to compete with each other; I think that day is well past. However, competition did check exorbitant charges, and since competition has yielded to large mergers, interlocking directorates, subsidiary companies, and so forth, there must be substituted some check to take the place of the competitive method which governed charges in the past. We have passed into a condition where monopolies are prevalent.

The company involved in the present bill is virtually a monopoly. The Bell Telephone Company is, I believe, controlled very largely by the American Telephone & Telegraph Company. In turn the Bell Telephone Company controls the subsidiary company from which it receives a great part if not all of its supplies. That subsidiary company practically controls the supply of all the supplies for the telephone service, so that this monopoly, unless the government takes some definite action to control it, is left uncontrolled.

It is public knowledge that less than a year ago the railway commission, on the request of the company in question, increased the telephone rates in Ontario and Quebec. Those telephone rates were increased so that those provinces had to pay what might be regarded as a tax of some $2,600,000 extra last year for telephone service. I understand that the railway commission, when the rate question was before it, refused to allow representatives of the various provinces to present the case of those provinces, and the increase was granted. I presume it was granted on the grounds as presented by the company, namely, that their overhead and so forth warranted them in asking for the right to make higher charges, and I think it will not be difficult to see that if the present capital increase is granted the company will have a greater ground to ask for still further increases.

Let me come to the bill itself and the chief points in respect of which I wish to raise objection. The bill proposes to increase the capitalization of the company by $75,000,000. In this connection let me remind the house that the act incorporating the company was a special statute according to which the company must, if required, submit to investigation. We have a right to investigate that company as to how it has previously disposed of its stock. We have a right to know to whom the stock was sold, how much was paid for it and what was done with the proceeds. These questions in a utility of this kind, the profits of which are practically guaranteed by the public, should be thoroughly investigated. I suggest to the house that an increase of $75,000,000 in capitalization should not be authorized by parliament until a thorough investigation has been made into the company's history of stock selling. I believe at the present time the company has some $12,000,000 of unissued stock. It may be argued and argued successfully that a large company of this kind may have a legitimate right to ask for an increase of $75,000,000 in capitalization, but when we look at the facts we will begin to doubt whether or not this is so. In the past the company has had the habit of issuing its stock to its own shareholders at the par value of $100, while the market value has been ranging from $125 to $193. It can be readily seen that a much smaller issue of stock than $75,000,000 would bring into the coffers of the company the same amount of money that would be brought in by its past methods of issuing stock, so that we ought to be assured that the stock will not be issued to the shareholders of the company in this manner, but that it will be

left open to be purchased by the public in general. That is one of the amendments which should be passed if this bill is to go through parliament and now we have no opportunity even to move it. That is one reason why I wish to protest against the methods which were adopted in putting this bill through the house. In respect to what I have just said, I wish to quote a very short extract from an article in the Toronto Globe, written by Mr. Reid, who I believe was counsel for the province of Ontario before the railway commission when the matter of telephone rates was up for discussion a short time ago. He says:

> The history of its stock issues shows that the company has been making a regular practice of issuing stock to its shareholders at par of $100 per share when it was listed and selling on the exchanges at market prices, forty per cent, fifty per cent, sixty per cent, seventy-five per cent, and in one instance in the year 1899 at ninety-three per cent higher than its par value, and in each of such cases the shareholders were given a bonus of $40, $47, $50, $60, $75 and $93 per share, in addition to the regular dividend of eight per cent.

Parliament has a right to safeguard the public against the continuation of this practice. If the company really require $75,000,000 increase in capital we should know in the public interest whether that sum of $75,000,000 is to be divided out to its own shareholders at a par value of $100, when the stock is worth $193. If parliament allows the bill to pass without safeguarding the public in that respect, it will be remiss in its duty. It is clear to everybody that the dividends must be paid on the stock issue, and if dividends are to be paid on $75,000,000 worth of stock that may not be required, where are the dividends to come from? The dividends can come only from the telephone charges, so that if the telephone charges are not sufficiently high now to afford such dividends, another appeal will be made to the Board of Railway Commissioners for an increase and thus we shall be placing a still greater burden upon the users of the telephone system.

Let me come to the second point to which I object in respect to the bill. I have referred already to its subsidiary company the Northern Electric Company. This company sells practically all the supplies which the Bell Telephone Company require. I am given to understand that it is possible—and perhaps there is more than a suggestion that this is being done—that in purchasing supplies from its own subsidiary company the Bell Telephone Company may pay a much higher price than it ought to pay were it buying at a fair market value. Thus it reduces the profits which will appear on the books of the Bell Telephone Company and gives an excuse for increasing the rates, although meanwhile it is taking in its profits by means of the subsidiary company. With regard to the subsidiary let me remark that the hon. member for South Toronto (Mr. Geary) has before the house a bill which will grant the right to investigate telephone subsidiary companies. For some strange reason or another that bill is now under public bills and orders and it will not be reached this session, but if the bill under discussion is to become law, the bill to which I have referred should also be passed this session. We ought to have a right to investigate the subsidiary companies in order to make sure that none of this sort of practice is going on, or, if it is going on, that it should immediately cease. But if we sit quietly by while a bill of this character is railroaded through parliament, what opportunity have we, as representatives of the public, to safeguard their interests in this respect? If the bill is to be proceeded with, we have a right to ask the government to guarantee to us that the bill to which I have referred shall be placed before parliament this session and that we shall have an opportunity to deal with it.

With regard to the extravagant prices which are alleged to have been charged by the subsidiary company, I wish to quote a paragraph or two from an editorial in the Toronto Globe:

> If the relations between the Northern Electric and Bell Telephone companies are such that the rates which the Bell Company charges are used in part to enhance unduly the returns of the former, telephone users are entitled to protection from the railway board. The public has sanctioned the operation of the Bell as a monopoly and is guaranteeing its dividends, and has a right to know whether it is paying its money for service, or also for the support of a subsidiary on which there is no check.

Further it says:

> The public wants to know, first, why the vast amounts of materials which the Bell Company purchases come from the one source, and whether the conditions imposed are such that there can be little or no competition.

In this connection I desire to point out that it is alleged that the subsidiary company makes a practice of selling its old, second-hand, worn out goods to the Bell Telephone Company at first class prices. That is another method by which it is alleged this company may cover up its profits. I believe also that the western provinces, although they control publicly their telephone service, are practically compelled to buy from this subsidiary company of the Bell Telephone Company, and the charges of the publicly-owned telephones are consequently made higher through these overcharges.

I do not wish further to delay the business of the house. I think that my hon. friend will not charge me with trying to talk out this bill. I have placed before the house the two main points of objection I have to this bill: First, that the method of the company in issuing its stock is not sound, that it issues stock to its own shareholders at a par value of $100 when the value of the stock on the market is much higher, and in so doing not only slices a melon amongst its shareholders, but increases the charges for telephone service in order to pay dividends on unnecessary capital. Second, I say that the subsidiary company, the Northern Electric Company, is controlled by the Bell Telephone Company, and in selling its supplies to the Bell Telephone Company may overcharge, and thus excuse the company for seeking higher rates for telephone service. For these reasons I say that this bill should either be defeated entirely by parliament, or be so amended as to safeguard the public in the respects to which I have referred.

Mr. H. E. SPENCER (Battle River): I want to take this opportunity of expressing my sentiments in criticism, not only of this bill, but of the rules of this house as they have been used during the last two weeks to stop public discussion on bills that are of public importance.

There are certain rules that cut off public discussion when in committee. Such a rule has been used three times during the last few weeks. There is another rule which can be used, if need be, on the third reading to cut off discussion. This house is supposed to be a place of free discussion, where we can debate the merits of the various questions that come before us, but under the rules as they have been used of late we find ourselves in this position, that it is possible for the government with a majority of even one, if they care to bring in legislation in the names of private members, to press that legislation through the house from beginning to end and through the committees of the house without any discussion at all. That has been completely proved to us during the last two weeks.

Mr. McLEAN (Melfort): In connection with what legislation has that been proven?

Mr. SPENCER: Now that the hon. gentleman has called my attention to it, I would refer to one of the worst bills that we have ever passed, that with regard to the Niagara bridge.

Mr. McLEAN (Melfort): Government legislation?

Mr. SPENCER: I did not say it was government legislation.

Mr. McLEAN (Melfort): The hon. member said the government passed it through the house.

Mr. SPENCER: I said that the government could, if it saw fit, with a majority of even one, bring in legislation in the name of private members and press that legislation through the house irrespective of the opposition there might be to it.

Mr. YOUNG (Saskatoon): How could the government do it unless the members of this house sanctioned it?

Mr. SPENCER: Fifty-one per cent can sanction it.

Mr. YOUNG (Saskatoon): The government do not happen to have fifty-one per cent.

Mr. SPENCER: They have more than fifty-one per cent of the membership of the house supporting them.

Mr. McLEAN (Melfort): Does the hon. member mean to tell this house that the government can pass public measures in the guise of private measures, and force them through this house without discussion?

Mr. SPENCER: I will tell my hon. friend exactly what I do mean. A private member may bring in what is termed a private bill, but which is of public importance—

Mr. McLEAN (Melfort): But not the government.

Mr. SPENCER: A private member on the government side of the house and the government and its supporters may be behind that measure, and if they have a majority of only one in the house, then irrespective of what opposition there may be to that legislation, they can force that legislation through the house without proper discussion, and that has been done during the last two weeks.

Mr. DUNNING: My hon. friend keeps using the word "government". What he really means is that fifty-one per cent of the membership of the house, wherever derived, may do that with respect to a private bill. But for the hon. member to keep on using the word "government" with respect to private bills is distinctly unfair.

Mr. SPENCER: I will put it in words that the minister can accept. I will say legislation that is supported by those on the right of the Speaker.

Mr. DUNNING: My hon. friend will admit that the fifty-one per cent might be

partly on this side and partly on the other, as in fact was the case with the very bill which my hon. friend has used as an illustration. He is reflecting unnecessarily on the government. He should reflect on the majority as it happened to be made up at the time.

Mr. SPENCER: I do not wish to reflect on the government in the slightest, but one can see the danger of the rules as they have been used in the last two weeks in shutting off discussion in this house. I do not take up much of the time of the house, but on two or three bills in the last two weeks I have wanted to speak for about ten minutes, and I was absolutely refused the opportunity of speaking to them. On two of those bills the discussion was cut off without a single clause being considered at all, and in the case of the third we were given the opportunity to vote on the legislation without proper discussion.

It has been claimed that the hon. members who sit in this corner of the house have been responsible for holding up legislation and talking out bills. I absolutely deny that, and an hon. member in this part of the house will in a few days put that on the record, giving actual figures and the amount of space taken up in Hansard. If they have talked to a bill, as they have a perfect right to do, it is because they have disagreed with it, and if they have moved an amendment to a bill, whether public or private, that is also their right.

Mr. BRADETTE: They have the right to kill it, too.

Mr. SPENCER: They have the right to kill it, if they wish. I do not object to any reasonable discussion on any bill, whether it is my own or anybody else's, but I am taking advantage of this opportunity to point out what I consider the serious position in which we are in under the rules as they have been used of late: first, which provides that a member may move that the bill under discussion be reported; and second, the rule in respect to moving the previous question. Not only can these rules be used in the house to cut off discussion, but they can also be so used in the special committees of the house. If we allow these rules to continue unchanged our proceedings become a farce. All business that comes before this house is supposed to be subject to full discussion, but this is not the case under what I might call these eccentric rules.

Mr. McLEAN (Melfort): I rise to a point of order, Mr. Speaker. Has the hon. member's statement anything to do with the bill now before the house?

Mr. SPENCER: I well know that my remarks are probably not altogether pleasant to some hon. members who are trying to interrupt me.

Mr. McLEAN (Melfort): Mr. Speaker, on a point of privilege, I resent the hon. member's imputation. He knows that his statement is not correct as far as I am concerned. I ask for your ruling, Mr. Speaker, that what the hon. gentleman is discussing is not relevant to the bill, and is simply obstructing and blocking the business of the house, whether intentionally or not.

Mr. SPEAKER: No hon. member should be accused of blocking or obstructing the business of the house. On the point raised by the hon. member for Melfort (Mr. McLean), I think the hon. member for Battle River (Mr. Spencer) is speaking to the third reading of the bill and complaining that he has not had sufficient enlightenment because there was no discussion of the bill in committee. He is perfectly in order.

Mr. McLEAN (Melfort): Mr. Speaker, on the question of privilege, do you rule that the hon. member for Battle River is in order in attributing motives to those who interrupted him?

Mr. GARLAND (Bow River): The hon. gentleman himself attributed motives.

Mr. SPEAKER: I do not think the hon. member for Battle River has said anything against the character of any hon. gentleman. In any event I hope he will not attribute motives.

Mr. SPENCER: Mr. Speaker, I appreciate your ruling. I am quite sure that were the hon. member for Melfort in my place, and had been shut off for the last few nights when he attempted to express his views, he would be just as determined to speak to-night as I am. I admire his ability, and I think I know him sufficiently well to be certain that he would not meekly submit to what he considers a wrong. Before dealing with the bill I should like for the moment to attempt—

Some hon. MEMBERS: Oh, oh.

Mr. SPENCER (Battle River): Before I continue my discussion of the bill I wish to say a word to the hon. member for St. Hyacinthe-Rouville (Mr. Morin) who is in charge of this measure. As has already been said, I do not suppose there is a member on either side of the house whose ability and sincerity

is more appreciated, and I do not wish to reflect on him for a moment; but I do think his tactics the other night were ill-advised. There is criticism of this legislation because the company seeking it is a semi-public company, and I think the hon. member was wrong in the course he took last night, which prevented the bill being discussed in committee, clause by clause.

Mr. MORIN (St. Hyacinthe): Now is the time to discuss the bill; you are doing it.

Mr. SPENCER: But not clause by clause. I think the hon. member was very wrong last night in cutting off discussion. This company is seeking power to increase its capital from $75,000,000 to $150,000,000. As I have said, it is a semi-public company. Its rates are regulated by the railway commission, and are so fixed as to insure a return of 8 per cent on the capital stock. That being so, I think the people through their representatives in this house, should have the fullest opportunity of discussing this bill. As we have been told, there are certain subsidiary companies operated more or less in sympathy with the Bell Telephone Company. A short time ago when the Bell company made an application to the railway commission for increased tolls, the municipalities who opposed the application asked permission to investigate the books of one of the telephone company's subsidiaries in order to support their contention that the application should not be granted, but the railway commission moved that under the Railway Act they had no power to investigate this subsidiary company. There is on the order paper a bill standing in the name of the hon. member for South Toronto (Mr. Geary) to amend the Railway Act so as to empower the railway commission to investigate subsidiaries of telephone and telegraph companies, and I think in fairness to the public that bill should have been proceeded with before this measure engaged our attention.

This increased capitalization of $75,000,000 is to be issued, I understand, in one hundred dollar shares, that is, 750,000 shares. The shares of the Bell company I thought were quoted at a premium of $60, but I am told that they are really at a premium of $90.

Mr. MORIN (St. Hyacinthe): No, the statement is wrong.

Mr. SPENCER: I shall be glad to be corrected. Is the stock at a premium of $60?

Mr. MORIN (St. Hyacinthe): At the present time the stock is selling at about $170.

Mr. SPENCER: To be well within the mark I will put the premium at $60. But these shares will be sold, not to the general public, but to the present shareholders at $100 a share. So we have this extraordinary situation, these 750,000 shares being sold to the shareholders at par, although the stock is at a premium of $60—in fact I understand it is $72 and a fraction to-day—which means a division among the shareholders of no less than $42,000,000. In other words, this is purely a case of melon cutting. It is manifestly unfair to allow any semi-public company to water its stock to this extent, when it is operating in a monopolistic way in Ontario and Quebec, and is allowed to charge tolls that will guarantee a return of 8 per cent on its capital stock. We should first of all discuss this bill clause by clause, but before passing it we should deal with the bill to which I have already referred empowering the railway commission to investigate subsidiary companies of the Bell company. For these reasons I protest against this legislation having been rushed through the committee stage last night, and I desire to direct the attention of hon. members to the fact that with the information at our disposal it is against the public interest to pass this bill in its present form.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, unlike the hon. member for Wetaskiwin (Mr. Irvine) I have no regrets to express or apologies to offer for my opposition to this bill. Indeed, I consider the bill is not in the public interest, if I have any conception at all of what constitutes the public interest, and I would owe an apology to this house, to my constituents and to my conscience if I did otherwise than oppose its passage.

I wish at the outset to take issue with the Minister of Railways (Mr. Dunning), on the implication of his remarks, that the government accepts no responsibility for bills of this nature. In the case of every bill coming before this house, whether it be a public or a government bill, or a bill introduced by a private member, the moment the minister leading the government rises and takes a definite stand on it he gives a lead to his followers. And those of us on this side know that in almost every instance, no matter who is leading the government, should that minister take a definite stand on any measure, when it comes to a vote every man on the government benches supports it. Indirectly therefore it becomes a government measure and the government must accept the responsi-

bility for it. I say therefore that the government must accept responsibility for every measure before the house whether it be a private or a public bill.

Mr. CANNON: That is a new theory.

Mr. CAMPBELL: The Prime Minister (Mr. Mackenzie King) is fond of referring to what he calls the will of parliament. Theoretically, under the rules of the house, the Prime Minister is simply a member as I am, and my rights would seem to be the same as his. In reality, however, when I express my opinion I carry no weight—

Some hon. MEMBERS: Hear, hear.

Mr. CAMPBELL: —beyond that of a private member; I say that quite frankly. I have no responsibility such as the Prime Minister has, for when he gets up he speaks as leader of the government and his followers naturally support whatever stand he takes. No one will seriously question that statement and therefore, I repeat, the government is responsible for this bill as well as for every other bill of a similar nature that comes before the house.

An hon. MEMBER: Not a private bill.

Mr. CAMPBELL: Yes, just as well as any other bill.

Mr. HEPBURN: Does not the hon. gentleman's remarks apply to his own group? Whenever his leader gets up his followers support him.

Mr. CAMPBELL: Not to the same extent. The fact is, the chief accusation which our hon. friends opposite have brought against us in the country is that we cannot be disciplined. From one end of the province of Saskatchewan to the other that is the argument that has been advanced to defeat the Progressive candidates—that we did not obey our leader. That is the principal argument. The hon. gentleman says that when our leader gets up we naturally follow him. Well, it does happen that we are elected on a common platform and that we subscribe to a common set of principles. That is true. But there are often variations and differences of view within that platform, and my hon. friend has only to look over the pages of Hansard in the last six years to confirm this statement. Our hon. friends opposite have used this argument against us in the country and they have always been able to quote Hansard to show where the Progressives have split and divided on various questions.

[Mr. Campbell.]

Mr. BRADETTE: Is the Prime Minister responsible for divorce bills that come before this house?

Mr. CAMPBELL: Frankly, I should say yes—indirectly. If the Prime Minister rose in his place, during the passage of a divorce bill, and opposed that bill what would my hon. friend do? Undoubtedly he would follow his leader and the bill would be defeated. Now, the bill under discussion seriously affects the interests of Ontario and Quebec and indirectly as well those of western Canada. May I be permitted to quote from a letter which appeared in the Toronto Globe of May 8, 1928, written by a Mr. R. A. Reid of Toronto, dealing with this bill. This gentleman says:

> A new and increased burden of annual taxation amounting to $2,600,000 per year having just been imposed upon the people of Ontario and Quebec through increased telephone rates and charges, by and with the sanction and approval and under instructions of an order in council issued by the Dominion government of Canada, through its agent the Board of Railway Commissioners for Canada, the necessity for any such rate increase is now to be investigated by means of a proposed statute or law authorizing an inquiry into the Northern Electric Company, which is entirely controlled, operated and owned by the Bell Telephone interests, and which receives over 90 per cent of its telephone apparatus business and materials revenue from that company annually.

I submit that until this Northern Electric Company is thoroughly investigated this parliament is not doing its duty if it grants further concessions to the Bell Telephone Company. When, a year ago, an application came before the Board of Railway Commissioners for an increase in rates by the Bell Telephone Company that board took the attitude that they were limited by law to an investigation of telephone companies and telephone companies only in that particular connection, and that therefore they could not inquire into the operations of subsidiaries of telephone companies. To get over this difficulty, Bill No. 63 was introduced into the house by a private member. The object of that bill is to empower the Board of Railway Commissioners to investigate not only the telephone company but any of its subsidiaries, so as properly to determine whether or not the shareholders of that company are getting a proper return on their money and whether or not the company is entitled to an increase in rates. Until this question is disposed of, and that power is granted to the Board of Railway Commissioners, this house should not pass the bill under discussion at the present time. Let me quote further from the letter to which I have already referred:

What, then, becomes of any judgment founded on such false bases? Where there is no evidence as to acutal cost, factory cost and cost of raw material and ultimate cost of production and profit by an unregulated and uncontrolled monopoly like the Northern Electric Company, which hides itself behind a high protective tariff wall of from 27 to 32 per cent, there can be no reasoned judgment as to prices charged the Bell Telephone Company of Canada. More especially is this the case where as in the present instance, the prices charged are monopoly prices for apparatus and equipment manufactured under monopoly-owned patents the greater portion of which cannot be purchased from any other source, and are so priced and charged by a controlled company to its parent and controlling dictator, as in the case of the Bell Telephone Company of Canada and the Northern Electric. Such a condition does not, and can never, lend itself to a logical finding of "reasonableness" or "reasonable" unless the whole truth be made known as to earnings, etc., and be proved in evidence. And for the above reasons the Board of Railway Commissioners declined to go into these questions because they said that their present authority was limited by law.

I wish now to quote from remarks made by Commissioner Oliver, who dissented from the majority report, taking the stand that until the subsidiaries of this company were investigated the board should not grant the desired increase. Commissioner Oliver said:

There was no means of definitely establishing at the hearing whether the prices paid by the Bell were fair and reasonable or not.

The Bell owns 50 per cent of the stock of the Northern Electric. The Western Electric Company of Chicago, which is a subsidiary of the American Telephone and Telegraph Company, owns 43½ per cent. The remaining 6½ per cent is said by counsel for the city of Toronto to be owned in part by the directors of the Bell Company, thus giving that company control of an actual majority of the stock of the Northern Electric. As the Northern Electric is a development from the Bell and in its earlier days was owned entirely by the Bell, it can only be concluded that it is now a subsidiary of the Bell Company of Canada and that its activities are in fact directed by the management of the Bell.

The Bell is therefore in the position of being both chief customer of and controlling shareholder in the Northern Electric.

Further, Commissioner Oliver says:

The decision not to distribute this among the shareholders, of whom the Bell was chief, but to carry it into the surplus of the Northern Electric, was in the hands of the Bell company through its control of a majority of the stock.

Further he states as follows:

The only inference I am able to draw from the ascertained facts is that the Bell has made a contract with its subsidiary, the Northern Electric Company, whereby unduly high prices have been paid for material and equipment, and that the Bell, as the controlling shareholder in the Northern Electric, has not permitted itself to benefit from the undue profits reaped by the Northern Electric. So long as the situation between the Bell and the Northern Electric remains as it now appears to me to be, I am unable to find justification in the financial position of the Bell company for an increase in rates over those at present in force.

That is what Commisisoner Oliver has to say with respect to this application for increased rates. Now, sir, we find that the subsidiary of the Bell Telephone Company, the Northern Electric Company, has been making very large profits and increasing its surpluses at an astonishing rate. These surpluses and these profits should be properly distributed, and in that proper distribution the Bell Telephone Company would benefit to a very large degree. If that had been done prior to the investigation by the Board of Railway Commissioners, and if those profits had been shown as they should have been shown, there is no doubt that this increase in rates never would have been granted. Until those profits are fairly and properly distributed no fair decision can be made as to the right of the Bell Telephone Company to increase its rates and saddle extra taxation on the users of telephones. Millions of dollars of earnings have been held back undistributed by the Northern Electric Company, and of course those amounts have not been shown in the balance sheets of the Bell Telephone Company.

Now I quote from the brief presented and the arguments advanced on behalf of the government and the Attorney General of the Province of Ontario, in opposition to any increase in telephone rates. This is a document which was filed with the Board of Railway Commissioners in connection with this application:

What a public scandal this is, to have the same directors sittting on the board of the Bell Telephone Company and also on the board of the Northern Electric Company, buying from and selling to themselves, with the assistance of Western Electric Company directors, and fixing the prices among themselves that the poor milch cow, the Bell Telephone Company, shall pay for such apparatus, equipment and supplies. Is it any wonder the treasury of the Bell is depleted systematically when any money appears, and the contents pipe-lined over to the treasury of the Northern Electric and ultimately into the treasury of the American Telephone and Telegraph Company. As a glaring instance of this, let me illustrate by citing the annual dividend payment of 8 per cent and 2 per cent bonus, or about 10 per cent paid by the Northern to the Bell on the latter's share holdings in the former, amounting to $3,000,000. The dividend payment would be about $300,000. This amount is no sooner paid to the Bell than it is sluiced across the international boundary line and into the treasury of the American company as a payment under the 1923 service contract.

Bill 63, which is now on the order paper of this house and which under the rules will not likely come up this session, proposes to

solve this problem by granting to the Board of Railway Commissioners the right to investigate such companies as the Northern Electric Company and determine whether or not the Bell Telephone Company is entitled to any consideration. I quote again from the letter to which I referred:

> Professor Lamar Lyndon, one of the finest public utility experts in the United States, in his work on public utilities says: "The interrelationships of the local Bell companies with some district organization and of the district organization with the American Telegraph and Telephone Company make it almost impossible to determine true costs and overhead charges for a local exchange.
>
> In fact, for accuracy, nothing short of an investigation of the entire Bell system, the American Telephone and Telegraph Company and the Western Electric Company would serve to disclose the exact facts.

That is the situation in the United States, and that is equally true of the Bell Telephone Company and its subsidiary, the Northern Electric Company, in Canada. The Western Electric Company manufactures all the material used by the Bell Telephone Company in the United States, and is practically the only source of supply.

Let me take a moment to consider the Northern Electric Company in Canada. Fifty per cent of the stock of that company is held by the Bell Telephone Company, 6 per cent or more by the directors of the Bell Telephone Company and the balance by the Western Electric Company in the United States. The Western Electric Company, in turn, is owned by the American Telegraph and Telephone Company, which owns the Bell Telephone Company and so on, so everything paid into the treasury goes to this company in the United States. Of course, to be fair I must say that that would not apply to any shares held in Canada, but these are comparatively few because the stock is controlled as I have outlined. Quoting again from this letter, I read:

> The Bell Telephone Company of Canada purchases its telephone materials, apparatus, supplies, plant and equipment from the Northern Electric Company of Montreal. This latter company was organized, financed, and built up with the money, property and assets of the Bell Telephone Company. It was wholly owned originally by the Bell Telephone Company, but by some financial arrangement a large part of the assets of the Bell Telephone Company in this Northern Electric have disappeared to the extent of over 40 per cent, and this remains unexplained. What has become of the original 100 per cent ownership of the Northern by the Bell? Who profited by this transaction at the expense of the Bell Telephone Company of Canada and deprived it of its assets and property? This is a very serious matter. It remains shrouded in mystery.

[Mr. Campbell.]

The policy appears to have been to keep the profits of the Bell Telephone Company at the very minimum, so that in appearing before the Board of Railway Commissioners the company would find no difficulty in obtaining authority to increase its rates. In that way they could hide their profits and keep them hidden indefinitely. This could be easily carried to a point where the Bell Telephone Company would show no profits at all, and even if we increased rates it could be still carried on so that no profits would be shown. That is, they could pay more for their equipment secured from the Northern Electric Company, leave all the profits there and get them by indirect means. Of course I do not say that that will be done, but unless something is done to prevent it that remains possible. Again I quote from this letter:

> All this is done and is aided by hiding behind a 25 to 30 per cent tariff wall on telephone apparatus and equipment. It would still remain a monopoly without any tariff, and yet prevent the duty being added to the price. The government telephone services of the three provinces of western Canada are all tied by this same yoke.

That is where I have a very direct interest. It might be easily said that the Bell Telephone Company operates only in Ontario and Quebec and that this increase in rates affects only the people of those provinces, but I say that in a larger way this whole question which is opened up by the discussion of any concessions granted to the Bell Telephone Company does very materially affect the interests of the people of western Canada. Fortunately we have publicly owned telephone systems in those three provinces, of which we are proud; these systems are owned and controlled by the people and are giving splendid service. But, sir, of what avail is this to us when we find that the source from which we must obtain all our supplies is controlled by the Bell Telephone Company of eastern Canada? By raising the price they can make us pay whatever they wish for the use of our telephones in those three provinces, because they enjoy what is a monopoly in supplying telephone equipment in this country. In 1925 the Northern Electric Company sold $12,000,000 worth of supplies to the Bell Telephone Company. There is very little doubt that excessive prices were charged for these supplies to leave a profit in the hands of the Northern Electric Company rather than in the hands of the Bell Telephone Company. At the end of 1925, the Northern Electric Company had a reserve and surplus of $8,409,000, where the total value of the prop-

erty and plant was only $9,882,000; the surplus and reserve being almost equal to the entire value of their plant. I will quote from this newspaper again:

If we take the depreciation reserve alone for 1925, it is over 100 per cent, and nearly 125 per cent of the plant. For the year 1924 the depreciation reserve represented 100 per cent of the plant and equipment. For the year 1923 it was also over 100 per cent, for 1922 it was also 100 per cent, for 1921 it was also 100 per cent depreciation reserve in relation to their plant, while for the year 1920 the depreciation reserve represented 129 per cent of their plant and equipment.

This looks very much like the old scriptural tale of turning water into wine, only in this case it is turning water into gold. All these surpluses have been built up from profits and earnings made by the company, and contributions made to that end not by the security holders but by those who patronised the company; they have all been built up by profits made in the operation of the company.

On December 31, 1925, the statement of the Northern Electric Company showed a building and real estate surplus of $5,388,000; depreciation reserve of $5,564,000, and an undivided surplus of $2,844,000, nearly all of which was earned from the users of the Bell Telephone Company. There is nothing at all to prevent the Bell Telephone Company from earning no profits at all, allowing this to be done by the subsidiaries to such an extent that the original company would show no profit. If we permit this sort of thing to continue there will be an excuse for a regularly increasing scale of rates, which will have to be paid by the people of these provinces.

I would like to quote further from this letter. This particular paragraph refers to the question of giving the Board of Railway Commissioners power to investigate the subsidiary company, the Northern Electric Company. It reads as follows:

And that is just what we are going to do, with the help and assistance of the bill now before the parliament of Canada, and in this connection I may say that the United States senate recently ordered an investigation of this very same nature to be gone on with, and the city of Boston, and a number of other large centres have filed printed indictments and complaints with the Interstate Commerce Commission at Washington, asking for a United States-wide inquiry of these same matters for which the parliament of Canada is now being asked to pass a bill in order to commence a similar investigation in Canada.

The bill that we are now discussing provides for a new stock issue. This would be perfectly all right if the company sold its stock on the market and put the proceeds into its treasury to be used in the extension of its service, but we have no guarantee that this is not just a means of hiding further profit. We have no guarantee that they are going to show some of this as profit, for, as the hon. member for Battle River (Mr. Spencer) has said, it will probably be sold at par value to the shareholders, and the opportunity for turning between $40,000,000 and $45,000,000 into the treasury will be lost. There is nothing to prevent them making a stock bonus, handing some of this stock over to the present shareholders, and using that as a means to pay out dividends on stock that was not covered by the investments of the security holders.

We have no right to pass this bill until such time as the operations of this company and its subsidiaries are thoroughly investigated. On December 31, 1925, the depreciation reserve of the Bell Telephone Company amounted to $23,295,000, and the surplus to $6,800,000—this in addition to the fact that a lot of their earnings have been withheld from them. In spite of that, we still find the company with this very comfortable surplus of nearly $30,000,000, all of which is built up not by the investment of the security holders, but by the tolls paid by the users of telephones in Ontario and Quebec.

We propose by this bill to give the company the right to capitalize their surplus, or what is ordinarily called stock watering. We propose to allow them to issue stock bonuses against this surplus, and allow them to capitalize it. I do not say that they will do so but the users of the telephones might easily be in the position of being compelled to pay dividends on the very surplus which their contributions to the company have created.

Western Canada, as I said, is indirectly interested in this whole thing, because we buy our supplies from the same source. As conditions exist to-day, the Bell Telephone Company is in the position of fixing the prices that our government-owned systems in the west must pay for the supplies they purchase from the Northern Electric Company.

May I quote again from the brief and argument on behalf of the province of Ontario, when they appeared before the railway commissioners to oppose an increase in telephone rates. This is what it says:

This is the most barefaced piece of villany and imposition ever attempted upon a free people, and its exposure before this honourable board will not be the last this corporate monopoly will hear about it.

This is not something that has come from the so-called radical farmer governments of the west; this is not a public statement by the hon. member for Rosetown (Mr. Evans), but it is a statement of the representative of the Conservative government of Ontario before

the Board of Railway Commissioners. The people of that province protested against an increase in rates, but it was put through in spite of that. That increase in rates has gone into effect, and I call upon my hon. friends to my right who come from the province of Ontario to stay behind their own government, representing their own people, and make some attempt to impose upon this company restrictions which will prevent increases of this nature in the future, and see to it that this company and its subsidiary will be properly investigated.

Mr. C. H. CAHAN (St. Lawrence-St. George): I do not wish to take the time of the house to any great length. I am in favour of this bill, and I believe that the increase in capitalization asked for by the Bell Telephone Company is necessary in order that they may carry out and perform an efficient public service. At the present time they are under the control of the Board of Railway Commissioners. Their profits from telephone service are regulated by that board; their dividends upon their capital stock are, in a like manner, regulated. The basis of that regulation is that every $100 of capital stock shall be represented by $100 cash paid into the treasury of the company. That is secured by the bill in the form in which it is now presented to the house, and if the company is earning from its telephonic service as a public utility a larger rate of dividend than should be paid on a share of stock which represents $100 in cash, that is a matter which can and which will be from time to time regulated by the Board of Railway Commissioners.

I do not intend to discuss at the present time another bill before the house which would give to the Board of Railway Commissioners the power of investigating subsidiary companies. When that bill comes before the house I shall be prepared to discuss it. I do not believe in making invidious distinctions in such matters, and if the act constituting the Board of Railway Commissioners is to be amended, let us deal fairly with all public utilities coming before that board and let us make the same provision apply to all public utility companies. I see that grave distinctions may be drawn. I do not see why freight rates over the national railway system should depend upon the amount that its subsidiary companies, hotel companies, are earning. I do not see why freight rates on Canadian Pacific railway should be governed by the amount of profit on the Canadian Pacific steamship lines. There are such considerations which must receive from the house due attention when it has before it that other bill to which reference has been made, which was introduced by the hon. member for South Toronto (Mr. Geary) and which, I have no doubt, will receive fair and adequate consideration by the house. But an increase in the capital of the Bell Telephone Company is in my opinion absolutely necessary in order that it may perform the public service which it has undertaken to perform, which the public are demanding should be performed in the way of extensions to its lines and to its business.

The matter of the relation of the Northern Electric Company to the Bell Telephone Company came before the Board of Railway Commissioners in 1921 and I will read just a very short extract from the decision of that board under date of April 1, 1921. The board said as to the relation of the Northern Electric Company to the Bell Telephone Company—and I am reading from the decision of the commissioner who gave the judgment:

> As the matter presents itself to me, this is a phase of company management into which the board is not authorized to go. What the board is concerned with in the public interest is to see that reasonable prices have been charged, this having a necessary bearing on the question of the position from a net revenue standpoint of the company purchasing materials.
>
> On consideration of the evidence, and bearing in mind the supplementary comparative material as to prices which the board has obtained, and which is referred to in an earlier connection, I am of the opinion that it has not been shown that the prices charged are unreasonable.

That is, the prices charged on the material purchased by the Bell Telephone Company from the Northern Electric Company. I am not going to follow the various judgments down to the present time, but I will call attention for a moment to an extract from the majority judgment of the Board of Railway Commissioners rendered on February 21, 1927. I prefer that majority judgment to the rather extravagant assertions of counsel for any authority who appeared before the board. At least, after the commissioners had heard the arguments of counsel, this was the considered judgment of a majority of the board:

> It has been established that the prices charged by the Northern Electric Company, under the most favoured customer's clause, were lower than those which the Bell Telephone Company would have been obliged to pay to other manufacturers.
>
> It also appears obvious that the Northern Electric Company is able, on account of its mass production and volume of trade, to manufacture and sell at a lower cost than the Bell Telephone Company could manufacture or purchase if it were limited only to its own requirements.
>
> There is no evidence of any improper financial arrangements between the two companies,

and the agreement and the supplementary agreement which govern their relations are distinctly advantageous to the Bell Telephone Company.

The board can be concerned only with the effect of the Bell Telephone Company's purchase of materials, from the standpoint of its net revenue.

On consideration of the evidence, one is compelled to reach the conclusion that it has not been shown that the prices charged were unreasonable; on the contrary, it was shown that such prices were as low or lower than those charged to other customers.

In view of that considered judgment I think the house should not commingle the two considerations.

Mr. DUNNING: That is the point. I was just about to raise a point of order on the very matter that my hon. friend is now mentioning, because we are in danger of drifting into a debate, precipitated by the hon. member for Mackenzie (Mr. Campbell), on another bill which is on the order paper, and I am sure my hon. friend does not desire that.

Mr. CAHAN: No. I am simply returning to the consideration that in view of that considered judgment the house, with due respect to the judgment of its own court, should now eliminate all questions as to the purchase of materials, because those can and will be dealt with from time to time under other statutes. Therefore we have to come back to the consideration of the merits of the bill. This increase of capital is necessary. It was proved to be necessary to the satisfaction of the railway committee of this house and the bill was reported unanimously, if I remember correctly, by that committee. It has been considered and it has been reported by the committee of the whole house by a very large majority. Under those circumstances I do not intend to take further time to justify my position in voting wholeheartedly for the measure.

Mr. BROWN: Before the hon. member sits down, would he make a little clearer the point to which he referred in the beginning of his speech when he said that it was provided in the bill itself that for every $100 share, $100 should go to the treasury of the company.

Mr. CAHAN: Under the Bell Telephone Company's acts of incorporation as they are amended down to the present time the stock can be issued only for cash. There are in those acts of incorporation no such provisions as we have seen in some recent bills before the house for the issue of stock for other considerations.

Mr. BROWN: I ask that question because the objection has been raised that in this particular bill that is not made clear.

Mr. CAHAN: The whole scope of the act renders it impossible to issue stock for other considerations than cash.

Mr. SPEAKER: Is the house ready for the question?

Mr. E. J. GARLAND (Bow River): I was under the impression, Mr. Speaker, that the sponsor of the bill was about to answer some of the arguments that have been levelled from this part of the house at the bill.

In the first place, let me say very definitely that I have examined at considerable length this bill and the affairs of both companies on which discussion has taken place, and I am not yet convinced that the increase in capital asked for is at all needed. I will give my reason for that in a sentence. At the present time the Bell Telephone Company has power to add to its capital to the extent of $48,000,000 without issuing one dollar's worth of new stock. It can increase its capital by $48,000,000 without any amendment to its original charter. The stock capital issued is about $62,000,000, and there is still allowed to be issued under the original charter about $13,000,000. The bond issue is $40,000,000. So the company can issue in bonds around $35,000,000 more, and $13,000,000 of stock, or a total of $48,000,000. Would that be good business? Is it good business for a corporation of this kind to carry fifty per cent of its capital in stock and fifty per cent in bonds? There is no question as to the opinion of authorities on that point; they are agreed that it is good policy. The company have even admitted that is good policy before the board of railway commissioners. So here you have a company that at the present moment has power to increase its capital by $48,000,000 coming to parliament and asking for the right to increase its stock capital by the amount of $75,000,000 more before it has exhausted its power in respect of the original capital by $48,000,000.

Let the house not forget this fact that every $100 share of capital stock carries eight per cent interest. That eight per cent is absolutely guaranteed by the Board of Railway Commissioners. It the company's earnings are less than eight per cent, all that it has to do is to make an application to the Board of Railway Commissioners and prove that it is not earning enough to pay eight per cent with the present rates for service, and immediately those rates are increased. So the effect of the whole regulations under which

this semi-public utility is operated is to guarantee to the shareholders of the company eight per cent on their stock. But the bonds carry only five per cent. Now I ask any hon. gentleman a simple question: Will it be better for the users of telephones in this country that the interest charges on the capital shall be five per cent or eight per cent? Obviously the rates must be higher the more stock that is out at eight per cent, than if that capital were out at five per cent. That is clear. Of course, another question may arise as to the proper use of bonds and stock, but that is not yet an important factor because the company has not yet brought its bond issue to the same amount as its capital stock issue.

Let us examine the company in some detail for a few years back, and find out what has been the percentage issued in bonds and stock:

	Bonds Per cent	Stock Per cent
1919	33	67
1920	47	53
1921	38	62
1922	34	66
1923	30	70
1924	26	74
1925	38	62
1926	38	62
1927	43	57

It will be clear to the house that the company is rapidly coming to the point where the balance between the bonds and stock issued would, in the opinion of experts, be just about right for a company of this kind. Why then, should this house now increase the capital stock by $75,000,000, on which the company will have to pay eight per cent interest, thus increasing the overhead charges on the operations of the company, possibly leading to a further increase in the charges to the users of the service later on.

There is a principle involved in this whole business to which the house should in my opinion direct attention, and that is whether we are going to permit any longer public utility corporations whose earnings are guaranteed, whose interest is guaranteed, whose cost of operation is guaranteed by the rates which they are permitted to charge under a monopoly, to issue stock to its own shareholders, who are now making excellent dividends, at present rates. A rate of eight per cent is not a rate to shut your eyes to. In addition to that, how long are we going to allow them to take from the users of telephones, gifts through the stock being issued to the shareholders at a lower price than the market price of the stock to-day? Let me give an illustration of what I mean. If this bill passes, there at once becomes available a stock issue of $10,000,000. The shareholders can buy that stock at $100 per share, and under the present market valuation it is worth $172.50. So the shareholders—and this privilege of buying the stock at $100 per share is restricted to the present shareholders—by virtue of this first claim on the stock get not only $100 worth of stock earning eight per cent interest, but a gift of $72.50 as well.

Mr. CAHAN: Provided the market holds.

Mr. GARLAND (Bow River): It may be said at once that the market will not hold. I grant you that if you offer this stock for public subscription, the market will not hold. What will happen will be that the stock may slump to some degree, but immediately if the stock were offered to public subscription the coffers of the company would be benefited by $50 to $60 a share more than if the stock were issued at par to the private shareholders of the company. That is a principle which this house sooner or later will have to consider seriously with a view to amending the charters under which all such companies operate, in order to prevent the issuing of stock to its own shareholders at par. All the stock of companies of this kind should be sold at open auction, so that it can get out on the markets of the world. If that were done in the case of every company whose interest and earnings are guaranteed, there would be a greater return to the treasury of the company than there is under the present system of issuing stock.

Recently, as has been pointed out, the rates of the Bell Telephone Company were increased in the provinces of Ontario and Quebec to an extent that simply meant an additional burden of taxation upon the telephone users to the amount of $2,600,000 a year. I venture to assert that if the stock of the Bell Telephone Company had been selling on the open markets since the outset, there would not have been the necessity for this increase of rates, because there would have been more money in the company carrying a lower rate of interest if bonds were issued, and certainly there would be more money in the company if the stock had been sold at the market price instead of at the par value of $100. This application of the Bell Telephone Company for increased rates, which was acceded to by the Board of Railway Commissioners to the extent to which I have stated, was made really by the American Telephone and Telegraph Company of New York, but through, of course, the Bell Tele-

phone Company of Canada, which it controls. I am informed that the Board of Railway Commissioners definitely refused the people of Ontario and Quebec the right to argue their case in person, and that this attitude of the board was upheld, on appeal, by the government. Here is a condition of affairs, again, to which public attention should be directed. Here is a situation to which the public cannot be blind. Here was an application by a public utility company in which the public are very much concerned, and yet the public were denied the right to present their case in person.

It was conclusively proven at the same hearing to which I have referred that the Bell Telephone Company did issue its stock at par, $100 per share, to its shareholders. The hon. member for St. Lawrence-St. George (Mr. Cahan) is quite correct in stating that the stock was sold for $100 in cash, or its equivalent, and that that actually went into the coffers of the company; but the hon. gentleman did not add that in every case of stock issue that has come to my attention there has also been a gift, depending on the market price of the stock, ranging from $23 to $93 per share. In every case of that kind a part, if not all, of the increment should have gone into the treasury of the company, and so have prevented an unnecessary issue of stock. Hon. members do not require to examine into this procedure very far to see that if the company wants $15,000,000 of stock for development purposes, they can sell their stock at $150 on the market, and will not have to issue as much of it as if they were selling it to their own shareholders at $100 per share. In that way you keep down the fixed charges because of the lesser quantity of stock issued.

Under the present stock issue to the shareholders of the company, if it was all issued at the market valuation of to-day it would mean a gift direct to the shareholders of several million dollars, off the bat. That is a pretty nice little gift. In my opinion no public utility company should be allowed to do this. Its stock should not be available as a gift to the shareholders; it should be sold on the open market. Moreover, as I have said, less stock would be required if the company was obliged to sell it on the open market. This form of stock issue amounts to stock bonusing, although not by a direct stock bonus issue. It was largely because of this method of keeping the increment for the privileged shareholders that a larger stock issue became necessary than would otherwise have been the case, always followed, of course, by a corresponding straining of the earnings to meet the dividends on the increased quantity of stock outstanding. It is therefore quite apparent, Mr. Speaker, that so long as this company is permitted to make presents of its increment of stock to its shareholders there will be maintained as high, or even higher, rates than are now charged the users of telephones. Inevitably in the long run the telephone subscribers must pay for these periodical gifts to the stockholders.

This is a special form of legalized brigandage of the highest order. The other day my attention was called to a press despatch from New York, from which I learned that some four or five men had raided a candy factory and made away with $7,500, if I remember correctly, but the pursuit of the police was too close and the alleged bandits abandoned their car and their booty. The police continued their chase and left the car standing in the road. The nice, good men in the street promptly helped themselves to the money, and when the police got back to the car there was only $200 left. In my opinion as between the two types of thieves, the man who frankly went out and faced society as his enemy and took his chance was more courageous and of as high moral standing as the sneak who stole the money from the car. So I say, Mr. Speaker, that members of the community in Canada or in other country who continue to steal, from the users of telephones, gifts in the way of stock issues of this kind are as much brigands—although within the law unfortunately— as the men who entered the car and helped themselves to what had already been stolen by somebody else. The sooner this sort of thing is stopped the better it is going to be for the country. Therefore, Mr. Speaker, I now move:

That the said bill be not now read a third time, but that it be referred back to the committee of the whole for the purpose of amending it by adding the following section:

3. No issue of the capital stock of the Bell Telephone Company of Canada shall be made except by way of offering the same to the public for subscription.

Hon. members will notice that I am not giving the bill the six months' hoist, I am not attempting to block its passage. All I am asking is that the stock be made available to the public for subscription, instead of apportioning the stock to the shareholders at par when it has a value of $170 on the open market. It is a fair proposal, and I feel satisfied that the thinking element in this House will support it. I feel satisfied that hon. gentlemen who have the public interest at heart, and who believe in the interest of

the consumers rather than in the interest of the shareholders will support my proposal.

There is nothing further I can say on this matter, Mr. Speaker, except to urge that is would have been much wiser altogether for this house to have delayed the third reading of this bill until after we had dealt with the other bill that is on the order paper in the name of the hon. member for South Toronto (Mr. Geary). The hon. Minister of Railways (Mr. Dunning) a moment ago was afraid that there might be introduced into this debate another and entirely foreign issue. Into the merits of his objection I need not now enter. All I wish to say is that the two bills are absolutely inter-related; one inevitably affects the other. Whether this house would in its wisdom pass the Bell Telephone bill after we had sanctioned the bill of the member for South Toronto is a very serious question in my mind. I do not believe the house would pass the Bell Telephone bill until the railway commission had had an opportunity of investigating the affairs of the Northern Electric Company.

I cannot agree with all that has been said by one or two members that have preceded me with respect to the profits that may have been made by the Northern Electric Company from the sale of standard goods supplied to the Bell Telephone Company. I have studied the evidence in the matter, and I agree with a statement made by the hon. member from St. Lawrence-St. George. It has not been brought to my attention at least that there have been any excessive charges by the Northern Electric Company. But the principle of the thing is what interests me. It is wrong in my opinion that a subsidiary should be allowed the possibility of milking a parent company. That is what I object to. I wish to direct the attention of the Minister of Railways to a statement in a report of the Public Service Commission of Virginia. In 1922 that commission had occasion to deal with this very question and an order was made directing disclosure of the factory and production costs and profits of two companies affected, and ordering them to prove that the public was not being imposed upon. The commission in its judgment said:

> To hold otherwise would be to hold that the American Telephone and Telegraph Company, a public service corporation, having obtained practically a monopoly of the telephone industry, may charter the Western Electric Company, a non-public service corporation, own 98 per cent of its stock, absolutely control its operation, policies and charges, and use it with impunity as a milkman to milk the funds of its local operating companies (which are public service corporations) into its own pail, without any possibility of control or restraint from this commission or any other governmental body, regardless of the extent to which the milking process might be carried.

Just in passing I would direct, as I say, his attention to statements of other commissions.

Mr. DUNNING: If my hon. friend will permit me a question for my own information: He surely does not suggest that the same conditions apply in Canada, under the present law in relation to the railway commission, as are there depicted by the West Virginia body?

Mr. GARLAND (Bow River): I will answer the question by saying this: The Northern Electric Company in Canada has virtually a monopoly of the handling of standard telephone equipment. Yes, they have. The hon. member shakes his head, but he is absolutely incorrect.

Mr. DUNNING: I have merely the experience of having been Minister of Telephones in my own province and of having bought equipment elsewhere than from the Northern Electric, having been able to get it in competition with them.

Mr. GARLAND (Bow River): My hon. friend is incorrect. The Northern Electric has a virtual monopoly—those were the words I used—in this country, because of the nature of its standard equipment. I have a very vivid recollection of an attempt made not long ago by a British telephone manufacturing company to invade this country and set up in business. First of all it had to climb over a tariff wall of from 20 to 27½ per cent, and after it got here it had to face the concentrated efforts of this one great corporation which has practically a monopoly of standard telephone equipment in North America—in Canada certainly. That being the case, and inasmuch as the directors of the Northern Electric are the same men who are on the directorate of the Bell Telephone Company, does the minister mean to assert for a moment that it is beyond the bounds of possibility that these directors would milk the subsidiary Bell Telephone Company for the good of the shareholders of the Northern Electric? An hon. gentleman suggests that it is the other way around; it might be. The minister has too much knowledge of modern commercial practice to assert that it is not possible for them to do this. It is a common practice to-day, and the reports of commissions which I have will testify to it. I have given one. It may not be an absolute analogy but it is of the type of practice to which I have referred.

I do not wish unduly to delay this bill going to a vote, and I will conclude with this remark. It is my sincere hope that hon. gentlemen opposite who in the past have joined with us in our opposition to the undue inflation of stock and to the unfair milking of the consumer will now support a simple amendment of this kind. It does not prevent the bill from being passed; it does not prevent the bill going through and the company getting the increase in capital. All it provides is that future stock issues must be made available for public subscription and not be given in part as gifts to private individuals.

Hon. H. H. STEVENS (Vancouver Centre): If much that has been said, and a great deal more that has been implied, regarding the Bell Telephone Company were accurate I should feel fully persuaded to resist this bill with all the vigour that has characterized the speech of my hon. friend from Bow River (Mr. Garland), who has just taken his seat. If the directorate of the Bell Telephone Company and the directorate of the Northern Electric were brigands and pirates—I believe that was the term used—then of course parliament ought properly to be alarmed at a bill of this character. I think however that possibly it was the anxiety of my hon. friend from Bow River to impress his views upon the house that led him to indulge in rather strenuous language in his expression of those views. The hon. gentleman is possessed of a degree of facility of speech which in my opinion made unnecessary the extreme statements to which he resorted.

Mr. CAMPBELL: I would remind the hon. member that counsel for Ontario, before the board, used language just as strong.

Mr. STEVENS: I heard some language read, emanating from an apparently very able legal representative before the railway board, and I must say I was mildly surprised, to say the least, at the vigour of it. I confess to having indulged in a similar practice myself occasionally, and I realize that when you have a rather weak case you can sometimes conceal its weakness by injecting into your language a little more mustard, shall I say, than perhaps would otherwise be necessary. I am free to say that it is with no great degree of pride that I look back upon those occasions upon which I have had recourse to this practice. And now that we are in this happy frame of mind, I may observe that the finest speech I ever made in my life, out of the few thousands that I have made, was of about five minutes' duration and of a character entirely different from that which I am now describing.

Mr. LAPOINTE: Give us another one.

Mr. STEVENS: I will try to do so, and I hope it will be as effective. There are a few points which I think the house might keep in mind in considering this question. In the first place, this is a public utility company, and under the statutes incorporating the company parliament has placed it, in so far as its rates and its dealings with the public are concerned, under the control and direction of the Board of Railway Commissioners. In all matters appertaining to its dealings with the public this company must submit itself to the railway board.

I propound to the house this question: Are we to accept the decisions of the railway board only when such decisions meet with our peculiar and particular views, whatever they may be? Let me make a slight personal reference by way of illustration. For many years I had the firm conviction that certain railway rates were inequitable and unfair, and yet those railway rates were on several occasions maintained by the railway board. It does not follow that you must refrain from appealing, logically, legally and reasonably, to the board to secure redress. That does not follow. But it does follow, I think, that we ought not in some other place to attack or discredit the decisions of the board. So far as this question is concerned, therefore, I take this position, that the railway board having dealt fully and carefully with this company in the matter of rates, I accept their decision.

In the second place, the railway board determined that it was fair to permit this company to earn 8 per cent on its investment. For the moment that is not in question. It might be a proper thing to say that their finding in that regard was unfair to the public, and to go before the board and say, "We believe it should be 6 per cent or 5 per cent" That is a reasonable position to take. But I do not think that we should say that the company constitutes a form of brigandage which is "milking" from the public unfair earnings, so long as it keeps within the decision of the board.

Another question has arisen, the question of the market price of stock. I wish to say one or two words on that point. It has been stated that the present market price of this stock is $165 or $170; I do not know whether or not that is correct but it will do for the purposes of argument. It is said that the price being $165 or $170, this stock therefore, should be issued only at that rate. What fixes the market value of stocks? There are two main factors, first the earning power of the stock, and then the value of money

in the money markets of the world. When money is being loaned at the rate of 4 per cent, when prime securities are earning 4 per cent in the money markets of the world, a stock with a fixed earning power of 8 per cent will sell at a good deal more than par value. That is obvious. If in the course of a few months or a few days the money markets change, as they did a few years ago when government securities rose to 5½ per cent or 6 per cent, that stock with a fixed earning of 8 per cent will drop correspondingly. So it will go up and down, not particularly because of the condition of the company but because of the value of money in the markets of the world, which will regulate to a large degree the price of that stock which has a fixed earning power of 8 per cent.

There is another point to be considered; there is the element of risk to the owners of this stock in regard to earnings. Someone described this as a guaranteed stock. It is not guaranteed at all; it is a stock upon which the railway board have said they will permit earnings up to 8 per cent. Let us assume that a period of depression sweeps over the country and a large number of people give up their telephone service, which naturally follows during a depression. In such a case the earnings of the company might fall; that might be reasonably expected, and the earnings upon the stock would fall correspondingly. The owners of the stock take that risk of a drop in the earnings of the company. It is true that at present Canada is a young and growing country and that this company is constantly expanding, but it is not unreasonable to expect that during some period in these alternate cycles of prosperity and depression the earnings of the company may fall much below 8 per cent.

Mr. ADSHEAD: Then would they not immediately ask for an increase in the rates?

Mr. STEVENS: Possibly they would, and in such a case the railway board would take the whole situation into consideration and would determine as a judicial body whether or not that application should be granted. I think that is not a question with which parliament should concern itself. Seeing that the question has been raised, although it is not our business, perhaps we are justified in asking whether the rates are unreasonable. I have already said that we are not the body to determine that point; the Board of Railway Commissioners say the rates are reasonable, and I understand that they have increased these rates within the last year. Perhaps it is interesting to note that the rates paid in the provinces of Ontario and Quebec where the chief operations of the Bell Telephone Company centre are lower than those charged by any other telephone system in this country. That is worthy of being taken into consideration. I do not offer that fact as evidence that rates are fair, because the Board of Railway Commissioners have determined that point, but I do say that it is evidence that the rates are not highly unfair; it is evidence that this company is not being controlled by a band of brigands, and I submit that point for the consideration of the house.

Now we come to the question of the distribution of this stock. Some hon. members say the stock should be sold only to the public. I confess that that sounds not unreasonable, because during the past years it has come to be a common practice for companies to cut melons, to use very ordinary language which will be understood by everyone. This company does not cut a melon; its stock is sold. The question then arises as to whether or not they are selling it in an unreasonable way. To whom are they selling it? It is being sold to their own stockholders. I have taken the trouble to look up certain information from what was placed before the committee and what appears in the records of the Board of Railway Commissioners, and I find that 95 per cent of the shareholders of this company are in Canada, and over 65 per cent of this stock is owned in this country. Some hon. gentleman said a moment ago that this company is controlled by the American Telephone and Telegraph Company; that is not the case.

Mr. GEARY: That is the case; it has been so admitted by the Bell Telephone Company.

Mr. STEVENS: I will not argue with my hon. friend; I did not ascertain that from the evidence, although I frankly confess that I did not go through it very carefully.

Mr. GEARY: It has been admitted.

Mr. STEVENS: I will not dispute that, but I will say that more than 65 per cent of the stock is owned in Canada. Further, I find that there are about 14,000 shareholders in this company, which is a fairly wide distribution of stock. Even more interesting is the fact that over 10,000 of the shareholders are employees of the company. It is true that they do not hold a very large proportion of the stock, but the aggregate is about

$4,000,000 or $5,000,000. That is an interesting fact which I think should be taken into consideration by this house.

Who are the people who will be benefited by this issue of stock? It is true that certain large shareholders will benefit; that cannot be disputed, but after when individuals or groups of individuals have given of their best to build up this company and this service and have taken their risks when times were not so good as they are to-day, surely there is nothing sinful or invidious in giving such people a fair chance for a return on their investment. But that is not all; there are over 10,000 employees, and of that number 8,000 are women who, under the distribution of the stock, are subscribers for and owners of stock in the company. These are the people who will benefit by this issue of stock at par.

I merely state these facts in order that we may have before us a picture other than that which has been already drawn. Here is another point. This company can only carry on extensions in two ways, one from the depreciation reserve and the other from new capital. The company must have new capital to make these extensions, and I understand from the evidence produced that the company has in contemplation a very large program of extensions. Surely, in the face of decisions of the railway board and after an examination by a committee of this house, it is not the business of parliament simply because this is a monopoly and a large company to throw obstacles in the way which will prevent the company from carrying on reasonable extensions.

Then there is another point with regard to the railroading of this legislation. I say at once that I do not agree with the method of moving that a bill be reported from the committee of the whole house; frankly I do not agree with it. The only time that power should be exercised is when it has become clearly evident that a certain small group, whoever they may be, are determined unreasonably to block the fair consideration of legislation.

Mr. MORIN (St. Hyacinthe): A statement to that effect was published in the newspapers.

Mr. STEVENS: Surely the hon. member will not suggest that I am trying to block the passage of the bill; I am trying to facilitate it. I simply say that I am not in accord with that method. I was not here the other night; had I been present I would have voted against the proposal, because these facts should be borne in mind. This bill was introduced on February 15 and had its first reading on that day. That was a long time ago, and the bill was reported to the house from the committee on March 29. It has been on the order paper for weeks and weeks. This is my point: the house and the private bills committee exercise a dual function in regard to private legislation, first, judicial, and second, legislative—or the other way about, whichever way you like to put it. I submit that any private legislation has a right to be considered and to be passed through this house, and not to be blocked or obstructed.

Mr. DUNNING: To be dealt with one way or the other.

Mr. STEVENS: To be determined. There is also the question of the consideration of these bills when they return to the house from the private bills committee, or in this case the railway committee. When this bill went before the railway committee, although I was not present I have been informed that it had a normal and fair consideration; there was no attempt to railroad it through that committee, and nobody charges that. There is an old practice of parliament which was most scrupulously observed by the late Sir Wilfrid Laurier, by Sir Robert Borden, and by the other leaders of my day, namely, that where private legislation had been referred to a select committee of the house, and was reported by such committee, the house accepted that report as a decision of one of its committees to which had been delegated the consideration of that particular matter. That has been the practice of parliament for many years. It does not mean that all discussion is precluded in regard to the bill, but it does mean that normally parliament is supposed to accept the findings of its own committees appointed for the purpose. It is obvious that other members of the house who are not on these committees cannot hear in the house the evidence and the discussion which the members of the committee heard. The members of the committee are appointed, and it is their duty to determine these matters.

This bill, then, has been before parliament since February 15th. It has been considered by the railway committee. The activities of the company have been considered by the railway board. All of this being before parliament, the bill should receive at least fair consideration. I do not say that hon. members should vote for it—they can vote as they like; that is their privilege. But I do submit that the bill ought to have the opportunity of being determined by the house itself.

I am not going to detain the house further than to say that as far as I am concerned I have given this matter a great deal of thought. It is my intention to support the bill as reasonable legislation, believing firmly that every precaution has been taken by the measures that I have mentioned to safeguard the public interests.

Mr. G. R. GEARY (South Toronto): May I suggest to my hon. friend who has just taken his seat (Mr. Stevens) that for the most part the points he has raised are points that are not before us at all, points about which there is no controversy. My hon. friend asked whether we were to accept the decision of the railway board only when it happened to please us. No one, so far as my hearing goes, has ventured to dispute the railway board's determination as to rate. The dispute was carried through the proper channels to the governor in council, but the decision was not upset. There is no objection in this house to that decision, however much those of us who have to be consumers of the company's products in the provinces of Ontario and Quebec may object to the price that is being charged.

My hon. friend took occasion to dispute the statement that has been made that this was a stock with a guaranteed 8 per cent dividend, and that that devidend was not a high return to the shareholders, particularly when the risks taken by those who first ventured on the enterprise are considered. Mr. Speaker, this question has nothing to do with the matter under discussion. This company was incorporated and entered into business about 1880. It paid 8 per cent the first or second year of its existence, and has been paying 8 per cent every year since. It is not guaranteed in the sense that there is a sealed and delivered guarantee, but the railway board has clearly intimated that it will allow the earnings of the company to be regulated to permit the continuation of that dividend. We passed through a very severe period of depression during the war years, and the company still continued to pay 8 per cent, although it was before the railway board on three different occasions regarding its rates. There is at this moment no question before the house whether the rates are reasonable. I could detain the house for some time on the question of the reasonableness of the rates.

Just a word regarding the distribution of new stock. There is certainly a wide distribution of stock. It was admitted by the Bell Telephone Company, when it was before the railway board, that the American Telephone and Telegraph Company is the body

with control of the Bell company. There are other large shareholders, and I have no doubt a great many employees have been allowed to participate in the purchase of stock, probably on the instalment plan. They are most likely very small shareholders with a share or two apiece, and any dividend which comes to them in the way of an opportunity to subscribe to new stock at par is insignificant. In any case, significant or not, it has nothing to do with the merits of the proposal. It is only put into the discussion in order to draw sympathy for the company's proposition.

Regarding extensions, the money for this purpose comes from two sources. I agree that it comes from the capital of the company. That capital is raised either by an issue of stock or by an issue of bonds. The company also has what is known as a depreciation withdrawal, amounting I think to about five or six per cent of its total gross income. This percentage is turned back into the company, not to be retained in cash, but for use in connection with depreciation and repairs. The practice of this company is not to put that money aside, but to put it back into its plant. I have forgotten how many millions of dollars this five or six per cent of the gross income of the company amounts to, but it is used for financing extensions.

The company has been spending at a very great rate during the last few years on the installation of what is called the automatic system of telephones. It has been necessary to scrap many buildings and much equipment, and the depreciation piled up has probably not been equal to the amount of capital destroyed.

I do not expect, Mr. Speaker, the attention of the members on the other side, but I would appreciate not having all this distraction in the chamber, because it makes it quite difficult to talk.

Mr. LAPOINTE: Is the hon. member referring to me?

Mr. GEARY: I just want to carry on, if I may. The conversation is a little disturbing.

Mr. LAPOINTE: I did not think I was disturbing the hon. gentleman.

Mr. GEARY: It is quite all right; I knew my hon. friend did not.

The expenditure of capital has been very serious during the last few years, but the company has maintained this expenditure by dint of certain stock issues, by dint of money got from depreciation, and by dint of certain issues of bonds on the market. The com-

pany has, as my hon. friend just stated, some $13,000,000 in unissued stock in its treasury, which will be taken up very readily. But more than that they can issue the same value of bonds as there is stock outstanding. If they issued this $13,000,000 of stock it would make $75,000,000 worth of stock. There are bonds outstanding to the amount of $40,000,000; therefore on a fifty-fifty basis they may issue $35,000,000 of bonds—that is, assuming their capitalization is made up of 50 per cent bonds and 50 per cent stock. This is much more than enough, with the depreciation money that comes in every year, to carry on their estimated extensions for, I should say, five years, three or four years even on the company's own statement. Therefore there is no immediate necessity for any authority to issue new stock. Under all the circumstances it is an extravagant thing for the company to ask that its capital stock be increased from $75,000,000 to $150,000,000. It is an extravagant claim, and I think the house might fairly examine it with caution before allowing it.

The company is in a peculiar position in that it is one of a ring of four companies. The parent company of course is that gigantic holding interest known as the American Telephone and Telegraph Company. It controls the Bell Telephone Company, holding some 32 or 33 per cent of its stock. It owns outright the Western Electric Company of Chicago. The Bell Telephone Company and the Western Electric Company in turn have acquired and own all the capital stock of the Northern Electric Company, of which the house has heard. The Western Electric Company make all the apparatus for the American Telephone and Telegraph Company, and the Northern Electric Company make all the apparatus for the Bell Telephone Company. It is idle to say that there is any competition. There is no competition. The Minister of Railways very properly cited a case where certain telephone equipment was bought in the English market.

Mr. DUNNING: Very much of it too.

Mr. GEARY: In the city of Winnipeg one or two exchanges are supplied by the Northern Electric Company and one or two by the English concern, but my recollection, subject to correction—and I think I am quite accurate—is that by an arrangement made by the different manufacturers, the English manufacturer cannot come into the market in Ontario and Quebec.

Mr. DUNNING: That I do not know. I do not know how you are going to prevent it.

Mr. GEARY: They have done it by arrangement. There were some lawsuits over patents that were settled in that way. Let us, however, leave that aside. The Bell telephone apparatus is absolutely standardized. The English company cannot make it; it is not allowed to make it, because the Northern Electric Company and the Western Electric Company own the use of the patents on the Bell telephone apparatus and nobody can make it outside of them. Therefore the Bell Telephone Company, whether it wishes to do so or not, is restricted to purchasing from its own creature, the Northern Electric Company, all its apparatus.

I am not going to enter into a discussion of prices; that will come when another bill is under discussion. But I say that no satisfactory proof has been given of the correctness of the prices charged by the Northern Electric Company to the Bell Telephone Company. The most that I can find in the judgment of the Board of Railway Commissioners is that the prices are not unreasonable. I do not know how they found that out, because the railway board, under a certain clause in the act which, they said, forbade them to go into the affairs of the Northern Electric, refused to inquire into the affairs of that company, and no one knows what is the proper price of the articles which are supplied by the Northern Electric Company to the Bell Telephone Company. This is rather lengthy and involved. All I want to say and really the only reason I have for referring to that phase of the situation at the moment is this. There is under public bills and orders a bill to which the hon. member for St. Lawrence-St. George (Mr. Cahan) has referred. That bill provides the one thing that the Board of Railway Commissioners found wanting, namely, the power for them to investigate this subsidiary company, the Northern Electric Company, in order to find out whether for the $12,000,000 of money being spent by the Bell Telephone Company over the counter of the Northern Electric Company, the former is getting full value, and whether, if it is not getting full value, it has the value tucked away in the Northern Electric Company, which value should be taken into account by the Board of Railway Commissioners as an asset or as a potential income, which in turn should relieve the consumers of the heavy charges which they are called upon to pay.

Under all these circumstances, and in view of the fact that municipality after municipality, I understand, in Quebec and, I know, in Ontario, have protested and have fought and are not satisfied in regard to the matter,

I submit to the house and particularly to members from other provinces than Ontario and Quebec that it is only fair that we should first deal with this matter by getting the powers of the railway board so extended that it can investigate the affairs, not of a hotel or a steamship company but of a company that subsists only by reason of its connection with and ownership by the Bell Telephone Company, a company that was started by the Bell Telephone Company, that was brought along by the Bell Telephone Company, that had its business given to it by the Bell Telephone Company, that prospered because of its relationship to the Bell Telephone Company, and that is, in conjunction with the Western Electric Company, owned by the Bell Telephone Company.

Mr. MORIN (St. Hyacinthe): If the bill which stands in the name of the hon. gentleman is adopted by the house, will it apply in case the capital of the company is increased?

Mr. GEARY: Certainly, if we get it passed. I think it is quite likely that the Board of Railway Commissioners will find, after the investigation which may be authorized by that bill, that there is no need of such capital expenditure as we are now considering and that they will not be called upon to authorize any increase. That really is the ground upon which I think the matter should be considered at the moment. No possible harm can be done by leaving it over if necessary for a year and certainly no harm can be done by leaving it over for a few weeks.

Perhaps at the risk of repetition—of which I am not fond myself and to which I know my hon. friends are not anxious to listen—I might go over once more this feature of the issue of stock that is going to be such a real deterrent to the affairs of the company. The overhead for fixed charges and dividends at present is $7,000,000, and for every $100 you allow to be issued by the company in stock, $8 comes from the consumer. For every $100 that the company gets on a bond, from $4.50 to $5 is borne by the consumer. Is it not therefore essential that those who are consumers and those of us who represent them should consider the matter very carefully? On only two occasions that I know of has the company failed to have any issue of stock taken up by its shareholders, and on those two occasions the company went into the market. On the first occasion the stock was down around par and they got in the market an average of $102.50; that is, for every $100, $2.50 more went into the company's coffers to build up its plant than would have gone had the shareholders taken up the stock. On the other occasion they sold the stock at $125, so that on that occasion $25 more was realized to the coffers of the company than would have been realized had the shareholders taken up the stock. While the stock may be borne down, while the market price may suffer if a large block is thrown on the market, it suffers inappreciably if we consider a recent issue of stock where the rights that accrued to shareholders—that is, the right to subscribe for one new share at $100 for every four shares held—have been sold on the market at a premium. Those rights to-day would easily bring $10 per right. That is an extra dividend to the shareholder of 10 per cent which comes out of the consumer in the year in which the stock issue is made. That has been the practice with many companies, but this is a public utility company which has received great advantages from the parliament of Canada. It is allowed to go here and there at its own will and pleasure, planting its poles and stringing its wires without paying one cent for its right of way. Therefore, not only because of its peculiar situation in that regard, but because of the intimate nature of its dealings with the people and the necessity of the people patronizing it, we are entitled to handle, not too roughly, not too tenderly, that creature of our own so that it may do business in a fair way, and I think the consumer who is obliged to consume its products should be treated as fairly as the company is treated. That, I think, is all anyone can ask, and I would submit that at this moment the fair way to treat this bill is to postpone this discussion.

I do not want to talk any longer. I do not want to run the risk of anyone suggesting that I am talking this bill out. I am doing nothing of the sort; I do not agree with that method; but I think this bill might well stand until the other bill comes up and is disposed of. No harm can possibly come by postponing this discussion, because the company has all the capital it will require, by any stretch of the imagination, for the next few years, and when the time approaches when more money is required and the issue of capital stock is an absolute necessity, then may be the time when we can deal fairly with the matter. I venture this statement, not as an authority on finance, but by every rule that I have heard, that it is good business to arrange your capital on the basis of 50 per cent bonds and 50 per cent capital stock. If 50 per cent is bonds and 50 per cent capital stock, you are doing the fair thing. The

people presented to the railway board the proposition, that bonds should be 60 per cent and stock 40 per cent, but leaving it at bonds 50 per cent and capital stock 50 per cent—and the company has not come to that point, for many years at least—the company can then with very great advantage to the consumers raise all the money that is required at 5 per cent, instead of coming here and getting permission to go out and give bonuses to its shareholders and pay 8 per cent on every $100 they raise by issue of capital stock.

Mr. JOHN EVANS (Rosetown): This bill, innocent as it looks, is very far-reaching in its possible effects. It simply asks permission to allow the Bell Telephone Company to increase its capital stock from $75,000,000 to $150,000,000; in other words, to double its stock. I think it is the duty of parliament at this time to inquire carefully into every feature connected with this application before it is granted. This is, in fact, an application by a great American company which, like a vast great octopus, is reaching out to secure a monopoly of the telephone and telegraph business over the whole North American continent. Not only does it seek to control the rates of service to the people, but it has also a monopoly of all the supplies which are used by the parent company. This is being accomplished by the great American Telephone and Telegraph Company of New York, which is practically the chief owner of the Bell Telephone Company. Subsidiaries have been established for this purpose, and it is highly important, I think, that the people should know the full import and purpose of this application.

There is a bill before the House of Commons to compel an investigation into all subsidiary companies controlled or owned by the telephone or telegraph companies, subsidiaries such as the Northern Electric, which are manufacturing for and supplying the parent company. When a private company owns a public utility, it is surely right that the people should have all the data concerning the working of that company, and know whether it owns certain subsidiaries in which it can hide its vast profits, and thus furnish it with an excuse to ask for an increase of rates to bleed the public. It is certainly not in the interests of the people that the stock of any company should be indiscriminately increased. This allows the company concerned to hide its real profits.

In an article that appeared recently in the Toronto Globe, written by one Mr. R. A. Reid, who very vigorously opposed the application of the Bell Telephone Company before the board of railway commissioners for an increase in its rates, and who is also opposing its application for an increase in capital, there is the complaint that with the sanction of the Dominion government and by order of the Board of Railway Commissioners the telephone rates of the Bell Telephone Company were increased to the provinces of Ontario and Quebec, putting an additional burden of $2,600,000 a year, through this public utility, on the people who use it. This was done ostensibly through the Bell Telephone Company, but really for the sake of the great American Telephone and Telegraph Company of New York. I think it is time that the people of Canada knew that the Bell Telephone Company is simply a name under which the American Telephone and Telegraph Company of New York is reaching out to exploit the people all over the North American continent. It adopts this method in order to avoid any feeling of prejudice against the parent concern as a foreign company.

This bill, in my opinion, seeks to make the greatest amount of plucking with the least squawking possible. In the matter of the application to raise its rates last year, there was no legal or logical reason, according to Mr. Reid, who has been writing in the Toronto Globe, for granting the increase. It was granted without any specific or definite evidence being presented by the company in the most important issues raised at the hearing before the Board of Railway Commissioners. To me it looked like a typical case where a company holds a charter to own and operate a public utility for the sake of gain. The wonder to me is that the people after all these years will still put up with it. Surely the evil of having a public utility such as the telephone in the hands of private companies is well illustrated in the application contained in this bill.

Another thing which we may well marvel at is that men in this house who at the last election pledged themselves on public platforms before their electors to look after the interests of the people particularly, now seem willing to barter the people's rights to powerful combines and interests in control of these public utilities. The first commercial telephone used in Canada was established in 1877 in the city of Hamilton, and it is rather strange that after all this time, fifty-one years,

the ownership and control of a public utility of this kind should be in private hands. One would have thought that public opinion would have expressed itself so strongly before this that it would have been impossible for a bill of this kind to come before parliament. Of course, parliament since that time seems to have existed very largely to find means of fleecing the people in the interests of some private concern or other.

In the west we have for a long time been dealing with this question of public ownership. Really public ownership has been forced on us in the three prairie provinces simply by the failure of private ownership. Looking back over the years since I came to Canada, it does seem to me that not one public utility in private hands has ever been a success; either the people have been fleeced to meet undue profits, or else through incompetency there has been failure. This has been true in western Canada ever since the Canadian Pacific Railway gave to grain companies who would construct elevators on their sidings a monopoly of their cars to handle the farmers' grain. Through that procedure we have suffered all kinds of abuses, and farming in all the western country has been made a most precarious calling down through the years. The people had no way of redress; in weights, grades, dockage and prices they were simply robbed of their earnings. Indeed we can look at other great public utilities too, such as the railways, private ownership of which has landed us in the financial perplexity which we as a nation are not clear of yet. When we talk to-day of the tremendous cost to the country of the Canadian National Railways as a public utility, it should be borne in mind that it was due to their failure under private ownership.

Now, seeing that the telephone business is a public utility, since it can be so readily established by the people themselves, it is a wonder that a bill of this kind is before parliament. I know it will be said that a great sacrifice was made for the sake of western Canada in respect of many public utilities which we now enjoy, particularly the railways; but the west never landed this country in the tremendous amount of debt which we have had to meet on these great public utilities as did eastern Canada. As an example, take the old Grand Trunk Railway Company, which has cost Canada untold loss, which was not all a direct financial loss either, great as that was, but indirectly a loss of national prestige, something that we are now endeavouring to buy back.

But the Canadian National Railway redemption is not all that our railway service has cost the Dominion. If everything be reckoned, the Canadian Pacific Railway has cost the people perhaps more than the Canadian National Railway ever did. This was due to the tremendous mistake away back in the eighties of letting that great public utility fall into private hands. We must count the cost of some twenty-six million acres of the best of our land, to say nothing of railway lines completed and handed over, to which must be added twenty years' taxes on that land, and the tremendous inconvenience to settlers in establishing those essentials of civilization, good roads and schools, on which they had to pay the taxes themselves.

Now, it seems strange that men can be found who will favour these exploiting concerns and grant charters to companies who own public utilities for private gain. When we count the cash paid out for the redemption of what is now the Canadian National Railway system, it is a very little thing indeed compared with the cost of these things. I apologize for even mentioning the railway question, but I do so to show the debacle we are landing ourselves in through private ownership of other public utilities. In Saskatchewan we have had government ownership of our telephones practically from the start, and I would advise the people of Ontario and Quebec to lose no time in securing control of this great public utility, which has become a necessity in our complicated civilization as compared with the days of not very long ago. In that western province, with its much more scattered population than eastern Canada and no big cities, we have a telephone service at a cost that is surprisingly low when it is remembered that we have to go much further to find a subscriber than would be the case in rural Ontario. The installation of a rural telephone line is spread over a number of years, and the debentures are redeemed by a tax rate which is hardly felt. At the present time we pay about $28 for a city telephone. I find that in the city of Ottawa the people are paying $39.60 for a desk phone. Our telephone lines cover practically the whole province. Only in the newer settlements are the people without this utility. I do not think anyone in western Canada to-day would think of going back to private ownership in relation to the telephone service.

If parliament passes this bill it will be another means of robbing the worker of his earnings and concentrating the country's wealth and giving a power obtained by money

control, and it will make a still further dividing line between the worker and the government. From the Globe of March 29 last I clipped the following from a letter written by R. A. Reid:

> It was shown and conclusively proved at the recent Bell Telephone rate case hearings that this concern has continuously over a period of years issued its stock at par value of $100 to its shareholders, when that same stock was selling on the market at prices ranging from $125 up to $150 per share.

Will anyone say in the face of this that this bill should be passed? It is rather strange to me, since this statement has been published in a paper like the Toronto Globe, that the people are not even now organizing to promote public or government ownership. If what I have read is true—and I have never seen it refuted—it means that when this stock is selling on the market at $150 per share and is issued to the shareholders at $100, as it usually is, every issue of $10,000,000 worth of stock represents a bonus or a present of $5,000,000 to the shareholders. The result is that every user of telephones on their lines, be he rich or poor, must continue in his sweated labour to pay for it. This is a practice which should not under any circumstances be allowed. The telephone business here, connected as it is with the American Telegraph and Telephone Company of New York, is virtually a monopoly, and to me it is rather a sad fact that a Liberal government of Canada should further a monopoly which has in view the fleecing of the entire public. The company has been able to do as it pleases so far as rates are concerned. In the United States it does over 72 per cent of the telephone business and dominates all the others. The same journal says, further, that it has worked the "holding company" device to an extent unrivalled in any other industry. This holding company device is a legal scheme for confusing the public and investigators and for getting something for nothing.

I trust that even yet the people of this country, and this parliament will see better than to support a proposal of this nature and to pass a bill like this, which is nothing more than an attempt to give power to a great monopoly to fleece the public of its earnings.

Mr. T. L. CHURCH (Toronto Northwest): The amendment proposed by the hon. member for Bow River (Mr. Garland) asks that this bill be not read the third time but be referred back to the committee of the whole to be amended by adding section 3 to provide that no issue of capital stock of the Bell Telephone Company Limited shall be made except it is offered to the public for subscription. I may say in connection with this amendment that the whole subject was before the Board of Railway Commissioners and considerable objection was taken to the methods pursued by this particular company. The stock has been quoted at 170 and the company has made handouts to a few favourites within the charmed circle—so much so that in the opinion of many the company is not altogether complying with the law. Let me point out in the first place that the American Telephone and Telegraph Company owns 98 per cent of the stock of the Western Electric. This will give you an idea of the way these various companies are interlocked. In the second place the Western Electric Company owns 48 per cent of the Northern Electric. The third point I wish the house to grasp is that the Bell Telephone Company owns 52 per cent of the Northern Electric. And in the fourth place the American Telephone and Telegraph Company controls them all. In other words, all these these concerns constitute a combine in restraint of trade. That is all they are. They are interlocked and are a part of this gigantic trust—the American trust to which I have referred. We seem to be very fortunate in this country in our trusts; we make it possible for them to flourish in Canada, so that they may exploit the people in connection with telephones, telephone apparatus, pulpwood, power and so on. Canada is the happy hunting ground for speculators from the other side. They come here and by means of agreements drawn up by clever lawyers they get around our financial statutes. The result is that many of these companies are an affliction worse than the family compact.

Let me give a little bit of the history of this corporation to show the way they have been jockeying with the law. Its record justifies the very wide amendment proposed by the hon. member for Bow River (Mr. Garland). We had a parallel case in the history of the gas company of Toronto, in connection with which an appeal was made to the legislature to prevent the adoption of just such a principle as is laid down in this bill. It would be interesting to know what regulations the Board of Railway Commissioners have over the issue of stock by this company. I fail to see any regulations regarding the sale of this $75,000,000, or any regulations providing for subscription to this stock. Dear knows to what extent the American Telephone and Telegraph Company are interested in this $75,000,000. In view of all that, and in view of the existence of this trust which flourishes in Canada like a green bay tree, I think we

should know something of the history of the various issues of stock of this company. The company was incorporated in 1880. They came back to parliament in 1882 asking for authority to issue more stock, and in 1884 they came back again. They seem to have come back every five or six years, after changes of government, looking for amendments to their charter and for authority to issue additional stock. However, I have yet to find that the stock was sold by public subscription, as is proposed in the amendment before the house. In 1892 they again came to parliament and received authority to issue more stock; in 1894 they renewed their application, and returned again after a change of government in 1896. In 1902 they had a new act passed conferring various powers on them. Four years later they returned again and were given power to increase their stock issue, but nothing was said as to how the stock should be issued. Then in 1920 they had another act passed by this parliament giving them power to deal with their stock again. Now they are back again asking leave to increase their capitalization from $75,000,000 to $150,000,000, but they give no intimation of what they propose to do with the stock or why it is necessary to issue these additional shares, although they say they wish to undertake extensions. Is this new stock issue to go to the present shareholders, or is it to be divided up all along the line? When you pay for hydro electric power you simply pay the cost price; in Ontario the rate per kilowatt hour is only 1½ cents as compared with 3½ to 4 cents in Buffalo and Montreal. This company is under the control of the railway commission, who have failed in their duty by not making some regulations to cover the disposal of this stock.

Mr. CANNON: I rise to a point of order. The hon. gentleman may say whatever he wishes so long as he observes the rules of the house, but under the rules he cannot criticize the Board of Railway Commissioners as he has been doing.

Mr. SPEAKER: The Board of Railway Commissioners is a court of record, and therefore may not be attacked except by way of impeachment. This has been decided twice by this house within my knowledge.

Mr. CHURCH: In order to show that public subscription should be allowed I think it only fair that I should refer to the history of past issues of stock by this company, to show how the stock was sold then. I notice some hon. gentlemen are smiling; this is not going to be a laughing matter to the poor people of Ontario and Quebec who will have to pay an additional charge for the use of their telephones. Some of these gentlemen who are now smiling would do better to stand up and support this amendment in order to prevent the stock being parcelled out among the favourites and insiders of the company.

Now I would like to refer to the way in which previous stock issues have been disposed of. On December 31, 1925, the authorized capital of this company amounted to $75,000,000; of that amount $50,000,000 had been issued. In December, 1899, stock was sold privately to a few favourites at $100 per share while the market price was $193, and the very same thing will be done with this next issue of stock if this amendment is not adopted. In 1900 the company sold $50,000 worth of stock at a net premium of $35,105, and in May of 1902, $1,000,000 in stock was sold to the inside people for $125 per share, although the market price was $176. From these figures the house will see how the people of this country have been held up. Where do the consumers and the general public come in when this sort of thing goes on?

BUSINESS OF THE HOUSE

SITTING OF SATURDAY, MAY 19—MEETING AT TWO O'CLOCK

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the house adjourns, may I say it has been suggested to me that in regard to the sitting of the house on Saturday next it would meet the convenience of members to a greater extent if instead of meeting at three o'clock in the afternoon and sitting in the evening the house were to sit from two o'clock until six. I have spoken to the leaders of the different parties and to different members of the house and I gather that this would suit the convenience of members better than sitting late Saturday evening. If the house will give its consent I should like to move:

That on Saturday the 19th instant the house shall meet at two o'clock in the afternoon.

That is with the understanding that we will adjourn at six o'clock, and applies to this coming Saturday only.

Mr. SPEAKER: This must have the unanimous consent of the house.

Motion agreed to.

PRIVATE BILLS

FIRST AND SECOND READINGS

Mr. L. P. BANCROFT (Selkirk) moved that the following bills from the senate be now read a first and second time and referred to the select standing committee on miscellaneous private bills.

Bill No. 315, for the relief of Irene Matilda Ballinger.

Bill No. 316, for the relief of John Hare.

Bill No. 317, for the relief of Helena Martyniuk.

Bill No. 318, for the relief of Francis Marmaduke Steele.

Bill No. 319, for the relief of Rose Tlustie.

Bill No. 320, for the relief of Robert Anderson Traill.

Motion agreed to on division.

At eleven o'clock the house adjourned (until Friday, May 18) without question put, pursuant to standing order.

Friday, May 18, 1928

The house met at three o'clock.

JUDGES' SALARIES

FINAL REPORT OF SPECIAL COMMITTEE

Mr. J. T. THORSON (Winnipeg South Centre) presented the second and final report of the special committee appointed to consider the question of the adequacy of the remuneration paid to the judges of the various courts in Canada, as follows:

The special committee appointed to consider the question of the adequacy of the remuneration paid to the judges of the various courts in Canada beg leave to present the following as their second and final report:

Your committee, composed of fifteen members, were appointed on April 15, 1928, in accordance with a resolution passed in the house on March 20, 1928, and were empowered to send for persons, papers and records, to examine witnesses under oath, and to report from time to time, and were further empowered on April 19, 1928, to print their minutes of proceedings and any evidence taken by them, and to sit while the house is in session.

Your committee met for organization on April 19, 1928, and since then have held seven sessions and heard twenty witnesses. Representations were also made to your committee by letters and telegrams from numerous persons who did not appear before them. Your committee also had before them reports of committees of the county courts judges and of the Canadian Bar Association, resolutions from various organizations and information from the Department of Justice and the Bureau of Statistics.

Your committee gave careful consideration to the question referred to them and find that the remuneration paid to the judges in the various courts in Canada as hereinafter mentioned is inadequate and ought to be increased.

Your committee, therefore, recommend:

1. That the salaries of the judges of the district and county courts of the various provinces of Canada be increased by $2,000 per annum each.

2. That the salaries of the judges of the superior courts of the various provinces of Canada, and of the Exchequer Court of Canada be increased by $2,000 per annum each.

3. That the salaries of the judges of the Supreme Court of Canada be increased by $3,000 per annum each.

A printed copy of the committee's minutes of proceedings and evidence is herewith submitted for the information of the house.

All of which is respectfully submitted.

J. T. THORSON,
Chairman.

INCOME WAR TAX ACT AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved for leave to introduce bill No. 321, to amend the Income War Tax Act.

Mr. STEVENS: Will the minister explain this bill?

Mr. ROBB: This legislation is necessary because of the omission of some words in the revised statutes. The object of the bill is to extend the six months' limit to three years for the reason that it is physically impossible, within the six months, to determine whether or not there has been fraud in the filing.

Motion agreed to and bill read the first time.

NEW EDINBURGH MILLS PROPERTY

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): The other day I asked the Minister of Public Works (Mr. Elliott) to lay on the table of the house the papers in connection with the proposed purchase of the New Edinburgh mills property. I wanted the order in council and the other papers. I do not think they have yet been tabled. I would ask the minister to add to that return, if he will, the further papers in connection with a proposal, made some three years ago, I believe, for the purchase of this property for the air board. I should like to have these papers, together with certain reports on the valuations that were put on the property at that time. The object in asking for these papers was that they might be brought down before the estimates came up.

Hon. J. C. ELLIOTT (Minister of Public Works): I shall be very glad to lay on the table the papers asked for by my hon. friend. I think some of them have been prepared.

Mr. STEVENS: There are these additional ones which I should like to have.

DECEPTIVE MINING LITERATURE

On the orders of the day:

Hon. R. J. MANION (Fort William): There is a matter to which I wish to direct the attention of the government. It may possibly be slightly out of order, but seeing that the discussion of it is in the interest of the people

generally and does not constitute any criticism of the government, I do not think any objection will be taken to my bringing it up at this stage. There have been passing through the mails in the past two or three years various tipster sheets on mining stocks and things of that sort. The other day I was handed a copy of one publication which entered the country freely last year—the Financialistic Debater published in Boston, the editor being one E. T. Morton. This sheet specializes in what are called "mystery stocks," and it is purely a fake, a crooked effort to steal the money of the people of Canada, and also of the people of the United States, for that matter. Of course the people of the United States can look after themselves; but I think some effort should be made by the government, through the Post Office Department, to prevent a sheet of this kind from going through the mails. Last year this same paper, published, I believe, by the same man, came through the mails in large numbers, describing the prospects of so-called "mystery stocks" and holding out the most extravagant promises, most, if not all, of which were proved later by Toronto Saturday Night and other papers to be complete fakes and nothing but a method of wheedling money out of the people. I have no doubt they succeeded in securing a good deal of money from the people of this country, because as we all know many people are gullible when it comes to promises of sudden wealth. I do not know that this publication has ever been barred from the mails, but at that time it was shown to be crooked. The other day I was handed this particular copy I have in my hand, it having been sent to someone in Ottawa. I had intended taking the matter up on the estimates of the Post Office Department, but I thought we might as well dispose of it now so as to afford the government an earlier opportunity to try to deal with the situation. It is true that the publisher has cut down the size of the sheet; it now comes through the mails more in the form of a letter than of a circular. It may therefore be harder to get at. But on the envelope containing the copy which I hold in my hand, there is printed the name of the editor, "E. T. Morton, Unity building, Boston, Massachusetts". I know the government is just as anxious as I am to see to it that the people of Canada shall not be cheated out of their money. It is difficult enough for us to raise money here for the development of our own resources as well as, to a certain extent at least, for the purpose of appeasing the gambling instinct we all possess. There is hope for some return from various mining propositions in Canada, but there is no hope for any return of money sunk in the schemes advertised by the Financialistic Debater. I appeal to the government to put a stop to the carriage of such sheets through our mails.

Hon. P. J. VENIOT (Postmaster General): In reply to my hon. friend I would say that my attention was drawn to this publication or to a similar one a couple of weeks ago, and instructions were given to have the matter looked into in order to see what could be done. It is hard to detect these letters now that they are being sent in envelopes, but since my hon. friend has stated that the name appears on the envelope we may be able to do something. Would my hon. friend let me have that letter?

Mr. MANION: Yes, and I would like to draw the attention of the minister to the fact that on this envelope at least, and I presume on most of the envelopes containing these letters, the name is on the outside, and I presume it will be there until these people see what action is taken by this government. As I have said, this concern have been shown by the Toronto Saturday Night and other financial papers to be fakers, and I think something should be done to put an end to their activities.

INTERNATIONAL PEACE

MULTILATERAL TREATY PROPOSED BY THE UNITED STATES

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): A day or two ago the Prime Minister was asked a question with regard to the Kellogg peace proposal. I see that the House of Lords have declared themselves in favour of that proposal, but the British government have taken the ground that they cannot act until the dominions are heard from. I wonder if it would not be possible for Canada to express an opinion shortly with regard to this matter?

Right Hon. W. L. MACKENZIE KING (Prime Minister): From what my hon. friend has just said there would appear to be an erroneous impression with regard to the attitude of the British government, if it is thought that the British government cannot act until the governments of the dominions have been heard from. I understand that the government of Great Britain have expressed the view, and certainly it has been so expressed in the House of Lords, that they are prepared to become a party to the treaty.

As I understand the matter, the United States extended an invitation to the four great powers in the first instance to ascertain whether or not they would become parties to the treaty. The United States took this action before extending a similar invitation to other countries or to any of the British dominions. Now that the British government have expressed their intention of becoming a party to the treaty, I have not the least doubt that Canada also, along with the other dominions, will be asked to become a party to the treaty, and I have no doubt also that when we are asked it will be the wish of this country that we should become a party to it. At the moment, as far as any invitation is concerned, it is a matter which is receiving attention, and we may expect to be in a position to make an announcement shortly.

Mr. C. H. CAHAN (St. Lawrence-St. George): Does the Prime Minister anticipate that the invitation will emanate from the government of the United States or from the government of Great Britain?

Mr. MACKENZIE KING: I think the invitation will come from the government of the United States, and I am sure it will be the wish of the government of Great Britain that all the dominions shall join with the British Government in accepting the invitation. This, I think, will be the result.

Mr. CAHAN. The invitation will come direct from the United States to Canada?

Mr. MACKENZIE KING: Yes, I so anticipate.

TOBACCO GROWING INDUSTRY

On the orders of the day:

Mr. E. J. GOTT (South Essex): I would ask the Minister of Agriculture (Mr. Motherwell) if it is his intention to have a number of copies of the report of the commission which investigated the tobacco growing industry printed and furnished free to the farmers of western Ontario.

Hon. W. R. MOTHERWELL (Minister of Agriculture): There is an order with the printing bureau now for 10,000 copies of this report, and we expect to be able to give every grower of tobacco one copy.

RAILWAY BELT AND PEACE RIVER LANDS

On the orders of the day:

Mr. L. J. LADNER (Vancouver South): In view of the recent visit to Ottawa of Hon. T. D. Pattullo, Minister of Lands in British Columbia, I would ask whether the government carried on or completed negotiations relative to the return of the Dominion railway belt and Peace River block in British Columbia, in accordance with the report of the Martin commission.

Hon. CHARLES STEWART (Minister of the Interior): There were no negotiations carried on with Mr. Pattullo; we believe that after the session there will be a conference on this matter with members appointed by the provincial government of British Columbia.

PENSION ACT AMENDMENT

Hon. J. H. KING (Minister of Health) moved the third reading of Bill No. 289, to amend the Pension Act.

Mr. G. R. GEARY (South Toronto): I do not propose to take up more than a few minutes of the time of the house in connection with one particular section of the bill now under consideration; I refer to section 5. This section was not passed upon and brought to this house by the committee considering this question, but was inserted by the government. Just in passing I would like to say that from what one can hear each individual member of that committee may take to himself the gratitude of a great many returned men, and of course I include in that committee the minister himself. The returned soldiers are grateful for the assiduous manner in which the committee carried out its duties and for the thorough way in which the problems of the returned soldiers were dealt with and solutions recommended to this house. That committee functioned particularly well under the very sympathetic chairmanship of my gallant and honourable friend from Quebec South (Mr. Power).

The section which was inserted by the government however is a retrograde step, I venture to say. I presented my reasons for this statement a short time ago and do not propose to take up the time of the house by repeating them. Section 5 of this bill repeals sections 4 to 8 inclusive of the present act, and substitutes three other sections therefor. Section 4, which it is proposed to repeal, is as follows:

> The commission shall be provided with suitable offices at the city of Ottawa for the commissioners and for the officers and employees of the commission, such branch offices elsewhere as may be required and all necessary furnishings, stationery and equipment for the conduct, maintenance, and performance of the duties of the commission.

Thus the pension commission not only had separate, independent quarters, but also had its own staff and functioned as an independent body. There is no provision in this proposed amendment for the accommodation of the commission and nothing is said which would indicate that it is to have its own staff. Instead of that, it will have to depend upon such assistance as may be given by a department of the government, the department headed by my friend the Minister of Pensions and National Health. Section 5, which it is proposed to repeal, is as follows:

> The commission shall have all the powers and duties of a deputy head of a department for the purpose of the Civil Service Act.
>
> 2. The salaries and other remuneration of the officers, clerks and employees of the commission, and all the expenses of the commission incidental to the carrying out of this act, shall be paid out of moneys to be provided by parliament.

This section is to disappear entirely; the commission will no longer be a deputy head, and if one turns to the Civil Service Act it is easy to see how far-reaching this change really is. Under the Civil Service Act it is the deputy head who organizes the particular branch under him and provides in a general way for appointments, for remuneration, for duties and so on. It strikes me particularly with regard to this section that we are not maintaining the independence of the board of pension commissioners but rather that we are striking at that independence in causing the board to be attached for all purposes to a political department of the government. As I have indicated, this is a matter which has attracted the attention of the officials of various soldier organizations, and which is abhorrent to them. They see that this commission is likely to drift more and more into politics and further and further away from that independence which has been so important in the minds of those who have had to depend upon the board. Pensions should be kept out of politics and should be looked after by a body which is independent and subject to no dictation from or leading by a department of the government. I take it that under the existing act we are functioning in the right way with regard to pensions, but if we let pensions drift into politics in any way we are not carrying on in the proper manner. We do not know how far the removal of the status as deputy head of a department for the purpose of the Civil Service Act may go, but it will go a long way. If you run through the provisions of that act you will see how much its operation depends upon the fact that the spokesman for the department is treated as a deputy head. The Board of Railway Commissioners is a deputy head under the Civil Service Act. I submit, Mr. Speaker, that it is not the proper method to engage men to give the attention that should be given to pensions, and then place them under the management and jurisdiction of a department of the government.

The government had a report from Mr. G. W. Scott in October, 1927, and Mr. Scott was asked to make that report because there were certain unsatisfactory conditions with regard to the administration of pensions. Among other things, Mr. Scott recommended that the board of pension commissioners should be given such a staff of medical examiners, investigators and clerks as would enable them to function as an independent body for the purpose of collecting all necessary information and evidence relating to matters relevant to eligibility of ex-service men and their dependents for pensions, rendering decisions thereon, and calculating the pensions payable. I submit that this suggested amendment of the government goes entirely contrary to that very carefully considered opinion and recommendation of Mr. Scott. We are ignoring those recommendations and going in the opposite direction. It seems to me that the full investigation that Mr. Scott gave the matter is entitled to consideration. Therefore, Mr. Speaker, I beg to move, seconded by Mr. Casselman, that in effect old section 5 be re-enacted, or left in the statute. My motion will read:

> That the said bill be not now read a third time but that it be referred back to the committee of the whole with instructions that they have power to add thereto the following sections:
>
> "The commission shall have all the powers and duties of a deputy head of a department for the purpose of the Civil Service Act."
>
> And
>
> "The salaries and other remuneration of the officers, clerks and employees of the commission, and all the expenses of the commission incidental to the carrying out of this act shall be paid out of moneys to be provided by parliament."

This would make it similar to the method in which the railway board gets its money. The railway board is a deputy head, and is independent. I say that the moneys of this commission should be paid by parliament and the commission should be in the position of a deputy head of a department.

One result of the proposed amendment that will be seen at once with relation to medical researches, history reporting, and consideration of questions affecting pensions, will be that these matters will be handled, not necessarily as they have been heretofore under the pension commissioners, but may be done by some official of the department. Under this section,

the sole remaining duty of the pension commissioners may be simply adjudicating upon evidence which will be handed to them by a department of the government, which department is not likely to be any freer from political suggestion than any other department of the government.

Mr. ADSHEAD: Will the hon. member allow me to ask a question? Of what department would you make this commission a deputy head?

Mr. GEARY: That does not matter. The deputy head of a department is a person through whom the Civil Service Commission function or collaborate regarding appointments. The Board of Railway Commissioners is a deputy head of a department, but it is not a deputy head of the Department of Railways and Canals.

Mr. SPEAKER: Is the house ready for the question?

Hon. JAMES H. KING (Minister of Health): This section was discussed on two or three occasions when the bill was in committee. At that time I pointed out that we were only confirming the practice that has existed in the department since 1920. In that year, the government of the day, by order in council, brought the officials who had previously been under the control of the pension board into the Department of Soldiers' Civil Re-establishment.

Mr. GEARY: Not all of them.

Mr. KING (Kootenay): All but this small section in Ottawa. All the doctors, and outside investigators, except the small staff in Ottawa, were brought within the control of the Department of Soldiers' Civil Re-establishment. I stated the other day that I thought a mistake or an error in judgment had been made at that time, in that the medical service and the investigators carrying on investigations into pension matters should be under the control of the pension board. That is what we are doing in the department to-day.

Following the Scott report, an agreement was entered into with the pension commissioners whereby they would have their medical representatives, one or two or three, whatever they considered necessary, in each of the units. If at times it was found that they required extra assistance in any unit, they merely asked the Department of Soldiers' Civil Re-establishment for that assistance, and representatives were detailed from that department to do their work. Those representatives then reported directly to the commission on the matter which they had under consideration.

We do not propose to interfere with the stenographic and clerical staff, but we do think that it is advantageous, and it will be in the interests of economy, that that staff should be paid through our central auditing and accounting board. We are making large savings in reorganizing in this way, and there cannot be any reasonable ground for contending that there should be another staff, with all that goes with a comparatively large staff, to take care of pay and accounting in the same building and under the same conditions.

Personally, I do not see any reason why this section should be amended. The section is broad enough, and it covers the activities of the department in the case of the relationship that exists between the pension board and the department, and puts in the form of a statute conditions that have existed by regulations heretofore.

Mr. IRVINE: Would the amendment as moved by the hon. member for South Toronto (Mr. Geary) interfere with the operation of the act; that is, if this amendment were passed would it hamper in any way the carrying into effect of any important section of the bill before the house?

Mr. KING (Kootenay): I do not know that it would interfere, but it has been the practice, irrespective of what my hon. friend has said regarding the railway commission. When this matter was under consideration last week, I was surprised to learn that the railway commission did not act as a deputy head. They are under the Department of Railways, and they act as a judicial body, just as this body will act independently of the department in judicial matters which they have to consider.

The pension commissioners will be working under very much better conditions. The medical officers, upon whom they will depend for the knowledge obtained regarding pensioners, will be under their own control. They will be in a much more independent and better position than they have been heretofore. I see no reason why we should amend the section, as my hon. friend wished to do. At this time I compliment the chairman and the members of the special committee upon their diligence and the thoroughness of their work in amending the present act and I believe these amendments will result in better conditions in regard to those who are interested in pension matters.

Mr. BLACK (Yukon): What is the objection to the section as it stands, that is particularly subsection 1 of section 5, which reads:

The commission shall have all the powers and duties of a deputy head of a department for the purposes of the Civil Service Act.

Is it unworkable? Is it objectionable? If not, why was it cut out?

Mr. KING (Kootenay): I cannot see any advantage in it. We have amalgamated two departments of government and we have now one deputy head. The pension commission is attached to that department. It has always been attached to one department and it must so be attached. The commissioners will make their requests to the deputy head and those requests will come to the minister in the ordinary way. I cannot see any advantage in lumbering up the bill by including that section. Sections 4 to 8 have been redrafted under the new section and anyone reading those sections carefully and reading the new section will find this a much better draftsmanship. The matter is more clearly expressed than in the wandering sections we had before.

Mr. BLACK (Yukon): I quite agree with the minister as to the redrafting of those sections. In the bill now before the house the matter is expressed more clearly and in much better language. In effect it puts in a better way what is really the law except as to the omission of subsections 1 and 2 of section 5. By the omission of those subsections the effect of the law is changed. Power is taken away from the pension commissioners. If it is desirable to lessen their powers, well and good, but it does not seem to me well to do so. The minister must have changed his mind somewhat on this subject since the 14th of this month. Then both the Minister of Health and the Minister of National Defence were quite of opinion that those subsections should be left in. If the minister will pardon me for quoting him I will quote from Hansard of May 14, at page 2970, where he is reported as saying:

Or we could insert the old section, which says:

"The commission shall have all the powers and duties of a deputy head of a department for the purposes of the Civil Service Act."

Then follow some remarks by the leader of the opposition to which the minister assented. Following that the leader of the opposition said:

Under those circumstances, I think the minister's suggestion would meet the case.

[Mr. J. H. King.]

That is the suggestion of the minister himself that that subsection be left in and the Minister of National Defence (Mr. Ralston) said:

We can reinsert the old section.

It was understood that would be done. Why has a change been made?

Mr. KING (Kootenay): It was understood in this way. A discussion was going on and I advised the committee that I would withhold the section and make further inquiries. It appeared to me while I was in my seat that we might reinsert that section, but after inquiry and consideration I advised the committee the next day that we did not think the new section should be amended and the old section reinserted. That is the way the matter stands. I have nothing more to say. The bill has had very careful consideration by the committee and I see no advantage in having the section amended as has been suggested.

Sir GEORGE PERLEY (Argenteuil): I think the minister's first thought was the correct one, namely, that the section ought to be re-inserted in this legislation. The minister when speaking a few minutes ago said that he thought the provisions of the new section placed the pension commissioners in a more independent and better position than they are in at present. I take an altogether different view of the matter. It seems to me that the new section is drafted for the purpose of putting the pension commission in a subordinate position to what they were in before. As far as my experience goes the pension commission has been one of the outstanding commissions that we have had of late years in the Dominion. Its work has been well done. The head of the commission is a man with a splendid war record who understands the needs and feelings of the returned soldiers fully as well as anybody can in this country. Now an effort is being made to rob that commission of a certain amount of their standing and position and to make them simply a branch of the Department of Soldiers' Re-establishment. That is my understanding of this section. The minister said that the pension commission has always been attached to that department.

Mr. KING (Kootenay): Since 1920.

Sir GEORGE PERLEY: It was attached to that department in 1920. That is correct, but its independent power still remains with the commission under the sections of the old act which the minister now proposes to strike

out. Under subsection 5 of section 5 the head of the commission was given all the powers and duties of a deputy head of the department for the purposes of the Civil Service Act and any moneys provided for the purpose of carrying out the work of the commission are provided by parliament itself and not simply as a branch of the Department of Soldiers' Civil Re-establishment. The minister has commented with regard to the railway commission and the fact that they are attached to the Department of Railways and Canals. But the railway commission occupies a special place by itself and the railway commissioners have positions peculiar to their own office. There is in this country no other position, saving that of the Prime Minister himself, higher than that of the chairman of the railway commission. The commissioners have most onerous duties to perform; they are the people's court for many questions, and the chairman and members of the railway commission have a special place assigned to them in the social and public life of the Dominion.

This section that the minister proposes to strike out gives the head of the pension commission the rank of a deputy head. Parliament has given a similar rank to many positions outside of the actual deputy ministers themselves. Now the minister wishes to alter the position of the pension commission. He deliberately says so; by this section as I read it—and if I am wrong the minister will correct me—he undertakes to make the pension commission simply a branch of his department subject to instructions from himself and his deputy head as well. That is not, as I understand the matter, what is wanted by the people or the returned soldiers. The pension commission has been an independent, well-managed commission, absolutely apart from anything political. There is no department of government that can at all times be entirely independent of politics. The minister knows that himself; he is subject to all sorts of influences which he cannot always ignore from his friends and supporters. The pension commission has been doing its work faithfully and well.

Mr. KING (Kootenay): Under the Pension Act and it will continue to do so.

Sir GEORGE PERLEY: Under the Pension Act and the pension commission has had an independent position which is being taken away from it by this legislation. He says:

> The commission shall from time to time make such reports to the minister as he may direct.

As he may direct. I submit that the pension commission knows better how to make its own reports than the minister himself can possibly know.

Mr. KING (Kootenay): Read the old section.

Sir GEORGE PERLEY: It says:

> The commission shall furnish the minister with such reports, statements and information as he may at any time require.

Mr. KING (Kootenay): Now which is the better section?

Sir GEORGE PERLEY: I am going through the whole of the changes. I admit that some of the wording is a great deal better in the new sections, but the effect of this change is to take away from the pension board the independent position which it has occupied under the old act, and I do not think the minister can deny that. If that is his purpose, I submit that the first thought that he had the other day when this matter was under discussion was the correct one, and I think this amendment which has been moved by my hon. friend from South Toronto (Mr. Geary) covers the point admirably. There is no effort made to alter the wording of the proposed new sections whatever, and I agree with the hon. member for South Toronto that the position of the pension board should be maintained intact as it is now; that it should be practically an independent board to consider all these questions under the law without any political favour or influence being brought to bear on them, and attached to the Department of Soldiers' Civil Re-establishment, but not under that department, as it is the minister's purpose to make it. As I read it, the deliberate intention of this section is to rob the pension board of its independent position and to make it subordinate to the Department of Soldiers' Civil Re-establishment. They were always attached to the department, and they were under the minister in a sense, and I am sure they always took cognizance of the advice of the minister, but at the same time they were not subject to any political influence whatever, while the minister cannot escape being subject to it. He may at times be strong enough to resist that pressure, but at other times he will find himself unable to do so, and I submit to him that, without changing the wording of this section, he should agree to the amendment which has been moved by the hon. member for South

Toronto, which simply restores one of the clauses of the present act, which says:

> The commission shall have all the powers and duties of a deputy head of a department for the purpose of the Civil Service Act.

That preserves the position and independence of the commission. I do not think it is fair for the minister to undertake in this way to place the pension commission under his authority and that of his deputy minister, and to take away from them the independent position which they have always occupied under the act, in which position they have given such great and valuable service to the people of this country.

Mr. C. G. POWER (Quebec South): I must confess, Mr. Speaker, that I have not given much thought to the amendment which has just been proposed by my hon. friend from South Toronto (Mr. Geary), nor can I see that his amendment would change very much what is in the act at present, but being proposed by the hon. gentleman, it must mean something, for I know him well enough to know that he would not waste his time and that of the house by making a suggestion which did not mean anything. I have been trying for the past few moments to understand just what the objection is to the section as brought down by the minister. The hon. gentleman who has just spoken (Sir George Perley) has made reference to the social position of a deputy head. If that is the only reason why we should keep the old section in, I think we are wasting the time of the house in discussing it.

Sir GEORGE PERLEY: Not only his social but his official position.

Mr. POWER: What is the meaning of his official position?

Sir GEORGE PERLEY: The position he occupies as regards the other officers in the department.

Mr. POWER: I am free to confess that I do not understand what that means either. The position which he occupies as regards other officers in the department? I assume that he is the head of the pensions board, whether he be called a deputy head or not, and that as such he would have under his control the officers of the pension board. What other officers he would have to do with I do not know, but perhaps in the order of precedence at the opening of parliament and at state dinners he would pass in after the deputy minister, but I do not think that would seriously interfere with the efficiency of the administration of the Pensions Act, or that any of the sixty or seventy odd thousand pensioners would find that they had been seriously affected by any such calamity.

Mr. McLEAN (Melfort): Give him a title.

Mr. POWER: My hon. friend from Melfort suggests that we might give him some other title in exchange for that of deputy head.

Coming to the other portion of the amendment with regard to salaries, and so forth, it reads—I am sorry I cannot read my hon. friend's writing, so I will take the section in the old act as printed. It reads:

> The salaries or other remuneration of the officers, clerks and employees of the commission, and all the expenses of the commission incidental to the carrying out of this act, shall be paid out of moneys to be provided by parliament.

The bill which we have before us says with reference to salaries:

> The salaries of its officers, clerks, and other employees shall be met out of the moneys provided by parliament for the purposes of the department.

With all the goodwill in the world I cannot see what difference it makes to the taxpayer whether the money is voted by parliament to the department or is voted by parliament to the board of pension commissioners. The power of appointment of officers is not changed. The power of selection of those who are to fill these positions remains the same as it was before. If my hon. friend would point out what change—

Mr. GEARY: Perhaps if the hon. gentleman would look at the provisions of the Civil Service Act, he would see exactly what being deputy head of a department means. It is scattered all through the act. It is through the deputy head—the Board of Railway Commissioners, for instance—that the Civil Service Act functions in regard to organization, appointments, salaries and that sort of thing.

Mr. POWER: I will come to that in a moment, but does it make any difference to whom these salaries are voted, whether they are voted to the department, and afterwards paid out by the department to the board, or voted direct to the board? It would seem to me that it is only the difference of who shall sign the cheques, the board of pension commissioners or the departmental accountant, and possibly at the present time the same man signs the cheques anyway.

Mr. GEARY: In the one case you have an independent commission with its own budget, so to speak, coming through. It is true that it comes through the estimates of the department, but in the other case the commission has nothing whatever to do with it; they are all officials of the department. That is the only difference.

Mr. POWER: If that is so, in one case these estimates come to the minister and are brought down to parliament under the heading: Department of Soldier's Civil Re-establishment, so many thousand dollars for the board of pension commissioners. In the other case—that which my hon. friend proposes—in the estimates we would have, still under the Department of Soldiers' Civil Re-establishment; board of pension commissioners, so much—exactly the same amount. But will my hon. friend look at it from this point of view? He knows as well as I do that when an estimate is brought down from the board of pension comimssioners as such, if there has been no change the minister will simply say: This is an estimate of the board of pension commissioners: they are an independent body; I have nothing to do with them; you may just take the estimate or leave it, as you please, I have no control whatsoever over it. In many cases I have heard in this house and outside serious criticism of the board of pension commissioners, of its expenditure and its personnel. Up to the present the minister has been able to say: Why, I am not responsible for this; this is an absolutely independent commission. I am inclined to think that if the minister had gone a little further and taken this commission more under his control, perhaps parliament would have been better satisfied. I remember in the closing days of last session my hon. friends opposite were imploring the minister to do something with the board, to tell the commissioners that they must see to it that their hearts were softened, that they treated the pensioners more generously. One heard from a number of hon. gentlemen accusations against members of the board to the effect that they, being independent of parliament and of the members thereof, would not give proper consideration to cases submitted to them by hon. gentlemen. The general tone of the discussion was such as to lead one to believe that the government should assume greater control in order to be able to give instructions to the board of pension commissioners. Personally I have always opposed that view. I think the board should be an independent body. It was created by the will of parliament to be independent, so far as any body can be, of the control of politics or of the minister of the department. I think the policy then laid down was a good policy. But last session my hon. friends opposite did not seem to agree with that view. There were exhortations from them that so and so, members of the board, had not behaved as they should, that their power should be curtailed, that they should be told they must be more sympathetic in their treatment of pensioners and of applicants. I am somewhat surprised to-day to find the same hon. members asking that the social position of the board should be made higher, if not their powers enlarged.

With regard to the suggestion by my hon. friend from South Toronto (Mr. Geary) that this has something to do with the Civil Service Act, I am not in a position to discuss in any way, shape or form the workings of that act. I have always been opposed to it as the most iniquitous legislation that was ever enacted, and have always regarded the Civil Service Commission as the stupidest body that has ever inflicted itself on the people of Canada—

An hon. MEMBER: Order.

Mr. POWER: —and I am not prepared to discuss how they might or might not act or who they should or should not consult. But if they do not carry out their duties better with reference to the board of pension commissioners than they do with respect to other departments, I shall be more and more confirmed in my opinion that they should have been abolished before they were created! Whether or not any advantage will be gained by the pensioner through this body consulting with Colonel Thompson or with Dr. Amyot with regard to appointments or promotions, I am unable to say; but it seems to me that if the Civil Service Commission do consult with reference to anybody in the employ of the board of pension commissioners, they would naturally consult the head of the board. The rating would be given by the senior officers of the board.

Mr. CAHAN: Does not the Civil Service Act provide otherwise with regard to consultation?

Mr. POWER: It might very well provide anything. At the time I quit studying the law, I thought it such an iniquity that I did not want to be led into occasions of sin. The language which I would use with reference to it would be somewhat too expressive.

Mr. CAHAN: Might I put my question in another form? In the opinion of the hon. gentleman, is not the commission more independent under the sections proposed to be repealed than it will be under the new enactment?

Mr. POWER: I really cannot see how the commission would be more independent under section 5 of the old act than it would be under the present legislation. This bill provides:

The commission shall be attached to the department—

Section 6 of chapter 157 of the revised statutes of Canada, 1927, provides:

The commission shall be attached to the Department of Soldiers' Civil Re-establishment—

So far there is no change. Then this bill continues:

—and the expenses required to be incurred for the discharge of its duties, including the salaries of its officers, clerks, and other employees shall be met out of the moneys provided by parliament for the purposes of the department.

The former act provided:

—and all the expenses of the commission incidental to the carrying out of this act shall be paid out of moneys to be provided by parliament.

That is the situation as it existed, and I think it will remain the same after the passage of this bill as it was before. It is suggested to me by a person far more qualified to judge than I would be that the commission possibly will be more independent. I will leave it to the hon. gentleman who makes the suggestion to explain it to the house. I am free to admit that I cannot see it yet. I am willing to acknowledge that the change will not have any effect whatsoever, and for that reason I do not know why the change is included in the sugestions made by the minister.

Mr. CAHAN: Might I ask the hon. gentleman: Do not the proposed amendments make the commission subject to the deputy of the department, whereas in the other case under the statute as it stands the commission is subject to the minister? Under the amendments proposed is not the deputy of the department intervening to take control of the commission in a way which he cannot do now?

Mr. POWER: The board of pension commissioners is attached to the department in the same way now as before. If the commission is to be under control of the deputy minister now, without having at my disposal the statute creating the Department of Soldiers Civil Re-establishment and defining the powers of the deputy minister, I should be under the impression that the same control would exist if the deputy minister had no control over the different branches of his department. I presume the same control would exist from the moment the commission was attached to the department as will exist under this present legislation.

Mr. CAHAN: I merely am trying to get my own mind clear. The old section 5 which it is proposed to repeal provides that the commission shall have all the powers and duties of a deputy head of a department for the purpose of the Civil Service Act. Does not that section give a different status to the head of the commission, giving him the right of consultation and direction and control in respect of appointees, which he would not have if that control were placed under the deputy head of the department?

Mr. POWER: I am sorry, but I do not think that is the case. It may be, but I cannot see it that way. It seems to me that the powers of the chairman of the board of pension commissioners will be just as great after this act is passed as they were before. Really, I do not know why there was any change in the act unless it was to make it read better, perhaps, with reference to the social position of one or other of the heads. There was a certain amount of departmental jealously which existed and which perhaps will be wiped out now that the social standing of the respective officers has been established. I will admit that there has been perhaps a diminution in the social standing of the chairman of the board; that is as far as I am prepared to go.

Mr. E. J. GARLAND (Bow River): I feel somewhat at a loss to follow the facetious remarks of the hon. member (Mr. Power) who has just taken his seat. It is evident that he looks upon the whole discussion as being somewhat irrelevant and humorous. However, he did commit himself to one statement which is worth the consideration of the house, and that is, to the effect that he did not know why this change should be made. But the minister in charge of the matter stated a little while ago that if the change were made nothing would be altered so far as the administration of the board of pension commissioners or of the department was concerned. In the face of both these statements alone there would seem to be very good reason for not making the change. But if we want a further reason than that I will go back again to the point raised with respect to the powers and rights of deputy ministers, and if the hon. gentleman had taken notice of the act so much despised he would have found, first of all, that all organization of the department, all difficulty with respect to personnel of the staff,

everything affecting salary increases or decreases, classifications and revisions, are all dealt with directly by the deputy minister with the Civil Service Commission. In the Civil Service Act I find, under the classification of deputy or deputy minister, a provision to which I direct the attention of the house in view of the statement made by the minister that the railway commissioners were not and had not been regarded as deputy heads. That is what the minister stated. He nods his head; he acquiesces. Now I will quote from the Civil Service Act:

(c) "Deputy" or "deputy head" means and includes the deputy of the minister of the crown presiding over the department, the clerk of the Privy Council, the clerks of the Senate and House of Commons, the librarians of parliament, the comptroller of the Royal Canadian Mounted Police, the Superintendent of Insurance, the Dominion Archivist, the Board of Railway Commissioners for Canada and, in all cases in which such meaning is not inconsistent with his powers and duties, under the Consolidated Revenue and Audit Act, the Auditor General.

Therefore, so far as the Civil Service Act is concerned, a railway commissioner has the right of a deputy head.

Mr. KING (Kootenay): I understood that they had not that power under the act, but they have.

Mr. GARLAND (Bow River): The minister makes an honourable amende. And now that his attitude with respect to the matter is correct, let me ask him to reconsider the position taken by the hon. member for South Toronto (Mr. Geary) with respect to the suggested deletion of section 5 of the old act, which reads:

5. The commission shall have all the powers and duties of a deputy head of a department for the purpose of the Civil Service Act.
2. The salaries or other remuneration of the officers, clerks and employees of the commission, and all the expenses of the commission incidental to the carrying out of this act, shall be paid out of moneys to be provided by parliament.

That classification is deleted and the board of pension commissioners are now deprived of their rank of deputy. They are deprived of direct access to the minister himself, unless by agreement or courtesy, and deprived of direct access to the Civil Service Commission unless, again, by act of courtesy. The whole thing must now be handed directly through the deputy head of the department and not because of any right vested in the board of pension commissioners itself. You have undoubtedly taken largely from the powers of the old board and rendered it completely subject to a department which is now under patronage, a department which does not come within the Civil Service Act.

To sum up the objections to the change. It may be said that the board of pension commissioners will now be definitely attached to the department itself; it will have lost its power of direct approach to the minister unless by courtesy; it will have lost its power of direct approach to the Civil Service Commission unless, again, by courtesy; the appropriations voted by parliament under the old act will now be transferred to the department, thereby transferring the staff of the board of pension commissioners, at present under the board's control, to the pay-roll of the department. Again, the board will have no staff of its own but will be entirely in the hands of the department as to what staff shall be loaned to the board of pension commissioners for the purposes of carrying out the duties of the board. The board's annual report, which heretofore was an independent document and was presented to parliament as such, will no longer be an independent document unless by agreement with the minister, but will be embodied in the annual report of the department, and will form a part of that department's report. But the principal objection I have to the whole change is, in the first place; that the direct contact of the board of pension commissioners itself, both with the minister and with the Civil Service Commission, is abolished; and in the second place the element of merit which did enter into the personnel of the board of pension commissioners is now eliminated, so that the personnel will be placed directly within and under a department which, according to my information, is not under the jurisdiction of the Civil Service Commission. I am opposed to the change, and unless the minister or someone else is in a position to correct the impressions I have formed in this matter, and which I have submitted to the house, I am afraid I shall have to suport the amendment that has been proposed.

Mr. SPEAKER: The question is on the amendment.

Amendment (Mr. Geary) negatived on division.

Motion agreed to, and bill read the third time and passed.

INTERPROVINCIAL AND INTERNATIONAL TRAFFIC IN INTOXICATING LIQUORS

CONCURRENCE IN SENATE AMENDMENTS

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 192, respecting interprovincial and international traffic in intoxicating liquors.

He said: I suppose it is in order to give an explanation, and I might tell the house that the only change made by the Senate is in the penalty clause. Under section 5 of the bill the penalty for the first offence was not less than $200 and not more than $1,000, and in default of payment imprisonment for a term of not less than three months and not more than six months. For each subsequent offence the penalty was imprisonment for a term of not less than six months and not more than twelve months. The Senate retained these penalties, but instead of applying them for the first offence and each subsequent offence they have made them apply to the second offence and each subsequent offence. They have also reduced the penalty for the first offence to a fine of not more than $200, and in default of payment imprisonment for any term not exceeding three months. The only change really is that the penalty is reduced for the first offence, and I am willing to accept the amendments.

Motion agreed to; amendments read the second time and concurred in.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public works—harbours and rivers, Prince Edward Island—West Point—wharf repairs, $4,000.

Mr. MACDONALD (Kings): When these items were being considered the other evening I was directing the attention of the minister to the condition which existed in Kings county, Prince Edward Island, in relation to these estimates, and I was pointing out that with the exception of the amounts recommended by the Duncan commission for warehouses for potato storage, last year $107,000 was voted for harbours and rivers in Prince Edward Island, of which sum only $1,000 was earmarked for Kings county, which does not seem a fair division considering the fact that there are many works in that county which require attention. For instance, at my home town of Cardigan there is a government wharf the central portion of which to the extent of 200 feet has dropped; no repairs have been made, and the structure is in an unsatisfactory state. This is a disgraceful monument to the present government. In other places there are needs equally great; Bay Fortune needs breakwater repairs; Naufrage harbour requires some expenditures to be made; Little Sands breakwater requires repairs, and there are various other places which might be named.

[Mr. Lapointe.]

This year we find almost the same condition with regard to these estimates; we find a total vote of $229,000, and after you deduct $140,000 for wharf improvements and warehouses at Charlottetown you have only $89,000 left for three counties, of which the county of Kings receives only about $13,000. I consider that to be an unfair division of the amounts voted. Then we have the condition which exists at Souris East; $36,500 was voted for the breakwater there in 1925, when the constituency was represented by a Liberal. In 1926, when the county ceased to support the Liberal government and sent a representative to Ottawa who was a member of the opposition, that item of $36,500 was deleted from the estimates and has not been replaced. The need there is very great; the breakwater is in serious danger of breaking away and needs strengthening. A contract was let in 1925, but because of the illness of the subcontractor it was not carried out. The other evening I asked the minister for an explanation with regard to this vote for Souris East, and he gave me a suppositious answer of his own which did not meet the case at all. Now I would like the minister to tell the house why this vote was taken from the estimates. Recently we had a discussion with regard to an item for the Mahone Bay post office; that was a somewhat similar case, with the exception that the member who was able to have the Mahone Bay item struck out was lucky enough to secure another seat in the house and was therefore able to explain why the vote was struck out, and to take the responsibility for advising the minister to remove the amount from the estimates. This candidate was not lucky enough to secure another seat, and he is not here to make any admissions of that kind. The minister knows the facts, and I ask for some reasonable explanation. I do not want to leave the impression that discrimination is practised against the county because of the fact that it failed to elect a supporter of the government, but it will take an explanation on the part of the minister to avoid carrying away that idea.

Mr. MacLEAN (Prince): Mr. Chairman, as the hon. member for Kings (Mr. Macdonald) has referred to the vote that has been given to the other county, in looking over the estimates I think I have just as much reason to complain this year as he has. I find that we had a wharf that was started last year, but, on account of the lateness of the season, the contract was not completed and there is a revote of $8,000 there. But aside from that revote, there is only $13,500

in the total estimates for the county that I represent, so that Kings county has been just as leniently treated as Prince county.

The argument which he has advanced, that for years other counties received more, I do not think is well founded, because the repairs and the work carried on at Summerside last year were also the recommendations of the Duncan commission's report, the same as the work at Georgetown.

Mr. MACDONALD (Kings): I did not include those votes at all.

Mr. ELLIOTT: That is where you made a mistake.

Mr. MacLEAN (Prince): I think the hon. member, in speaking the other night, took the total vote for the other counties.

Mr. MACDONALD (Kings): No.

Mr. MacLEAN (Prince): If the recommendations of the royal commission should be eliminated from the total vote, as regards Kings county, then the same reasoning would apply to the other counties.

Mr. MACDONALD (Kings): I eliminated them.

Mr. MacLEAN (Prince): That clears up that point. I do not think it is wise on the hon. member's part to stress the complaint that his county has not been fairly dealt with. In looking over the estimates this year I find that Kings county has been very generously dealt with by the government, and, in fact, I feel that perhaps we are being discriminated against in the total vote.

The harbour improvements that were put through last year for Summerside were greatly appreciated by the people there. I think it is only fair to the Minister of Public Works that I be permitted to read a letter from R. T. Holman Limited. They are a large firm there who handle the business of the port in connection with outward and inward freight. When a little vote is made for some improvements down in the maritime provinces, the cry is raised in different quarters of the Dominion that it has been made for political reasons. They say that it is just a gratuity that is being given to keep us in line, and suggestions of that kind are always brought forward from some section of the house. I think I should be permitted to read this letter to show how the people there appreciate the work that was done last year. This letter is dated May 2, 1928, and is addressed to myself. In part, it reads as follows:

> We thought possibly you might be interested in knowing just how the sheds and storages on railway wharf have turned out, now that we have had a trial with our first fertilizer steamer.
>
> Everyone appears to be delighted with the layout, and there is not the slightest doubt but that cargoes can be discharged at a very much lower rate than heretofore.
>
> I am confident that there is no place on the island that can now compete with us for economy in unloading. They have been running almost steadily at a cost of less than 50 cents per ton—of course, as they come near the end of the cargo it will be more expensive—but at present indications it leads us to suppose that the cost will not be over 60 cents per ton. When we were operating with the old pier it cost us well over 90 cents, so you will see that the expenditure that you were successful in getting for your county last year is actually money saved.
>
> We are very glad to say that, due to these facilities and the cheapness of unloading, we now have a territory to supply extending from Tignish to Hunter River. Heretofore, this territory only extended from Tignish to Emerald. The farmers beyond Emerald are large consumers of fertilizer, hence it is a very fine thing for this port.
>
> We believe the same thing will apply in the loading of potatoes. One of the representatives of the Potato Growers' Association assured us that this would be so. The whole layout is working just as we anticipated. The farmers are getting their supplies from the western warehouses promptly and without any holdup whatever, and they do not interfere in the slightest degree with the unloading of the ship. They have been loading cars at the rate of 40 per day on the railway, and this is an exceptionally good record.

This letter follows along the same lines, and shows the benefit that this construction work has been to the people of that community, and how it is appreciated by them.

I wish again to express the thanks of the people in that vicinity and from that constituency to the Minister of Public Works for the wharf that he gave us last year, and I hope that when the supplementary estimates are brought down this county will not be forgotten.

Mr. MACDONALD (Kings): I asked the minister a question but I have not received an answer. I think we should have some explanation from him in regard to this vote.

Mr. ELLIOTT: Mr. Chairman, my hon. friend seems to insist upon having another answer, not merely an answer. I did give him an answer the other evening.

Mr. MACDONALD (Kings): Simply a supposition.

Mr. ELLIOTT: I am going to call my hon. friend's attention to the argument that he has made; I think perhaps that is the best

answer that I can give him. He speaks of $89,000 as the expenditure made in the province this year, apart from the expenditure at Charlottetown. He refers to that as being an expenditure in three ridings. I ask my hon. friend if he thinks there are only three representatives from the province of Prince Edward Island, and if he thinks it is a fair thing to divide the expenditure there by three, in order to ascertain what each member should be entitled to. I mention that just to impress upon the committee the idea of my hon. friend with regard to fair treatment.

I point out the further fact that last year $54,625 was spent on building a warehouse at Georgetown, in the riding of my hon. friend. He says that was recommended by the Duncan commission. It is true that this warehouse serves other portions of the province but it serves a riding represented by my hon. friend more than it serves any other part of the province.

I just want to call my hon. friend's attention to the discrimination which he suffered last year. In the province of Prince Edward Island the expenditures of this department for all purposes were $156,927.15. This was for the various services, including warehouses. I want the members of the committee to bear that in mind; $156,927.15 for the ridings represented by the four members from Prince Edward Island. A quarter of that amount is $39,231. The expenditure in the riding represented by my hon. friend, who is complaining so bitterly of discrimination for political reasons, was $55,278. That is, he received in his riding over $16,000 more than the average of the total expenditures for the four ridings. That is what he is complaining about. All I have to say to my hon. friend is this, that in view of what I have listened to from him, I do not expect to receive even fair criticism of the expenditure in his riding or in his province and that is not what I am looking for. But in spite of the fact that he indulges in criticism that I think is not justified by the figures, the province of Prince Edward Island, including all the ridings, will receive the best and fairest treatment of which this department is capable and it will get that in spite of the attitude which my hon. friend takes.

Mr. MACDONALD (Kings): When the minister starts to read a lecture to members of the house on fair play and fair treatment, I should like to point out that I have endeavoured as well as I can to be fair in this matter, and I thought that dealing with the local works of the county in connection with these estimates was the only fair way. The warehouse at Georgetown does not serve Kings county only; it is not placed there for Kings county only. The people of Tignish and the western end of Queens county, as the other hon. members for the province will verify, ship their potatoes through Georgetown warehouse. When in the late fall the harbour of Charlottetown is closed up Georgetown is the only outlet in the province. Prior to the 14th day of January last year we were loading steamers in Georgetown and the potatoes for those steamers were coming from Prince and Queens counties. The warehouse at Georgetown is not a county affair at all; it is a provincial affair. But supposing we take the minister's present attitude, what do we find? I am eliminating $140,000 for similar purposes in Charlottetown, Queens county, and at present discussing only the $89,000 voted for the province covering the ordinary votes and not the special vote that was recommended by the royal commission. The minister has no right under these circumstances to charge me, and if he knew what he was talking about he would not charge me, with unfair criticism. I know the other members from Prince Edward Island will bear out what I am saying. As regards dividing the total of these items by four, the other members for the province will agree with me that there is more need for this work in the county of Kings than in all the others, regardless of the fact that Queens county is represented by two members. No one who knows the facts will dispute that, especially in view of the fact that Kings county has open harbours late in the season and has greater needs than the counties which have harbours which are closed in November or the early part of December.

The main point on which I questioned the minister he has not touched at all. I asked him about the Souris breakwater, a work that is in imminent danger of destruction for lack of repair, a work which needs strengthening and supporting and which, if a heavy storm occur, will be carried out and do great damage to Souris harbour. I asked why that vote was deleted two years ago and not reinserted in the estimates. The minister has ignored the question entirely.

The CHAIRMAN: Shall the item carry?

Mr. MACDONALD (Kings). I have a right to some answer from the minister. I have asked a plain question about the appropriation for the Souris breakwater.

The CHAIRMAN: Shall the item carry?

Mr. ELLIOTT: Carried.

Mr. MACDONALD (Kings): The item will not carry. We will not be totally ignored in that way. If the minister is going to treat the committee with contempt, I will promise him that he will not get his estimates through even if I have to speak all day myself. I will ask the minister this: Will he answer or will he not?

Mr. STEVENS: I think the minister would do well at least to give the hon. member an answer to his question regarding the Souris breakwater. It is a matter that is undoubtedly important to the hon. gentleman and those whom he represents. It is one of the first principles of parliament that hon. members shall have the privilege of querying the minister or the government regarding matters of interest to their districts. There is no disposition on this side of the house to treat the minister unfairly. He cannot expect, with this class of business, that everyone is going to be satisfied and heap encomiums upon his head every time a vote is passed favourable to the particular riding represented. On the other hand we are at least entitled to receive fair and frank answers to the questions that are asked.

Mr. ELLIOTT: I can assure the hon. member for Vancouver Centre that I am not expecting or waiting for any encomiums or anything of the kind. I thought I had given the explanation which is the only explanation that I can give with regard to the Souris breakwater. A contract was let some time ago. The matter was considered important; it was urged that the breakwater was in danger of being washed out and that it was in need of repair. Tenders were called for and a contract was let but the contractor was unable to carry out the contract; he fell down completely on it. I was under the impression that the tender was above the estimate but I am advised that it was not. The appropriation lapsed and the work was not proceeded with. It was not the fault of the government that the contractor failed to carry out the contract. When the next estimates were being prepared, I assumed that this particular riding had other things that seemed more important, especially at Georgetown where it was claimed the greatest need of the riding and that portion of the province was a potato warehouse, and money was expended in other quarters where it was thought more necessary. If the breakwater was in bad condition, it is quite certain that it has not improved since that time. But the government assumes the full responsibility for seeing that the Duncan report is carried out and if anything happens to that breakwater before it is improved, that will be the responsibility of the government.

Mr. MACDONALD (Kings): The Duncan commission made no recommendation with regard to the breakwater about which the minister is speaking. The simple question I asked was: Why was the contract not renewed the next year or an item inserted in the estimates either last year or this year to carry out the work? Any reasonable person will understand that if the engineer's report in 1925 was that the breakwater must be strengthened and if nothing has been done since then, it is going to deteriorate still further every year so that a greater expenditure will be necessary. In fact, I am advised that because the work was not done in 1925 or 1926 or 1927, it will require a very much larger expenditure now to put it in anything like reasonable condition, and as time goes on, if the work is not done, the expenditure will be very much greater. Why the government has refused to provide for this work in the last two years is a question I have been continuously putting to the minister but he sidesteps and evades it entirely.

Mr. MacLEAN (Prince): I happen to know a good deal about this contract and the Souris breakwater, and I wish to bear out everything that has been said both by the minister and by the mon. member for Kings. The contractor for this work lived in my home town. His tender was accepted, and in good faith he entered into a contract with the government to do the work, but owing to circumstances over which he had no control, and which were very unfortunate both for himself and the people of that community, he was not able to go on with the contract. I think perhaps the hon. member for Pictou (Mr. Cantley) is acquainted with the circumstances. With the contractor there was associated a gentleman from the mainland, by the name of Brown, and a large number of cars of stone were started rolling from the quarries to be transported to Souris. Unfortunately this man Brown lost his health and is now an invalid, and in addition, the barge which was to carry the stone over met with a mishap as it was going off the slips, and after repeated attempts to carry on the work the contractors had finally to abandon the contract, and lose a great deal of money as a result. Just why another contract was not entered into I do not know, but I suppose it is largely because Georgetown was chosen

as the site for the warehouse in place of Souris. I am quite willing to support the request of my hon. friend from Kings for some repairs to Souris breakwater this year. I have been asked to do so by parties from his own county, and the minister will bear me out that I have brought these representations to his attention.

Mr. ELLIOTT: Hear, hear.

Mr. MacLEAN (Prince): I think every member from the island is anxious to see that attention be given to this work if it possibly can be done. I have also received representations from that county in regard to other works which I have been asked to bring to the attention of the minister, and which I have done along with the other members from the island. Being fully acquainted with the circumstances under which the contract was let, and knowing the difficulties of the contractor and the money he lost, I thought it only fair that I should make this statement. The contractor had to put up his cheque with the department, and he lost the greater part of it. He attempted to carry out the work in good faith, but through no fault of his, and owing entirely to circumstances over which he had no control, he was not able to carry on the work.

Mr. MACDONALD (Kings): I quite agree with what the hon. member for Prince has said. I know all the facts with regard to the contract myself, and while his statement is absolutely correct all the way through, it does not answer the question I want answered, and that is, why was the amount not revoted in 1926 or 1927?

Mr. ELLIOTT: I am gong to try and answer my hon. friend until he is satisfied. I thought I had explained that when the Duncan report came out, its recommendations included a potato warehouse at Georgetown and wharf improvements at Summerside and Charlottetown. The potato industry was a great industry of the province, and one that was growing very rapidly, and the fact that it has since grown much more rapidly thoroughly justifies the recommendation of the Duncan commission, and the action of the government in carrying it out. It was considered that this work was more urgent than anything else, and with the limited amount of money at the disposal of the department, the department felt that they were in this way best serving the province and the county of Kings. I must say that I cannot agree with my hon. friend from Kings when he does not see that his riding was certainly not discriminated against when the expenditure in connection with Georgetown, to which I have referred, was made in his riding.

Mr. MACDONALD (Kings): Apparently I can get no answer from the minister to the question I have been asking. He will not give me a reason. What he states as a reason is no reason whatever, and he knows it. He knows further that in the main estimates of last year the vote for the Georgetown warehouse was not in at all, and $1,000 was voted for Kings county. Let me vary my question. Does the minister propose to do anything for Souris breakwater this year in the supplementary estimates?

Mr. CANTLEY: I would like to point out to the minister what I fancy he no doubt knows, that this is an important work. The government considered it important enough to include $36,000 in the estimates for it two years ago, but the work has not been gone on with. The minister tells parliament that if the work goes to destruction, that is a matter entirely for the government. He would lead the house to believe that he and his department will be the only losers if the work goes to destruction, that the country is not going to suffer anything, that the only sufferer will be the government or the reputation of the government. I would remind the minister that that is not quite the position of affairs. If $36,000 were needed for this work two years ago, the situation has not improved in the interval. The work is an important one. Is it to be allowed to go to utter destruction, or are we to wait and then expend $50,000 on it next year because the government is not expending a proper amount on it to-day? That is the situation, and some more satisfactory answer is due than we have yet received from the minister.

Mr. ELLIOTT: I want to satisfy my hon. friends, and I assure them that I want to do justice to Prince Edward Island.

Mr. CANTLEY: Restore the vote then.

Mr. ELLIOTT: But if my hon. friends think that I can give them a promise now that this work will be provided for in the supplementary estimates, I cannot do it, and I hope my hon. friends are sufficiently interested in that section of the country not to pursue the matter to the extent of making it more difficult for the department to do what is its duty to that riding. I have assured my hon. friends that it is the intention of the

department to endeavour as far as it possibly can to hand out justice to the various parts of the province of Prince Edward Island, including the county of Kings. I cannot go any further than that.

Mr. CANTLEY: The minister is not giving me very much evidence of that intention just now. There is no doubt that everybody in connection with the Public Works department who has any knowledge of the situation at Souris knows that the breakwater is going to destruction. The government were so convinced of it themselves two years ago that they put an item of $36,000 in the estimates, and awarded a contract for the work. That work was not proceeded with, and the explanation given by the minister does not explain the matter at all. If the contract was awarded I presume the contractors came under certain obligations, and that some persons guaranteed their fulfiment. If the contractor failed to carry it out, why did not the minister insist on the bondsmen completing the work? If this work was necessary two years ago—and it was—it is certainly more necessary to-day. It will not do for the minister to tell us on this side of the house that he is the man who is taking the loss. He is not. The country is bearing the loss, and he is responsible for that loss.

Mr. MACDONALD (Kings): Mr. Chairman, in order not to take up the time of the house with this item, I think we may assume from the minister's last statement that he is at least giving the matter full consideration, and will have an amount in the supplementary estimates for the purpose of restoring the wharf and breakwater.

Item agreed to.

The CHAIRMAN: Item 136—harbours and rivers—New Brunswick, $253,800.

Blue Cove—breakwater, $21,600.

Mr. JONES: In what county is Blue Cove, and what is the condition of the work at the present time?

Mr. ELLIOTT: Blue Cove is in Gloucester county. To March 31 there was expended $1,337.

Mr. CANTLEY: By what rule is the minister proceeding with the breakwater at Blue Cove and neglecting the breakwater at Souris?

Mr. LAPOINTE: Surely we are through with Souris.

Mr. CANTLEY: Oh no. The total amount for Prince Edward Island is $229,800; for New Brunswick $253,800. Why does he proceed with repairs of the one breakwater and not of the other?

Mr. VENIOT: It is not repairs, it is a new work.

Mr. CANTLEY: I do not care whether it be repairs or a new structure. If an important long established breakwater needs repairs, it is a more urgent matter than the construction of a new breakwater. What is the explanation?

Mr. ELLIOTT: This is work now under contract.

Mr. CANTLEY: The other was under contract as well.

Mr. ELLIOTT: Yes; but this contract is being carried out. That is the difference between the two.

Mr. CANTLEY: For the other breakwater the contractor fell down. Why did he not compel the bondsmen to carry out the contract?

Item agreed to.

Burnt Church—wharf repairs, $7,000.

Mr. JONES: In what county is Burnt Church?

Mr. ELLIOTT: Northumberland.

Mr. JONES: Is this new work or repairs?

Mr. ELLIOTT: This is to renew the decayed superstructure of the plank-covered section 941 feet long.

Item agreed to.

Escuminac—breakwater extensions, $52,000.

Mr. JONES: How much has been expended?

Mr. ELLIOTT: $393 under the present contract.

Mr. JONES: How much was expended before?

Mr. ELLIOTT: I have not any information except with regard to the expenditures for the work that is at present going on. An order in council was passed on March 2, 1928, accepting the tender of Ashley A. Colter of Fredericton, for the construction of a breakwater extension at Escuminac, at the unit prices quoted therein, entailing an expenditure of about $61,729. That was the lowest of four tenders received after advertisement.

Mr. GARDINER: What is the extent and the nature of the traffic?

Mr. ELLIOTT: The engineer reports:

The work is required for the protection of the many boats fishing off this exposed coast, and for landing supplies and shipments of fish and farm produce, the locality being 32 miles from the nearest railway station.

Forty to fifty boats fish for salmon with drift nets off Escuminac, the annual value of their catch being about $90,000, and some 70 boats fish lobsters and herring, of which the catch is valued at about $110,000. Cod and mackerel are abundant, but on account of the lack of shelter and landing facilities, this fishing is not actively engaged in. It is most probable that on completion of the proposed harbour, freezers and factories will be built near the site, and that the increased annual value of the fish products will approximate the total cost of the work.

Item agreed to.

Green Point—breakwater, $44,000.

Mr. JONES: In what county is Green Point?

Mr. SPENCE (Parkdale): Is there any point along this shore where there is not a breakwater or a wharf? I should think there is very little of the shore line free of one or other of these works.

Mr. ELLIOTT: It is similar in some respects to the beautiful city of which my hon. friend is a representative. It is not as completely covered with harbour works, but there is an attempt to follow that example.

Mr. SPENCE (Parkdale): There must be wharves or breakwaters to accommodate every little village and town and almost every individual.

Mr. JONES: What is the county, and the expenditure?

Mr. ELLIOTT: Gloucester county; $1,190.

Mr. JONES: Is the contract let? If so, who is the contractor?

Mr. ELLIOTT: The contract is let to the E. F. Powers Construction Company at $39,968. They were the lowest of four tenderers.

Item agreed to.

Harbours and rivers generally—repairs and improvements, $45,000.

Mr. BELL (St. John): What are the items making up this $45,000?

Mr. ELLIOTT: The only information I can give is to state what amounts have been expended in previous years. Last year the total was $36,882; 1926, $23,351; 1925, $25,577; 1924, $34.049.

Item agreed to.

Leonardville—wharf repairs, $7,000.

Mr. VENIOT: What county is that?

Mr. GRIMMER: As this is the only item under which I can discuss the county of Charlotte I wish to direct the attention of the minister to a few appropriations which, in my opinion, should be made in the interests of people who, in one portion of my county, have been very loyal to this government. May I say that not one dollar appears for any new public works in aid of the fishing industry in Charlotte county, which is one of the best fishing areas on the Atlantic coast. There is no question about the need for this amount which is here provided for wharf repairs; it is absolutely necessary. No doubt it is needed to maintain the wharves in proper shape. But I would remind the government that during the seven years they have been in power not one dollar has been appropriated for any new public works in Charlotte county, with a single exception. That was in the year 1924 when the government themselves decided that, in the interests of the fishing industry in that part of the country, there should be a breakwater at Harrington cove. After looking over other propositions in the island they came to the conclusion that it was most important that a breakwater should be constructed at Harrington cove in the island of Grand Manan. Engineers were sent down for the purpose and plans and specifications were made and submitted to the department. The department approved the plans and an appropriation was included in the estimates for 1925. The people were led to believe that their wants in this regard would be satisfied at once. But for reasons best known to the government the location of that breakwater was changed overnight to Ingalls Head on the island of Grand Manan. The only reason which the people there could conceive for the change was the fact that a provincial election was about to take place in that year, 1925, and there were some rumours of discord within the ranks of the Liberal party. That was the only fact which they could think of that would influence the government in deciding upon the change. I would remind the government that in 1921, and again in 1925, the county was invaded by workers of the Liberal party, who went to Grand Manan, Campobello and Deer island, which is a part of the county of Charlotte and which extends over a considerable coastline, and promised on every occasion that the needs of the people of these islands would be considered so far as breakwaters and wharves are concerned. There are few

breakwaters along that coastline, and these Liberal party workers promised the people there that everything necessary would be done to assist them in the industry in which they were engaged. These workers took occasion at that time to inform the people that they had been neglected from 1911 to 1921, although I wish to say to the government to-day that there were then in the Dominion of Canada no people more loyal to the Liberal party. They expected nothing, asked nothing and received nothing during the war period. As I say, the workers of the Liberal party went down there in 1921 and told those people that they had been neglected by the Union government which, they declared, was neither more or less than a Conservative government. And they promised the people definitely that if the Liberal party were returned to power certain public works would be started on Grand Manan. I repeat, these people were loyal to the Liberal party, as they always have been. I plead therefore in this house on their behalf, and I urge my hon. friends opposite to do something for them; the party are under an obligation to these people to fulfil some of the promises made them during the election of 1921 and again in 1925. I also urge that something be done, on the ground that these people are entitled to necessary works to enable them to carry on their enterprise.

In years gone by the island of Grand Manan and Deer island were prosperous fishing centres; there were thriving fishing villages on the coastline. To-day, however, they are in many cases in a dilapidated condition by reason of the fact that the younger men have left the island and gone to the United States where they can carry on their industry under more favourable conditions. If the government intend to enable these people to carry on their industry, then they are entitled to some consideration. I say, they are entitled to consideration because the industry needs it; but they are also entitled to consideration because of the promises made to the people on behalf of the government. Those promises should be fulfilled, and I trust that the minister will pay some attention to these representations. Let him find out for himself what the conditions are in that part of the country.

A breakwater was to be constructed at Harrington's cove but, as I say, the location was changed to Ingalls Head. It was also understood that a breakwater addition was to be made at Woodward cove, and there was to be a breakwater at Castalia, where there was a magnificent foundation for such a structure. Moreover, this is one of the places where it was definitely promised the people that a breakwater would be constructed. There was also to be an addition to the breakwater at North Head. These undertakings are all on file in the Department of Public Works. The engineers were sent down there previous to the elections to which I have referred, and they made certain recommendations. Their findings are on file and these works should be carried out in the interests of the people. I therefore strongly urge the government to give them proper consideration.

While I am on this subject I desire to call the attention of the minister to the fact that White Head, which is a part of the island of Grand Manan, is separated from the island and lies out in the Atlantic. There is a wharf there but the conditions are such that the fishermen can enter the harbour only at high tide. The people of the island desire that a little dredging be done there so that the fishermen may have ample opportunity to moor their boats and, in the event of a storm, to be protected from the winds and weather of the Bay of Fundy and of the Atlantic. I sincerely hope the minister will consider this point. Dredging at that wharf would cost little money and, as I say, it would afford the fishermen an ample opportunity to make a safe mooring. The same remark applies to Deer island, where a day or two of dredging would give splendid accommodation. At present in the event of storms the fishermen are obliged to moor their boats two miles from home, and this makes it very hard for the fishermen. At Stewart Town, at the upper end of Deer island, a wharf or a breakwater was promised years ago, but the people have never been given it. Necessarily, therefore, they are anxious that something shall be done. On behalf of the people of the island, who gave their generous support to the government, I plead that their claims be recognized and that steps be taken to improve the conditions under which the fishing industry is carried on.

Item agreed to.

Point Sapin—breakwater extension, $11,000.

Mr. JONES: Where is this point—in what county?

Mr. ELLIOTT: My hon. friend is not as well up in his geography in regard to this item as he is in regard to the last three. He did not have to ask any question at all about them. This is in Kent.

Mr. JONES: The minister says that I am not as well up in my geography in regard to this place as I am so far as the last three are concerned. May I point out that, as regards those three, one was in Charlotte and the other in St. John, whose representatives are here. It seems that about the only expenditures are in the Postmaster General's county and in Northumberland. I do not think the Postmaster General has been very generous to the rest of his colleagues in the province; some of them have no expenditures at all. As regards the constituency of Royal, comprising the districts of Kings and Queens, there are more wharves in that constituency than in any other in the province and there are only two small amounts included in the whole estimate for New Brunswick, apart from the expenditure to which I have referred. Those items amount to $3,700. It looks like discrimination to me.

Item agreed to.

St. Simon—wharf, $26,000.

Mr. JONES: In what constituency is St. Simon?

Mr. ELLIOTT: It is in Gloucester county.

Item agreed to.

Tracadie harbour—breastworks and breakwaters, $20,000.

Mr. JONES: What county is this in? I would like to have some explanation as to these expenditures, as to whether or not this contract has been let and what amount has been expended?

Mr. ELLIOTT: Tracadie harbour is in Gloucester county and this amount of $20,000 is a revote as my hon. friend will see if he looks at the estimates. It is to complete work already under contract.

Mr. JONES: How much has been expended?

Mr. ELLIOTT: Only $124.

Mr. JONES: Last year?

Mr. ELLIOTT: Yes, last year.

Item agreed to.

Quebec—Beaupre—dredging—Ste. Anne Paper Company to contribute one-third of cost, $122,000.

Mr. POULIOT: In what county is this?

Mr. LUCAS: This is a rather large vote, and I would ask the minister to explain it.

Mr. ELLIOTT: It is required to provide for the department's share of the balance necessary to complete the dredging contract with the Canadian Dredging Company Limited, which contract has been already let. The contract is for dredging a 14-foot channel 4,060 feet long by 150 feet wide at the upper end and tapering to 200 feet wide at the outer end with a turning basin 14 feet deep at the site of the new wharf of the St. Anne Paper Company.

Mr. LUCAS: What is the total amount of the contract?

Mr. ELLIOTT: The contract is for $218,420.

Mr. ADSHEAD: Is it the policy of the government to do work of this kind for private companies?

Mr. ELLIOTT: Where a company is carrying on a business which promises to be extensive, and where they build wharves and make an expenditure of a million dollars it is the policy of the government to do dredging in order to provide access to those wharves.

Mr. SHORT: It depends a good deal upon which province the expenditure is made in.

Mr. ELLIOTT: I think that is the policy in all the provinces, as my hon. friend will find if he follows the estimates through.

Mr. EVANS: Does the expenditure have to be a million dollars or over by the private company before the government will help?

Mr. ELLIOTT: I do not recall that we have aided any company where the expenditure was under a million dollars, but if it were a concern which promised to create wealth and develop business in that particular community, personally I would feel like looking very carefully into the matter to see what could be done to encourage such development.

Mr. EVANS: Is this work done specifically for a private company or is this a public waterway?

Mr. ELLIOTT: My hon. friend will understand that this is on the St. Lawrence.

Mr. GARDINER: Did the company build the wharves at their own expense?

Mr. ELLIOTT: Yes.

Mr. GARDINER: Then what would be the position of any other person who desired to use these wharves?

Mr. ELLIOTT: We have an agreement with the company by which they allow the public to use the wharves.

Mr. GARDINER: Will the public be required to pay any charges?

Mr. ELLIOTT: No.

Item agreed to.

Cap Chat—wharf extension and repairs, $30,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This amount of $30,000 is required to complete the contract for the construction of an extension to this wharf 500 feet in length by a width of 25 feet at the top and having an average height of 20 feet, to be built in close faced square timber ballasted with stone, covered with a 3-inch flooring and provided with fenders spaced 8 feet apart; and to carry out minor repairs to the approach.

Mr. GEARY: Was this contract let by tender?

Mr. ELLIOTT: Yes.

Mr. GARDINER: What will be the total length of the wharf when it is completed?

Mr. ELLIOTT: This extension is 500 feet in length, and I am advised that the total length will be probably 1,000 feet.

Mr. GARDINER: What is the nature of the business carried on there?

Mr. ELLIOTT: Export pulpwood. I think my hon. friend asked if this contract had been let by tender. It was; this was the lowest of eight tenders received after advertisements had been issued.

Mr. GEARY: With regard to these items of $1,000, $5,000 and so on scattered throughout the estimates, would the minister say whether that work is carried on under contract or whether it is done by day labour?

Mr. ELLIOTT: The work under the small votes is usually done by day labour.

Mr. GEARY: Under the control of the department?

Mr. ELLIOTT: Yes.

Item agreed to.

Cap de la Madeleine—wharf extension and repairs, $58,500.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This amount is required to complete a contract for the construction of a cribwork extension to the downstream end of headblock 200 feet long by 90 feet wide. This is necessary to provide for the constantly increasing traffic. The present wharfage is entirely inadequate for the growing population, which has increased from 2,101 in 1911 to 6,738 under the 1921 census.

Mr. GARDINER: Is the business increasing in proportion to the increase in population?

Mr. ELLIOTT: Yes.

Item agreed to.

Cap Rouge—wharf and dredging—the St. Regis Paper Company of Canada to contribute one-third of cost, $30,000.

Mr. LUCAS: I see this is another paper company. Will the minister explain this item?

Mr. ELLIOTT: This is a revote; this amount was voted last year. The company had not advanced sufficiently for the department to feel justified in letting the contract, so no contract was let, but it is expected it will be. This wharf and dredging is required in connection with the large pulp and paper mill to be commenced here by the St. Regis Paper Company in 1928, which will employ about 2,000 men, and is expected to increase the population of Cap Rouge from 500 to over 10,000, and contribute a large revenue to the Canadian National Railways.

Mr. LUCAS: What is the estimated cost?

Mr. ELLIOTT: In the vicinity of $277,000.

Mr. GARDINER: Will this amount complete it?

Mr. ELLIOTT: It is just beginning it.

Mr. EVANS: Is this not purely a provincial rather than a national matter? It seems to me that if a paper company in one of the western provinces needed a waterway they would have to provide it, or the province itself would have to do it.

Mr. BANCROFT: That is not the case in Manitoba. I have in mind a lumber company at Black island in lake Winnipeg which built a wharf of their own. The government has done the dredging to that wharf, and that makes an extra harbour on the lake which is very valuable to the fishermen and to those carrying on shipping there. They have this additional harbour of refuge in case of need, and in that way it is a public service.

Item agreed to.

Crabtree Mills—reconstruction of ice breaker, $2,500.

Mr. CANTLEY: What does that refer to?

Mr. ELLIOTT: This is a balance due, under contract, for the reconstruction of a

cribwork and concrete icebreaker in the Quareau river near the village of Crabtree Mills. This icebreaker was damaged in the spring of 1927.

Item agreed to.

Doucet's landing (Ste. Angele de Laval)—wharf reconstruction, $93,000.

Mr. BEAUBIEN: Is that where the late member landed with the Margaret?

Mr. ELLIOTT: This work is under contract, and the amount is needed to complete the reconstruction and enlargement of the headblock of the Canadian National railway wharf. It is under contract with Messrs. Farley & Grant.

Mr. GEARY: Do the Canadian National Railways own that wharf?

Mr. ELLIOTT: It has been turned over to the government, who now own it. It was formerly a railway wharf.

Mr. GEARY: How many railway wharves has the department taken over?

Mr. ELLIOTT: Four have been taken over, and three are yet under consideration.

Mr. GEARY: Is that a new policy?

Mr. ELLIOTT: No.

Mr. GEARY: I am just wondering how that works out. When we consider the railway estimates the Canadian National Railways would normally have this expenditure.

Mr. ELLIOTT: These were wharves that were owned by the Intercolonial railway. Negotiations have been pending for some time between the two departments for the taking over of these wharves, and in this and three other cases they have been completed. It was thought it was in the public interest to do this.

Mr. GARDINER: Has the department asked that these wharves be taken over?

Mr. ELLIOTT: Not this department.

Mr. GARDINER: Did the Railway department approach your department to take them over?

Mr. ELLIOTT: On the request of the Railway department.

Mr. GARDINER: I suppose the railway uses them now.

Mr. ELLIOTT: Oh, yes, they are public wharves.

Mr. GEARY: They were not getting rid of a very good wharf.

[Mr. Elliott.]

Mr. ELLIOTT: It is not usually the best wharves that they are most anxious to get rid of.

Mr. CANTLEY: Mr. Chairman, will the minister be good enough to tell us the policy of the government in regard to these wharves? I have asked for this information on several occasions. First, I had a denial that they were taking over the wharves; then there was an admission that they were taking over one wharf, and then another one. In the present case we have one in the province of Quebec.

Mr. ELLIOTT: Where there is a wharf that will serve the public for general purposes, the policy of the department is to take it over.

Mr. CANTLEY: For fifty and indeed for sixty years the policy was that the Intercolonial railway built, maintained, repaired and controlled its own wharves. Will the minister be good enough to tell us the reason for the departure from that procedure?

Mr. ELLIOTT: The argument was that if we were furnishing wharves for the use of the public generally there was no reason why they should not be maintained by the government, and serve the purpose of the railway as well.

Mr. CANTLEY: That is hardly answering the question. Railway wharves are railway wharves; they are not public wharves. There are very few railway wharves that could be termed public wharves, in any sense of the term. That point was raised in connection with the wharves at Pictou. They are not public wharves, they are absolutely and entirely railway wharves, always were, and always will be. The real effect of this will be that the Railway department will be relieved of the cost of maintaining and repairing these wharves, and the Public Works department, or the country as a whole, is going to take over a burden that was formerly borne by the railway. I am sorry that the Minister of Railways is not here, his department is to be relieved of that amount, and his accounts will consequently make a better showing than they otherwise would. If this is the correct thing to do in connection with this department, there are other departments that might be relieved as well.

Mr. ELLIOTT: I think I am correct in saying that all the wharves in this category were formerly wharves of the government railway, and our instructions are that they are now being used for general purposes.

Mr. CANTLEY: No, no.

Mr. ELLIOTT: And are being taken over for that reason.

Mr. CANTLEY: That story will not wash at all. I have said already, and I repeat, that the wharves to which I have referred are railway wharves pure and simple, not public wharves. Any statement to the contrary is not correct, and I think the minister should admit that. The question of their being public wharves falls to the ground. The point is that you are relieving the railway of a certain amount of work and expense formerly borne by the Intercolonial, indeed from the inception of the road fifty-eight or sixty years ago down to the present time. Why has there been a change of policy?

Mr. ELLIOTT: I do not know that I can say to my hon. friend that there is any change of policy. That I think has been the policy decided upon for some time past.

Mr. CANTLEY: No, only this year.

Mr. ELLIOTT: Whether or not they were formerly used entirely by the railway, they will in the future be public wharves and be capable of being used for any purpose for which the public may require to use a wharf. There is no doubt about what my hon. friend says. The railway department is being relieved of a certain liability which it had before, but we are getting the wharf.

Mr. BLACK (Halifax): In view of the fact that the railway is being relieved of the upkeep of its property which is absolutely necessary for conducting its business, has the minister made any arrangement with the Minister of Railway for a reduction in freight rates? If not, I think this is something that should be considered.

Mr. ELLIOTT: There is no special arrangement in connection with these particular wharves. My hon. friend is aware of certain reductions that have been made in freight rates.

Mr. BLACK (Halifax): That has nothing to do with this.

Mr. ELLIOTT: No, but of course it takes revenue from the railway and perhaps is one reason why it is entitled to some consideration.

Mr. GARDINER: Is the effect of this policy not likely to be that the deficit which we have on the eastern section of the Canadian National Railways will be much reduced by what the department has taken over in connection with these particular works, and will it not therefore be possible to reduce the rates?

Mr. ELLIOTT: This will affect the rates very slightly, we think.

Mr. BLACK (Halifax): Let us have the benefit of whatever reduction there may be, whether it be large or small. As I have said before, the upkeep of these wharves is absolutely necessary. If you cut them off, you might as well cut off a freight shed anywhere along the line. If you cut off these freight sheds, the railway cannot carry on its business. If the Public Works department is to relieve the railway of all liabilities in connection with that property, surely we are entitled to a reduction in rates comparable with the cost of the upkeep?

Mr. ELLIOTT: There is no thought of taking over the railway wharves at Halifax.

Mr. CANTLEY: The matter is becoming more confused all the time. We were told not very long ago that the intention was to take over all the wharves in the Maritime provinces. The minister refers to these wharves being in the future public wharves. The mere taking of them over by his department does not make them public wharves, does not change them in any way so that the public can use them where they have not been using them before. As I have already stated, the two wharves at Pictou are simply railway wharves and they cannot be used for any other purpose. They are just as necessary for the railway as is the track, as are the railway sidings, as are the approaches to the railway property. They are indeed approaches to terminals of the railway property. Coastal boats come in and use them to embark freight and passengers which come over the road. These same boats land freight and passengers which in turn go over the road. All freight handled by the railway is and can be handled only over these wharves, on the freight sheds thereon and no other work is or can be done over them. The real fact, I fancy, is that the president of the road, Sir Henry Thornton, has been shrewd enough to conceive the idea of unloading these wharves on to the Public Works department and so escape the cost of upkeep and maintenance. Let the minister be frank about the matter and tell us whether or not that is true.

Mr. ELLIOTT: What has taken place is this. Requests were made by the Department of Railways in regard to a number of wharves and a list was furnished. The contention was that they were wharves which should be taken over and maintained at government expense. The main reason that was urged for that course was that they were wharves that could be used as public wharves.

Mr. CANTLEY: No, absolutely no.

Mr. ELLIOTT: There may be exceptions. My hon. friend states something of his own knowledge and I am not in a position to contradict him. All I can say is that we are only taking over wharves which our engineers, after going over the list, said could properly be taken over as public wharves to be used by the public.

Mr. CANTLEY: The minister has in the estimates, and quite properly so, a sum of $25,000 to repair these railway wharves at Pictou. Those wharves should have been repaired years ago by the Railway department. They allowed them to deteriorate until they are and have been for two or three years actually dangerous to shipping and the public who use them. Now the Department of Public Works are taking them over and are relieving the railway of that amount of expense. All I want to ask of the minister is to be frank enough to say that is being done.

Mr. ELLIOTT: I have no doubt that is correct.

Mr. CANTLEY: Thank you.

Item agreed to.

Ellis bay harbour improvements, $300,000.

Mr. POULIOT: In what county is Ellis Bay? Is it a big place?

Mr. ELLIOTT: It is in Charlevoix-Saguenay.

Mr. STEVENS: What is this for?

Mr. ELLIOTT: This amount of $300,000 is required towards the completion of the contract with the Canadian Dredging Company, Limited, for dredging a channel 3,950 feet long by 300 feet wide leading to the Anticosti corporation wharves, deepening the berths at the company's commercial wharf and dredging a turning basin, all to a depth of 20 feet below low water. The Anticosti corporation has under way at the present time a scheme for the development of this harbour which involves the expenditure of approximately $2,500,000 exclusive of railroads, dwellings and buildings which it will be necessary to construct on the island. Construction work was commenced by this company on December 1, 1926, and two ship berths were ready on June 1, 1927, new commercial wharf on July 31, and harbour works completely finished by December 1, 1927.

Mr. STEVENS: This may be quite justified, but on the face of it it looks as if it were being done for the benefit of a private corporation. The only justification for anything of this character would be when it is dredging in the public channel or a channel used by the public. If it is dredging around a wharf of a private corporation, there ought to be some very sound reason for doing it. The minister has quite frankly stated in his explanation that a big corporation is spending a large sum of money. If out of the expenditure of that money a distinct benefit accrues to a settlement or to the public generally there is justification for such an expenditure out of the public exchequer. Otherwise I submit that an adequate explanation is required.

Mr. ELLIOTT: It is a big construction work, a large development, and the expenditure already has been large.

Mr. STEVENS: How much has parliament voted and how much has been expended already? I see there was a vote of $150,000 last year.

Mr. ELLIOTT: The amount expected to complete will be $525,000.

Mr. STEVENS: Can the minister give us a little fuller justification. I think he catches my point.

Mr. ELLIOTT: I caught my hon. friend's point, and I must say that it is one that caused me a good deal of concern a year ago.

Mr. BENNETT: Is this on Anticosti island?

Mr. ELLIOTT: Yes. When the company started on this work they interviewed the government to see whether or not the government would feel disposed to assist them, by way of dredging, in getting to their wharves. This is not a work which would have been necessary if the wharf were in the main channel of the river, but it is necessary in order that they can get from the main channel to their pulp mill. As a result of this development, 5,000 people are expected to be furnished with employment. It will be a large concern if the expectations of the company are at all fulfilled, and it is thought that in view of the revenue the government will eventually derive, it is a good business proposition.

Mr. BENNETT: What will the government ever get out of it?

Mr. ELLIOTT: All the shipping that takes place will enure to the benefit of the government.

Mr. ADSHEAD: How?

Mr. STEVENS: There will be no harbour or wharfage dues.

Mr. ELLIOTT: No.

Mr. STEVENS: What, then, can the government get out of the shipping?

Mr. ELLIOTT: Everything that enters into a development of this kind increases the business of the country. We get customs revenue, for instance, and excise revenue.

Mr. STEVENS: For gin, or what?

Mr. FANSHER (Lambton): I should think that the provincial government will benefit most from the sale of timber limits, and so forth, and I would say that the expenditure should be largely undertaken by the provincial government.

Mr. ELLIOTT: I do not know whether my hon. friend was in before when this matter was being discussed. It is not a work that the provincial government would be expected to carry on; it is not done by provincial governments, so far as I know, in any province. This is to give encouragement to an industry that is coming to the country, investing a large amount of money and engaging a large amount of labour, and expecting a large output of its products.

Mr. GARLAND (Bow River): Who owns Anticosti Island now?

Mr. ELLIOTT: It is the Anticosti Corporation.

Mr. GARLAND (Bow River): Who are the directors or the controlling influence in the Anticosti Corporation?

Mr. ELLIOTT: I could not say.

Mr. GARLAND (Bow River): I am informed, perhaps not on reliable authority, but if I am wrong, I should like to be corrected, that this corporation is mostly composed of Americans and that the island of Anticosti belongs altogether to private individuals. Is that true?

Mr. ELLIOTT: I have no doubt that in practically all these large companies there is a number of Americans. I think this is an amalgamation of three companies; it is a large concern, but I could not give the personnel.

Mr. STEVENS: I was a moment ago drawing attention to the only possible justification for an expenditure of this kind, and unfortunately this does not apparently come within that classification. Where there is a public channel, the channel of a river, stream or bay or harbour, the government is entitled out of the public revenue to put that channel into shape and maintain it in shape so as to serve a community. But here we have a private corporation owning, as I understand, the whole island of Anticosti—the sole owner of the island, I believe—putting in a large industrial plant. We all welcome the establishment of industries; there is no question about that, but in the erection of this plant the company is building wharves, pulp mills and such like, and we are asked to spend $500,000 merely to dredge out from the navigation channel to the private wharves of the company or to the pulp mill, as the case might be. I think that work should be done by the company itself. If there is any part of the construction that is absolutely essential, it is the dredging to the company's own wharves, and certainly they ought to do that work out of their own funds. I understand that there is another item somewhat similar to this in this same vote, where we are asked to vote $100,000 for Manicouagan river. In that case the company is paying one-half of the cost of the work. Is that not so?

Mr. ELLIOTT: One-third.

Mr. STEVENS: Well, a portion of the cost, one-third; and I say that this company on Anticosti Island ought to pay its share of this work. Personally, in the absence of some extraordinary circumstance, I think they ought to pay the whole cost, and certainly the minister has not yet given us any justification for an expenditure of $500,000 for the benefit of this one company. As regards possible revenue to the government, the only revenue there will be will come from the fact of people living in the country—that is all, an indirect benefit.

Mr. GARLAND (Bow River): Income tax, perhaps.

Mr. STEVENS: Let us hope there will be; we hope the company will be successful. But there will be no such thing as harbour or wharfage dues. There is nothing coming to the public from this improvement to navigation. I assume that nothing can be done to stop the contract; it is already let, and the work is going on. All we can do is to call attention to the matter, and certainly offer our criticism of this method of procedure. There is another point. The original vote was for $150,000. I do not know whether we were informed when that $150,000 was voted, whether the total contract was to exceed $500,000.

Mr. ELLIOTT: I remember stating that that was just a beginning.

Mr. STEVENS: I am not in a position to criticize even that statement, but the original vote was for $150,000, and now we are asked to vote $300,000, and I suppose there will be another vote next year to complete the contract.

Mr. ELLIOTT: This completes it.

Mr. STEVENS: Then there must have been a further vote, because last year's vote and this only makes $450,000, and the total cost is over $500,000.

Mr. ELLIOTT: The hon. member is right, there will be $75,000.

Mr. STEVENS: There will be another vote next year. Well, I do not think the minister feels very comfortable about this vote. That native honesty which characterizes him is shining out of his face and he looks mighty uncomfortable in supporting this vote. I give him credit at least for a twisted conscience, if nothing else, and I do not know that we can do anything more than give it a little extra twist so that this will not occur again.

Mr. POWER: I join my hon. friend from Vancouver Centre (Mr. Stevens) in protesting against votes of this kind. Here are extremely wealthy companies asking the government to do their work for them. Anticosti is in a peculiar situation. I could understand the advisability of giving help at Manicouagan or Bersimis, or at some other point along the lower St. Lawrence where it might be possible that eventually settlement would be developed. These moneys would help in the development of that region. But Anticosti until a few years ago was in the possession of the Menier family of Paris, France. They were granted powers greater than we would think of granting to-day; they had almost the power of life and death over the people of the island.

Mr. LAPOINTE. But they never got one cent of money for public works.

Mr. POWER: I was coming to that. The Anticosti Corporation took over this island from the Menier family. It is composed of three of the largest pulp and paper groups in the province of Quebec—not favourable to the government, I may say. Sir Herbert Holt, who is a director of the corporation, is on the directorate of 130 or 140 companies. There is no question of the Anticosti Corporation settling the island. They are coming to us in the guise of beggars and telling us that they want this particular port developed ,but as soon as they have cut all the pulpwood off the island the works will be abandoned, and the country will have spent that much and be out the interest simply to provide facilities for the corporation to clear off the wood. Personally I do not think there will be a settlement there fifteen years hence.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

BELL TELEPHONE COMPANY OF CANADA

The house resumed from Wednesday, May 16, consideration of the motion of Mr. Morin (St. Hyacinthe-Rouville) for the third reading of Bill No. 43, respecting the Bell Telephone Company of Canada, and the proposed amendment thereto of Mr. Garland (Bow River).

Mr. A. J. ANDERSON (Toronto-High Park): In offering a few remarks on this question I do so not in the spirit of obstructing the bill. The Bell Telephone Company, like any other company, has the right to come to parliament and ask for legislation, and the only reason I have for objecting to this measure is the fact that, in my opinion, the Bell Telephone Company have very extensive powers which are invoked to the injury and prejudice of many of the users of telephones throughout the Dominion. That fact was particularly emphasized a year ago in an application made by the company for an increase in rates. I believe they have made applications in previous years for similar increases which have not been granted. They claimed that they were not making sufficient from the existing rates and that they required extra money. Their application was opposed by a number of persons, corporations and provinces in the Dominion. I find on the record that the opponents of the application for the increased rates included the government and the Attorney General of Ontario, the city of Montreal, the city of Toronto, the city of Hamilton, the city of Ottawa, the Union of Canadian Municipalities and the city of Brantford. The application was heard in the latter part of 1926 and an order was made early in 1927. The city of which I represent a portion was largely interested in that application, the re-

sult of which was very unsatisfactory; and as a representative from that city I feel it my duty to voice what I believe is the prevailing sentiment of the people there.

The company has now a capitalization of $75,000,000, which represents 750,000 shares. Of that amount $63,000,000 has been issued and allotted and there is something in the neighbourhood of $12,000,000 of stock in the treasury at par value. It has been alleged by the company, in making this application, that their reason for asking for this extension to capitalization is an immediate need of $20,000,000 for the purposes of extension and so forth in connection with the company. The $12,000,000 at par value represents simply $12,000,000—that is, 120,000 shares of stock. The Bell Telephone is probably one of the best securities in Canada; there is no difficulty in getting the public to invest in these stocks and securities. When therefore the company says that it requires $20,000,000 immediately, all it has to do is to place that 120,000 shares on the market from time to time as the money is required. If it does so it will be able to get all the money it requires for immediate needs. and that is not for use immediately nor in the next month or two, but over a considerable period.

It may be of interest to point out that the company has not at any one time put on the market 120,000 shares of stock. In 1894 they placed 9,900 shares with their shareholders; they allotted that much at par. They received into the treasury $990,000. During that year the lowest price quoted on their stock on the market was 172 and the peak price that year was 193. As I say, they placed only 9,900 shares at that time. In 1907 they placed 25,000 shares at par with their stockholders and the prices that year ran from 115 to 145. In 1911 they placed another 25,000 at par, the prices ranging from 140 to 153. I could go down the list, to the year 1925, and show that at no time during that whole period was the stock at less than par except in one year, 1921, when the range was from 99¾ to 112. In that year they allotted 57,250 shares to their stockholders, and in 1924 they issued —the largest number of shares in any one year—82,272 shares, allotted to the shareholders at par. At no time have they issued or sold or allotted more stock at par value than in that year. In 1902 they allotted 10,000 at 125; in 1904, 20,000 at 125; in 1905, 10,000 at 125; in 1906, the same amount at 125; and in 1925 they allotted amongst their employees 4,250 shares at 110. The prices have ranged from 99¾ to 193. There has been no difficulty whatsoever in the company selling its stock at any time.

From 1886 this company has been earning more than its dividend requirements of 8 per cent, and since 1895 it has paid continuously a dividend of 8 per cent on its capital stock issue. So the company has had no difficulty in paying the 8 per cent dividend, which as a matter of fact is secured by orders of the railway board which, in fixing rates, always has taken into consideration the necessity of meeting that 8 per cent dividend. In its application to the board last year the company stated that the reason they requested an increase in rates was because they needed the money for extensions and so on; they now come forward and ask to increase their capitalization for the very same reason. I say that if they take the 120,000 shares of stock from the treasury and offer them to the public they can get enough money for their extensions without this additional capitalization. This increase will give them a greater opportunity to hand out stock to their shareholders at par value from time to time as they may see fit, thus giving the stockholders what might be called a melon, or the difference between the par value and the market value of the stock. At present rates this would amount to the difference between $100 and about $170 per share, which would be received by the shareholders. The citizens of Toronto are very much dissatisfied with the result of the application which was made to the board last year; they are opposed to this increase in capitalization. They say, and I think they are entitled to believe, that if the Bell Telephone Company used its revenues economically there would be no need to ask for this increase in capital and there would be no justification for offering stock to their shareholders at par value.

From their revenue accounts they have extracted—and I do not use that word in an offensive manner—very large sums of money which have been used for different purposes and which are not taken into consideration in fixing the rates charged telephone users. I would like to bring to the attention of the house some ways in which this is done. A number of years ago this company established a pension fund, which amounted to $911,777 in 1926. This was built up from the revenues of the company, and did not include any contributions from company employees or officers. This fund was established for the purpose of providing insurance for the employees and officers of the Bell Telephone Company, yet they do not contribute to it.

In 1927 that fund amounted to about $1,200,000, and in order to get rid of that amount so that it would not appear in the accounts of the company the fund was incorporated and is now known as the Bell Telephone Company Benefit Fund. This money was transferred to that fund and does not appear in the accounts of the company, and each year the fund is augmented by contributions from the revenues of the company. When the company applied to the railway board last year those who were opposed to the increase were not permitted to inquire into that fund, as to how the moneys were being used, how they were invested and the income received; that was a closed book. That meant that the users or lessees of telephones throughout Ontario and Quebec were refused information with regard to an amount which is increasing year by year, an amount made up from the revenues of the Bell Telephone Company, which revenues are obtained from the tolls and rates charged.

There is another method by which certain moneys have been taken from the revenue account, as to which the users of telephones have been refused information. About 1895, although I am not sure of the exact date, in order to manufacture articles other than telephone apparatus, supplies and equipment, which they were entitled to do under their original charter, the Bell Telephone Company caused another company to be incorporated, which was known as the Northern Electric and Manufacturing Company. Until that time the Bell Telephone Company manufactured their own supplies and equipment; they had a certain plant for that purpose and they found that the plant was capable of manufacturing other articles but could not do so because the company were not authorized to manufacture anything but telephone equipment. They applied for the incorporation of this company; the application was granted and the company incorporated with a small capitalization. In 1914 certain other amalgamations were effected; up until that year the Bell Telephone Company furnished all the money for the purposes of the Northern Electric and Manufacturing Company, which money came from the revenues of the Bell Telephone Company. In 1914 the assets of the Northern Electric and Manufacturing Company were transferred to another concern known as the Northern Electric Company, which is the present subsidiary of the Bell Telephone Company. The Northern Electric Company is capitalized at $6,000,000; of that amount about $3,000,000 of stock is held by the Bell Telephone Company; 43 per cent of the stock, or less than $3,000,000 worth, is held by the Western Electric Company of Chicago, a concern which manufactures material for the American Telephone and Telegraph Company and which practically controls the manufacture of telephone and telegraph apparatus in the United States. The balance of the stock of the Northern Electric Company is held by the directors of the Bell Telephone Company, and just here I might say that the directors of the Bell Telephone Company are practically the same as the directors of the Northern Electric Company. So it will be seen that the Northern Electric Company is really a subsidiary of the Bell Telephone Company and is controlled by that concern. The Bell Telephone Company purchases all its apparatus and equipment from the Northern Electric Company, at prices which are fixed by the latter company. When the Bell Telephone Company manufactured its own apparatus, that apparatus was furnished at cost; they followed the practice adopted by Henry Ford, who manufactures everything going into the construction of his automobile, even owning iron and coal mines and operating a railway in order that the cost might be reduced to a minimum. The Bell Telephone Company were in that position; they obtained their supplies at cost in the first instance, but since 1914 they have paid whatever the Northern Electric Company charged them.

This latter company has been very successful; it pays a dividend of 8 per cent together with a bonus of 2 per cent, and that dividend and bonus are paid to the Bell Telephone Company. If it stopped at that I would say nothing about it; I would have no particular criticism to offer, but there is another interlocking which takes away from the Bell Telephone Company everything it receives from the Northern Electric Company, and a good deal in addition, namely, the interlocking arrangement between the American Telephone & Telegraph Company and the Bell Telephone Company, to which I will refer a little later on.

A report which was filed in 1926 shows that the Northern Electric Company had a surplus, including buildings and real estate, valued at $5,388,718. Their depreciation reserve set aside to meet depreciation in the plant amounted to $5,564,249. Besides that, they held undivided money amounting to $2,844,821. Counsel representing the opponents in the application of 1926 endeavoured to get at these figures to discover the prices that the Bell Telephone Company were paying the Northern Electric for their materials

and the reason why this large amount of depreciation and undivided money was held. This was refused by the Board of Railway Commissioners. I do not know why the Board of Railway Commissioners took this stand, but I believe that they were quite unjustified in this position. When this board was established the intention was that it would be a tribunal different from our courts of law and different from the railway committee of the House of Commons, which formerly had dealt with railway matters. The object was to give to the citizens of this country a tribunal which was composed not of judges but of legal men and laymen throughout the Dominion. The commissioners were at first empowered to adjudicate upon matters which might come under the Railway Act, and afterwards their jurisdiction was extended to the act relating to telephones and telegraphs.

This board claimed that they had not the right to inquire into the financial condition of the Northern Electric Company, and they refused point blank to allow evidence of that character to be produced. The result is that a large part of the capital of the Bell Telephone Company is bound up in this Northern Electric Company, and we have no means of scrutinizing or investigating it.

The American Telephone and Telegraph Company is one of the largest organizations in the United States. It is not incorporated in Canada. It is a peculiar organization; it depends upon a great number of charters for its existence, some forty or fifty, and practically controls all the telephone and telegraph operations in the United States. This American company holds 32 per cent of the stock of the Bell Telephone Company, and practically controls that company. It may be said that 32 per cent is not a majority of the stock, but it is not necessary to have a majority of the stock of a company in order to ensure control; experts have alleged that 20 per cent is sufficient to effect that end. This would not be true if it were a small company where the stock is held by a small number of shareholders, but in a company the size of the Bell Telephone Company, the stock of which is held by many shareholders, 32 per cent in one block is a large amount, and will enable the interests holding it to control the company.

Mr. POULIOT: Will the hon. member be kind enough to tell us the source of his information and statistics?

Mr. ANDERSON (Toronto): The figures I am giving you were all produced at the application made in 1926, and are there for anyone to see.

Mr. GARLAND (Bow River): The evidence given before the Board of Railway Commissioners.

Mr. ANDERSON (Toronto): The evidence and the arguments and statements were all filed.

I have further authority from a publication issued in New York by the Bell Telephone Securities Company, Incorporated, 195 Broadway, New York City. Their publication of April 1, 1925, stated that the American Telephone and Telegraph Company owns 32 per cent of the capital stock of the Bell Telephone Company of Canada. They not only control that stock, but they control the patents under which operations are carried on.

The Western Electric Company, to which I have already referred, owns 43 per cent of the stock of the Northern Electric Company. This company is practically owned by the American Telephone and Telegraph Company, which holds 98 per cent of the Western Electric stock. In other words, the American Telephone and Telegraph Company, through their control of the Western Electric Company, holds 43 per cent of the stock of the Northern Electric Company. The patents, as I have said, belong to the American Telephone and Telegraph Company.

The American Telephone and Telegraph Company, under a contract made in 1923, get 1½ per cent of the gross revenue of the Bell Telephone Company. They get this percentage for no other reason than the fact that they have a strangle hold on the Bell Telephone Company. Through the Canadian company being obliged to use their patents, they get 1½ per cent of the total revenue, no matter whether they do anything to increase that revenue or not. They get a portion of the long distance revenue, but they earn that. They get their dividends on the 32 per cent of stock. They also have the right to call for 32 per cent of all new stock that may be issued by the Bell Telephone Company. It has been the practice of the Bell Telephone Company to issue their stock at par, excepting the occasions I have mentioned, and this would mean that the American company would get the stock at par. They would get the difference between the par value and the market value of the stock, simply by being stockholders to the extent of 32 per cent. In 1923 the American Telephone and Telegraph Company obtained from the Bell Telephone Company $330,000; in 1924, they obtained $360,000; in 1925, $390,000, and in 1926, $450,000. In 1926, when the application was heard, it was estimated that if the rates were raised

according to the schedule filed, the amount the American company would receive for 1927 would be $510,000.

The following interesting dialogue took place at that application between one of the witnesses and one of the commissioners. The question being discussed was the 1½ per cent of the gross revenues which the American Telephone and Telegraph Company received. Commissioner Lawrence says:

This is self explanatory, and might be of interest to the telephone users of Ontario and Quebec.

What is your service contract expense in 1925?—$390,000.

And in 1926?—$420,000.

That is under the present rates?—Yes.

Under the rates asked for how much would they be in 1927?—$480,000.

That is really on the basis of $32,000,000, is it not?

I worked it out, Mr. Geary, I think it must be that. On the basis of $30,000,000 it is $450,000, and on $32,000,000 it would be $480,000.

So that you note an increase to just $816,000 to get an extra $30,000. You make it $510,000. Is that right?—Yes.

That is, your revenue if you get the proposed increase in 1927 would provide the American Telephone & Telegraph Company with an increase automatically of $30,000?—Yes.

It would entitle the American Telephone & Telegraph Company to that amount of money? Yes.

And bring your receipts within $816,000 of the amount required to give them still another $30,000?—That is right.

The hon. member for South Toronto (Mr. Geary) was counsel for the city of Toronto on that occasion. He said:

The point of my question is this: that automatically and without any further growth of business at all, an increase of rates would immediately jump your contract expenses up $30,000?

That is correct. The contract speaks for itself. It says, payment on revenue.

That is without any extra service or anything of that sort?

Commissioner Lawrence: Do I understand that that is without any extra service?

Mr. Geary: If the company was able to get the increase asked there would be $30,000 more payable to the American Telephone & Telegraph Company at once, without their having to take on any extra complexity of plant or anything like that.

Commissioner Lawrence: I think there should be an investigation of the transactions between these companies, for a contract that will automatically without any further growth in business or any extra service, immediately jump the contract expenses up $30,000 is unfair to subscribers of the Bell Telephone Company.

One would have thought that would be sufficient for the Board of Railway Commissioners to recommend to parliament or to the government that an amendment be made to the act in order that such an investigation might be carried out, but I do not know that such a recommendation has been made and so far as I am aware no mention has been made of one. If it has not been made, the Board of Railway Commissioners are to that extent derelict in their duty to the people of Canada. The American Telephone and Telegraph Company is more or less of an octopus. It has a strangle hold not only upon the Bell Telephone Company but apparently upon the people of the United States. I noticed in the columns of a local paper, the Ottawa Journal, of yesterday morning this item:

Directors of the American Telephone and Telegraph Company cut the long expected "melon," to-day by authorizing the issuance of 185,000,000 additional stock at $100 to their 435,000 shareholders.

And in the Journal this morning in the same column I find the following:

American Telephone was in brisk demand throughout the session as a result of the proposed increase of $185,000,000 in capitalization with the issuance of valuable "rights" to shareholders, closing about 12 points higher at 208¼ after having established a new high record for all time at 211.

That stock, which has a par value of 100, was selling yesterday at 208¼ and at one time it reached 211. The difference between 100 and 211 is the melon that is referred to, and the Bell Telephone Company of Canada, on account of their being in the strangle hold of the American Telephone and Telegraph Company, is compelled to contribute to that melon. That, I think, is a very important reason why we should know about the doings of that company, which is not a subsidiary but a company which practically owns the Bell Telephone Company.

Another method by which money is taken out of the Bell Telephone Company's revenue has to do with the question of depreciation. A depreciation reserve is quite a proper thing and I have no objection to a depreciation reserve being established. The Bell Telephone Company from 1880 to 1907 did not have any depreciation reserve; they carried on their repairs and renewals out of revenue. But about 1907, when they were about to become regulated in regard to rates by the Board of Railway Commissioners, they established a depreciation reserve, and from 1907 to 1926 they had contributed from the revenues of the company to that reserve the sum of $38,653,552. Of that amount, however, they used for the purpose of renewals and repairs only $13,770,047, leaving in that reserve account $24,883,505 unused. The evidence that was given on the application in 1926 by Mr. Lash, the chief engineer, showed that the plant and equipment of the Bell Telephone Company was 100 per cent efficient. The reason he gave for that was that the depreciation had been made up year by

year by prompt renewals and repairs, the total of which, as I said before, was $13,770,047. The plant is 100 per cent efficient. Another officer of the Bell Telephone Company on that investigation stated that the best experience for establishing a reserve fund was the past experience of the company. The past experience of the company showed that from 1907 to 1926 renewals and repairs amounted to only $13,770,047, and that was taken out of the depreciation reserve fund leaving the large amount of nearly $25,000,000 unexpended. It might be well for us to say to the Bell Telephone Company: Why not take that and use it for the purpose of making the extensions, renewals and repairs that you want to make at the present time? That will more than cover the $20,000,000 that you require. It is rather strange that on the application the Board of Railway Commissioners did not take into consideration the question of depreciation. It did not take into consideration either the interest of the Northern Electric Company or that of the American Telephone and Telegraph Company in the Bell Telephone Company. That is a reason why an increase of $75,000,000 in capitalization should not be authorized until some conditions or restrictions are placed upon the Bell Telephone Company in the use of its revenue.

I am heartily in accord with the amendment. I think the stock of the Bell Telephone Company should be placed on the market at a restricted price. The amendment proposes that the stock should not be sold except by public subscription. The Bell Telephone Company, as I have stated before, at no time except on the occasions in 1902, 1904, 1905, 1906 and 1925 sold or allotted their stock at anything more than par. In 1925 they sold a small block at 110 to their employees and in 1902, 1904, 1905 and 1906 they sold stock at 125 to their shareholders. I say that they should be forced at the present time to go into the market and sell their stock at a fair price. If they were not looking to the people of Canada for their revenue in the way they do in the shape of tolls, I would say that we might be interfering with their financing. But in case of a stringency or deficiency of funds they come back and say that they want their rates raised in order to make up that deficiency. In this case they are asking for an increase in capitalization, and I want to cite two or three companies that do not allow their stock to be allotted to their shareholders at par, but that insist upon its being sold to them at a premium. The stock of the Canadian Pacific Railway Company is a par value of $100 and yet I find in their report for the year ended December 31, 1927, on page 7, this statement under the heading of "Issue of Additional Common Stock":

> Pursuant to the authorization given at the last annual meeting, the directors of the company decided to issue 400,000 shares of additional ordinary capital stock, of which 325,000 shares were offered for subscription by shareholders at the price of $150 per share.

In other words, 50 per cent more than the par value of that stock went into the treasury of the Canadian Pacific Railway Company, and not into the pockets of the shareholders. The report continues:

> And 50,000 shares were offered for subscription by the officers and employees of the company at the same price. As the applications for stock by officers and employees exceeded by 6,290 shares the amount offered, your directors decided to increase the number of shares available for this purpose to 56,290 shares.

Had the 325,000 shares been sold at par, they would have realized $32,500,000; actually they realized $48,350,000. The 6,290 shares if sold at par would have brought in $6,290,000; actually they brought in $9,435,000. There were still left unsold of that issue 18,710 shares, in regard to which the directors say:

> The remaining 18,710 shares will be disposed of in the market when conditions warrant such disposal.

And the market for that stock to-day, Mr. Speaker, is in the neighbourhood of $218.

Now why should not this parliament say to the Bell Telephone Company: You must not issue this stock at par, but you must sell it at the market price or at some other price which will bring into the treasury of the company a large addition to your capital.

Mr. WILLIAM IRVINE (Wetaskiwin): I rise to a point of order, Mr Speaker. I understand that, under the rules which govern private bills, any private bill which is under discussion when the hour for discussion of private bills expires goes to the bottom of the list. The bill now before the House was under discussion on Wednesday evening last at 11 o'clock, when the special time allotted to private bills that evening had expired. I submit to you, Mr. Speaker, that the same rule which governs private bills on Tuesdays and Fridays should apply also on a special occasion such as Wednesday evening, especially when as in this case the bill now before the house occupied the entire three hours on Wednesday evening.

Mr. SPEAKER: That rule applies only on Tuesdays and Fridays. On other days it does not apply. I refer to standing order 15, subsection 4.

The house divided on the amendment (Mr. Garland, Bow River), which was negatived on the following division:

YEAS

Messrs:

Adshead,	Kennedy,
Allan,	Lucas,
Anderson (Toronto-High Park),	Luchkovich,
Bancroft,	Macdonald (Glengarry),
Beaubien,	MacDonald (Cape Breton South),
Bissett,	MacLean (Prince),
Bock,	Macphail (Miss),
Bowen,	McMillan,
Brown,	Millar,
Campbell,	Milne,
Carmichael,	Neill,
Cayley,	Odette,
Coote,	Pouliot,
Donnelly,	Quinn,
Edwards (Waterloo South),	Robinson,
Evans,	Sanderson,
Fansher (Last Mountain),	Senn,
Fansher (Lambton East),	Short,
Gardiner,	Smoke,
Garland (Bow River),	Speakman,
Geary,	Spencer,
Gershaw,	Spotton,
Glen,	Steedsman,
Goodison,	Stinson,
Heaps,	Stirling,
Hepburn,	Thompson,
Howden,	Vallance,
Irvine,	White (London),
Jelliff,	Woodsworth,
Kellner,	Young (Toronto Northeast).—60.

NAYS

Messrs:

Barber,	Lacombe,
Bell (St. John-Albert),	Ladner,
Bettez,	Laflamme,
Blanchard,	Lapierre,
Bothwell,	Lapointe,
Bouchard,	Letellier,
Boucher,	McLean (Melfort),
Boulanger,	McKenzie,
Bourgeois,	McPhee,
Brady,	McQuarrie,
Cahan,	Morin (St. Hyacinthe-Rouville),
Cannon,	Motherwell,
Cantley,	Perras,
Cardin,	Power,
Casgrain,	Prévost,
Casselman,	Ralston,
Chevrier,	Raymond,
Clark,	Rinfret,
Delisle,	Robb,
Denis (St. Denis),	Ross (Moose Jaw),
Denis (Joliette),	Ryerson,
Descoteaux,	St-Père,
Dickie,	Séguin,
Dunning,	Sinclair (Queens),
Elliott,	Spence,
Embury,	Stevens,
Fafard,	Stewart (Edmonton West),
Fiset (Sir Eugene),	Taylor,
Forke,	Tolmie,
Foster,	Totzke,
Grimmer,	Veniot,
Hocken,	Young (Weyburn).—68.
Jenkins,	
Johnston (Long Lake),	
Kaiser,	
King (Kootenay East),	

[Mr. Speaker.]

Mr. SPEAKER: I declare the amendment lost. The hour for private bills being exhausted, the house will now revert to supply. Third reading of this bill cannot now be moved unless it is by unanimous consent.

Mr. STEVENS: Question.

SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

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

Trade and Commerce—administration of the Copper Bounties Act, 1923, $250.

Mr. COOTE: Mr. Chairman, if the Minister of Trade and Commerce (Mr. Malcolm) will be good enough to ask one of his colleagues nearer the centre of the chamber to exchange places with him it will be a great deal more convenient for all members to keep in touch with his estimates.

Hon. JAMES MALCOLM (Minister of Trade and Commerce): I shall be glad to do so.

Mr. GARDINER: On how many tons was bounty paid last year?

Mr. MALCOLM: On 6,923,476 pounds, at half a cent, amounting to $51,925.

Mr. EVANS: Mr. Chairman, this is an important item and we should like to hear what is going on. If there was less talking we should be able to follow the various items; otherwise they are inaudible to us down here.

The CHAIRMAN: Order.

Item agreed to.

British and foreign news service, $32,000.

Mr. LUCAS: Will the minister explain this item?

Mr. MALCOLM: This is the same amount as has been voted in former years to provide Reuter's News Service. The service has been supplied continuously since August 1923 at the same amount per annum. At the end of September 1927 eight monthly payments of $2,666 had been made. There is an agreement covering it. The agreement with Reuter's is dated June, 1923. The service was for three years, commencing August 1, 1923, and terminating July 31, 1926, the payments to be made at the rate of $2,666 per month, or a total of $32,000 per annum. The contract has been extended twice. The first time it was extended two months to the end of September and later it was extended from October 1, 1926, to the end

of the fiscal year, both extensions on the same terms as originally. I have a memorandum covering the agreement with Reuters in the matter of publicity. If the committee is anxious to have it I can read it.

Mr. LUCAS: What is nature of the service?

Mr. MALCOLM: Probably it might be easier to read a summary of the service in the past year. That will give the committee a better idea.

During 1927, 4,260 separate news items were sent by cable or mail direct to Great Britain for distribution by Reuters to practically every British publication, as well as for re-transmission, where the news interest justified, to continental and other news agencies. The total number of cabled items was 2,203, of which 624 dealt directly with matters of trade and industrial development in Canada. These items included also the speeches of H. R. H. the Prince of Wales and Premier Baldwin during their Canadian visit, and which constituted the very best possible advertising for Canada. The total cable wordage was 155,748, or approximately 18,000 words in excess of contract requirements. The mail wordage, covering semi-weekly budgets of news and trade items to Great Britain and monthly budgets to the overseas dominions of Australia, New Zealand, South Africa and India, totalled nearly 500,000 words. This mail service was distributed, through Reuters, to every leading newspaper in Great Britain and the overseas dominions. A special weekly cable letter was sent, averaging approximately 600 words, dealing especially with a review of Canadian trade and commercial conditions, and this weekly review went to all Reuter subscribers, and also to all Canadian trade agents abroad and to a large list of complimentary recipients designated by the Canadian High Commissioner's office in London.

All important government bulletins dealing with crop reports, employment conditions, immigration statistics and financial and trade matters were cabled to London in sufficient detail to meet all requirements of official Canadian representatives overseas and thus save the expense which previously obtained of special departmental forwarding by cable of these reports.

Mr. SHORT: When this vote was up last year, was it not arranged to reduce it? There was some discussion last year on that item.

Mr. MALCOLM: That reduction was made but the amount was added in the supplementary estimates, so that the item was left as it was in former years.

Items agreed to.

The Canada Grain Act—administration, $1,860,555.

Mr. MILLAR: Is the grain research laboratory included in this vote?

Mr. MALCOLM: Yes.

Mr. DONNELLY: What revenue is obtained from the inspection of grain?

Mr. CAMPBELL: Perhaps the minister would give the revenue and expenditure.

Mr. MALCOLM: For the past year I have the revenue up to January 31; I have not the figures for the months of February and March. In 1926-27 the receipts were $1,582,807, and the expenditures $1,580,258. There was a surplus of $2,548. For the past year the receipts, as far as I have them—they are not completed yet—were $1,297,000 and the expenditures $1,421,000. This represents a deficit of $124,000. This was due to the reduction in last year's estimates in the amount asked by the Board of Grain Commissioners for the administration of the act. Subsequently, as hon members will recall, we had to vote an additional sum to make up that deficit.

Mr. CAMPBELL: There is some complaint from the millers and bakers in the old country in regard to the grade of grain they are receiving. Has the minister the memorandum in that connection?

Mr. MALCOLM: I have not the memorandum, but it was forwarded to the agriculture committee and was printed in the proceedings.

Mr. COOTE: It would facilitate the passing of the item if the minister would give us the details of the main items in it. There is a considerable increase this year and perhaps the minister will be good enough to explain it.

Mr. MALCOLM: The estimated expenditure for the current year is typical of the expenditure every year. The board are asking this year $1,759,000. They estimate that it will be necessary to have 651 employees, with 308 extra seasonal employees. The estimated expenditure on salaries is $1,584,000—I am not giving the odd dollars—and travelling expenses for the board, $13,300. Rentals amount to $64,843; printing and stationery, $30,000; and general expenses of administration, $67,365. This is about on a par with every other year. There is little change in any item except in regard to the total salary list, which varies according to conditions and the amount of crop handled.

Mr. SHORT: The amount asked for here is $355,955 more than last year's vote. I presume there is a reason for this.

Mr. MALCOLM: The amount asked last year by the Board of Grain Commissioners was reduced by the treasury board, and when I asked the house for the additional amount in the supplementaries I explained that it was a mistake to reduce the vote inasmuch as the crop required all that was estimated. In addition to that there was a further esti-

mate by the board for the next year for the reason that they were short of money. Part of that, I believe, is to be used for additional work in the laboratories in Winnipeg. It is rather a difficult matter to go into exact details as to how they arrive at the estimate, but if they do overestimate, the money comes back to the treasury in the form of a surplus.

Mr. MILLAR: There is a small expenditure I am going to ask the minister to consider. In the select standing committee on agriculture, when we were inquiring into the grading of grain, a very valuable map was presented indicating where strong wheat is grown in the three prairie provinces. It was a map the preparation of which must have taken considerable time and labour, and the committee expressed a wish to have it published. I would ask the minister to see that that is done, because this map would be of great value to the farmers.

Mr. SPENCER: I would like to ask the minister if the administration of this act, heavy though it is, is not met year by year on an average by the charges paid by the producers of grain?

Mr. MALCOLM: I think I can give my friend a favourable answer, because there seems to be a misapprehension in the minds of some people that tremendous surpluses do obtain. Actual surpluses do result, but the equipment and premises of the Board of Grain Commissioners and the cost of civil government here in Ottawa are not charged to this vote; no interest or depreciation is charged on the properties used by the Board of Grain Commissioners, but they have figured it out roughly that the surpluses which have resulted during the past ten or fifteen years would just about provide for the cost of civil government, for a depreciation charge and a fair interest rate on the amount invested. During some years there has been a decided deficit; in other years there have have been surpluses, but the statement by the board is that over a period of years the return from inspection fees charged the producer can be said to cover all charges plus a reasonable interest charge on the equipment.

Mr. COOTE: I should like to support the request made by the hon. member for Qu'Appelle (Mr. Millar) that the protein map which has been prepared by Doctor Birchard during the past year should be printed and made available for distribution. In the past too much of the work done by our laboratory has been buried in the files of the Board of Grain Commissioners. The farmers of western Canada would appreciate very much some information in regard to the protein content of their wheat. I know of no better way in which they can get that information than by the printing and distribution of this map.

While I am on my feet I would also suggest to the minister that he urge the Board of Grain Commissioners to give careful consideration to the question of grading garnet wheat. Up to the present time the board have ruled that garnet wheat is not eligible to be graded No. 1 northern, but I think the evidence given before the agriculture committee by the Dominion cerealist goes to show that garnet wheat is equal in quality to marquis wheat, so I think it is time it became eligible to be graded No. 1 northern. I think too much propaganda has been carried on in this country to discourage farmers from growing anything but marquis wheat, because there are some districts that are entirely unsuited to that wheat. Because of that fact and because farmers have stuck to marquis wheat in districts to which it was not suited, we have had a great deal of low grade wheat during late years. They should be allowed to grow the wheat best adapted to their particular locality. I think it must be admitted that we cannot expect one variety of wheat to be suitable all over the large area now devoted to the growing of wheat in western Canada. I think garnet wheat is very suitable in many localities, and if it is equal in quality to marquis wheat it is to be regretted that the Board of Grain Commissioners have not allowed it to be graded No. 1 northern.

I would like to bring another matter to the attention of the minister; I refer to the necessity for providing more commodious quarters for the use of the grain inspector at Calgary. I have been in there several times during the busy season when I have found fifteen or twenty men in that one little room, two men actually grading wheat, several assistants helping them and a great many grain men looking after their car samples. The place is altogether too small; this is a very important matter and I think we could afford to provide better quarters for the grain inspectors. I would also suggest that we need more than two inspectors at Calgary; after all, the grading of wheat is largely a matter of opinion, and I do not think it wise that two men should have to grade 500 cars of wheat in one day. They cannot give it the time it really requires. The additional expense involved in providing one or two other inspectors at that point would be a mere bagatelle.

I would ask the minister to interest himself in the question of the interchange of inspectors

between different inspection points. In the past we have had one inspector stationed at Calgary for several years at a time; he was never out of that office during the grading season except for meals and to sleep, and never had another inspector to consult with except possibly the chief inspector, who paid him a visit on an average of once a year. If we are ever to get away from a lot of dissatisfaction which now exists in connection with the grading of grain it must be done by securing uniformity in the grading system, and I do not think we can do that in any better way than by an interchange of inspectors between Calgary, Winnipeg and Fort William. If the inspectors at Calgary were allowed to have two weeks at Winnipeg and two weeks at Fort William during the busy season, while some men from Fort William or Winnipeg took their places at Calgary, I think it would go a long way in securing uniformity in the grading carried on at these points. I would also suggest that the inspectors at some of the terminal elevators at Fort William be sent to Winnipeg and other prairie points and that inspectors from those points take the vacant places at Fort William for a month or so at a time. If possible we would like to see the wheat which is graded out of the terminals at Fort William equal to the average of the grades at the initial inspection points. We are told that that is impossible, but the board should endeavour to come as near to it as possible, and I think that cannot be done in a better way than by an interchange of these inspectors. This will involve some small expense, but I am sure the benefits which would accrue from such an interchange would more than pay for the expense involved. There have been seasons in the past when a good deal of the wheat shipped by the farmers graded one grade higher at Winnipeg than at some other point, and that is what has caused so much dissatisfaction which I am sure the minister is anxious to overcome. I only ask him that he impress this upon the Board of Grain Commissioners because they always say that it will cost a good deal, and they would have to secure the consent of the department. I feel sure that if the minister would assure the board that they could have the extra money to pay travelling expenses, the committee would gladly vote the additional sum required. It has been said that the inspectors would object, but I am sure they would be glad to have the opportunity of securing this added experience, and I am confident that the members of this committee would vote them the money for travelling expenses and pocket money which would compensate them for being away from home for three or four weeks during the rush season. Personally I think this is a very important matter, and I hope the minister will assure the board that as far as the expense is concerned they need not be deterred from at least making this experiment of exchanging the inspectors.

Mr. MALCOLM: I can assure my hon. friend that my attitude towards this act and the administration expenses involved is that it is of interest only to the producers of grain, because it is paid for by them. Parliament provides the money and the producer pays what parliament provides, in the way of fees.

Regarding the quality of grading on garnet wheat, I should like to point out to my hon. friend that the agriculture committee, now studying a reference to it on grain grading, might very well express the views of that committee on this subject to the house. I shall be very glad to give my advice to the Board of Grain Commissioners, and I am very glad to take advice from men in this house who are interested in the grain business, and who are actual producers. We look on this act as a measure to be administered for the interests of the producers and we are guided at all times by what the producers want.

As to the quarters at Calgary not being adequate, I shall be very glad to bring that to the attention of the board.

The question of the interchange of inspectors involves taking the inspectors away from home and paying their upkeep, because they will have to be quartered in the places they are sent to. Whether or not that is a justifiable expense, I think, after all, remains pretty much with the people who pay the expenses, in the form of fees, that is, the producers. I am very glad to have my hon. friend's opinion, because it has always been represented to me that the advantages in the exchange of inspectors would not be commensurate with the expense involved. I see the point that my hon. friend from Macleod (Mr. Coote) is trying to make. An inspector who has probably spent all his life in the inspection of grain at Calgary might not appreciate the grading of grain as it is done at the head of the lakes or at Winnipeg. If he had a broader outlook on the grades from various areas he might be a better inspector when he returned home. On the other hand, that man might become a specialist regarding the particular districts he was in, and he might know exactly what he could get for the grades from that district. He might be a better inspector, by virtue of his length of service in that particular district, than if he came there from some other district where

different conditions obtained. I shall be glad to take that matter up with the board, and if the house feels that the additional expense involved in exchanging these men from the head of the lakes to the prairie points is to the general advantage of the producers, I shall be glad to recommend it.

Mr. BROWN: I am not sure that the producers as such have decided that such a move would be advantageous. Uniformity in grading would be undoubtedly a very desirable thing to secure, but I can see where the lack of uniformity that might result at a given point through the interchange of inspectors would be just as much to be deplored as the lack of uniformity between two given points, say Calgary and Winnipeg. I have no doubt that the hon. member for Macleod has merely been expressing his own personal opinion in regard to that matter. I am not sure that any committee or any organized body has ever come to the conclusion that such an interchange would be desirable. Any result by way of benefit that might be secured from such an interchange is highly problematical at the present time. If it were once determined that such a change would be beneficial and advantageous to the producer, and would bring about greater uniformity in grading, the matter of expense would be entirely a secondary consideration. For myself I have not yet been convinced that such an interchange is desirable.

Mr. MALCOLM: I might tell the hon. member for Lisgar that several of the points taken up by the hon. member for Macleod are now under discussion in the agriculture committee. If this point is discussed in the agriculture committee, I should like to have the guidance of those particularly interested in the administration of the act.

Mr. BROWN: The subcommittee is considering some of the points mentioned by the hon. member for Macleod. He is a member of that committee, and I think the proper way to do would be to allow that committee to come to a conclusion before presenting it in this house.

Mr. DONNELLY: While I have no objection whatever to the printing and publication of the map referred to by the hon. member for Qu'Appelle (Mr. Millar), showing the protein content of wheat in the different parts of the west, we must all bear in mind that the protein content of wheat during the past year has been very unusual. It was not a normal year and it will not give a correct idea of the protein content of wheat in a normal year. It would be well for the minister to bear in mind that we should have a map of that kind printed from year to year for the information of the growers of wheat, and I think a certain amount should be laid aside every year for the production of a map of this kind.

Some hon. MEMBERS: Hear, hear.

Mr. DONNELLY: I want to draw the minister's attention to something that was brought out in the agriculture committee regarding the inspection of grain at our transfer houses on the lakes. Both our commissioners and our inspectors hinted that there might be a certain amount of mixing done in these transfer houses, in fact they told us that they thought there was some mixing done. Mixing is legal, and is allowed to be done at Fort William and at our private elevators there, but once the wheat is graded, and it is never graded again, mixing should not be allowed. It would be well for the minister to take the matter up with his commissioners, or with those who are looking after the grading of wheat, with a view to seeing that proper inspectors are put at these lake ports and transfer houses in order to prevent mixing.

Mr. ROSS (Moose Jaw): I think I would go farther than that. Not only would I put proper inspectors down there, but I would have these people forbidden to do any mixing whatever in those transfer houses. The inspection certificate has already been given when it is graded out from Fort William, and I do not think anyone should be allowed to mix grain in the transfer houses. You will have to have somebody there to watch that it is not mixed, but we certainly should not allow it to be done.

Mr. MILLAR: Has consideration been given to the question of installing the research laboratory at Winnipeg in a building owned by the government? I understand the building rented for that purpose is being enlarged, or altered in some way, and it will seriously interfere with the work of the research laboratory. This same thing may occur again and again. Would it not be wise to have this laboratory installed in a building by itself?

Mr. MALCOLM: At present the laboratory is in the Grain Exchange building, which is a convenient location for all those in the grain business. It is very convenient for the inspection and distribution of samples. The question of erecting a building to take care of this work has been put before us, but after looking into it we found that the expense involved, as well as the inconvenience of loca-

tion, did not justify it. Therefore we did not recommend it to the house, but rather recommended the enlarging and the perfecting of the offices in the present quarters.

Mr. COOTE: I have a few points I should like to mention to the hon. member for Lisgar (Mr. Brown). He lives in a district where I presume all the grain is shipped to and graded at the same point year after year. In the district in which I live, possibly half our wheat is shipped west and half shipped east. Very often when we ship several cars, knowing it is all the same kind of wheat, the cars going west get a different grade from those going to Winnipeg. It got so bad in one year, I think 1925—I am only speaking from memory—that the farmers held a meeting in one of the towns in my constituency to discuss this very matter, and they passed a resolution stating that they would not ship any wheat west until the grading system at Calgary was remedied. Several farmers there stated that they were willing to take their affidavit that they had taken a sample of wheat, sent one-half of it to Winnipeg and the other half to Calgary, and that in every case the sample sent to Calgary received a grade lower than the sample sent to Winnipeg. Those of us who have had this experience have become firmly convinced that we should have an interchange of inspectors. By the time an inspector has had a month's experience of Winnipeg grading with perhaps fifteen or twenty other inspectors and has had a week's experience at Fort William he will have seen the grade that the great percentage of wheat in western Canada is receiving. He may have been used to grading only Alberta wheat, which is after all of a different type from the bulk of the wheat shipped through Winnipeg. In some of the grades of wheat there is a difference between the average sample at Calgary and at Winnipeg of seven pounds to the bushel, and a man who is grading that heavy wheat all the time is very apt to become more severe in fixing the grade than a man at Winnipeg would be. That is why we are asking for an interchange of inspectors. As long as we are in the position where one-half of our wheat is being graded say at Calgary and the other half at Winnipeg, we see the result of the lack of uniformity, and it is necessary to endeavour to do away with the dissatisfaction which exists in the minds of the farmers in regard to the grading system. We should at least make a trial of an interchange of inspectors to see whether that would bring about more uniformity than we have at the present time. I do not see how we are going to find out what the effect will be, whether it will do any good or not, unless we try it out. I do not see how it can do any harm. I wish to thank the minister for the very fair way in which he has referred to the matter, and I assure him that the great majority of farmers in Alberta at any rate are very anxious to see this given a trial. We firmly believe that it would help to do away with the discrepancy which often exists between the grading at Calgary and Edmonton and the grading at Winnipeg. In one season, not the one to which I referred before, the grading at one of the western points was so much lower than at Winnipeg and they had so many complaints that I understand the chief inspector went out there and stayed a week in an endeavour to get the grading of that office on a par with the grading which was being done at Winnipeg.

Mr. EVANS: The efforts in western Canada seems to be to select a rust-proof wheat and many varieties have been propagated with that end in view. Some of these give very good yields but they have not the quality of marquis or red fyfe wheat. I find that Bill No. 188 provides for a number of other grades like these varieties so that each will have its intrinsic value, but I should like to point out that if these softer wheats are mixed with the harder varieties at Fort William or Port Arthur, the price of No. 1 northern, No. 2 northern, will be still lower in the markets of the world, particularly in Great Britain where it is brought into competition with wheats from other parts of the world. I should like to know if some means will be taken to prevent these other varieties from being mixed with No. 1 and No. 2 northern at Fort William or Port Arthur.

Mr. GARDINER' What progress is being made with the research laboratory? How many employees are there at the present time?

Mr. MALCOLM: Is my hon. friend referring to the grain research laboratory at Winnipeg?

Mr. GARDINER: Yes.

Mr. MALCOLM: I am sorry I cannot give him the details of that because I do not have them before me. My recollection is that the estimated amount of expenditure for the current year is somewhere between $25,000 and $30,000. It is larger than last year. They are extending the service and they are continuing the very work that the hon. member referred to a moment ago,

namely, rust research. I might also say that the problem that the national institute of research is going to face is the very problem that was spoken of by the hon. member for Macleod, namely, that of trying to find varieties of wheat that will be suitable to certain soils that exist in Western Canada. Every man who has thought of the matter at all realizes that western Canada no longer means any one small province. The wheat is not all Manitoba wheat. As the map is rolled backward there are conditions existing that did not exist ten years ago and the application of the knowledge acquired by the research department as to what wheat will suit certain areas is of vast importance to the producers and to Canada as a whole. The question of research on rust, like the question of research on any disease, is one that has to be dealt with. I believe the work of the laboratory at Winnipeg will be further supplemented by the work of the national institute here, and everyone in the house and in the country is extremely anxious that further researches shall go on from time to time in connection with this important matter.

Mr. BROWN: The cereal division of the Department of Agriculture is making the research referred to by the hon. member from Macleod.

Mr. LUCAS: Has there been any report by the research laboratory at Winnipeg in regard to the work being done there?

Mr. MALCOLM: There has not been any report since the one received last summer, I think that report was submitted to the agriculture committee and is incorporated in its minutes. There is a new report for circulation now in press.

Mr. EVANS: Is any provision made in the estimates this year for the establishment of stopover and inspection points other than Winnipeg, for instance, Moose Jaw or Saskatoon?

Mr. MALCOLM: Nothing further has been provided in the estimates than for the established points.

Mr. EVANS: Is there a stopover and inspection point at Moose Jaw?

Mr. MALCOLM: Yes.

Mr. EVANS. Is there an appropriation in the estimates to carry that on as an inspection point?

Mr. MALCOLM: I think that is included in the general estimate of the board.

[Mr. Malcolm.]

Mr. EVANS: Will the minister say why an inspection point has been established at Moose Jaw and who asked for it?

Mr. MALCOLM: I have not the information in front of me, because it is not a subject that comes up ordinarily, but there was a considerable demand for it and there is a considerable demand now for further inspection in Saskatchewan. The Minister of Agriculture has, I think, the correspondence with reference to the matter and he had the correspondence with reference to the establishment of a point at Moose Jaw. It all came up before I was in charge of the department.

Mr. ROSS (Moose Jaw): I know something of the history of the establishment of an inspection point at Moose Jaw. For some fifteen years the people of the southern part of Saskatchewan, the southeastern part of Alberta and that part of the country north and west of Moose Jaw have been agitating for an inspection point there. That agitation finally came to the House of Commons; meetings were held by several members from western Canada along with the then Minister of Trade and Commerce, and it was decided to establish a grain inspection point at Moose Jaw. Finally, that grain inspection point was established last year. The results have been very satisfactory to all the people in that part of the country. A good deal of grain has been inspected there during the past year, and practically all the united farmer organizations in the country are asking that that inspection be extended at the present time. The wheat pool of Saskatchewan have had all their grain passing through Moose Jaw inspected at the Moose Jaw point, and they have made the statement on more than one occasion that it has been of great value to them, and that they have been saved a considerable amount of money through having that grading done at the inspection point in Moose Jaw. The inspection there is a safeguard against the grain being unloaded into the elevators at the lakes before reinspection can be made. With the faster movement of grain in western Canada to-day, we have found that a car may be inspected in Winnipeg, and before the report on that car can be sent back to the shipper, the car can be landed in Fort William and unloaded. It takes a very short time to move a car from Winnipeg to Fort William. But with inspection further west, the grade can be sent back to the producer or to his agent, and a reinspection can be ordered in plenty of time to have it made at Fort William. The pool have found that this has saved them a

great deal of money this year, and all those who have used the Moose Jaw point are very well satisfied with it, and are now asking that all grain passing through there shall be inspected. I believe that the farmers' organizations in Saskatchewan are asking to have the same facilities provided at Saskatoon. The Alberta pool have had practically all their grain passing through Moose Jaw inspected there, and they have had the officers of the Saskatchewan wheat pool act as their agents at that inspection point, and also act for them in the calling for reinspection.

Mr. YOUNG (Saskatoon): I may say to my hon. friend from Rosetown, on behalf of those whom I have the honour to represent and those in that area, that I have already asked, not only this year but before, that an inspection and order point be established at Saskatoon. I am fortified in that request by the United Farmers of Canada, Saskatchewan section. I would also like to say that I agree entirely with what the hon. member for Moose Jaw has just said with respect to what the pool has found at Moose Jaw. It is believed that the inspection of grain at these two points will unquestionably be of great interest to the producers in these areas. While I do not think that this is the time when we need discuss it very fully, I rise just to say that the matter has received and is receiving consideration, and I hope it will continue to receive favourable consideration by those who have finally to deal with it.

Mr. GARLAND (Bow River): I have no objection personally to an inspection point, compulsory or otherwise, being established at Moose Jaw, provided it applies to the grain of the Saskatchewan people, but until there has been a request from those who are the growers in Alberta I do not think it would be either wise or proper to compel growers like my hon. friend from Macleod or my hon. friend from Acadia or myself to have our grain compulsorily inspected passing through Moose Jaw. The principle is wrong, aside altogether from the economics of it, and I submit that the minister will be well advised when taking into consideration, favourably or otherwise, the representations of the hon. member for Moose Jaw, the hon. member for Saskatoon, or anybody else, to remember that there are also other interests besides those in Saskatchewan. I have no objection whatever to the Saskatchewan producers having their grain inspected at Moose Jaw if they so wish, but so far as Alberta is concerned I think that the question must be submitted to the growers there first.

Mr. DUNNING: I should like to say a word on this particular point, because it touches the very principle of the operation of the Grain Act. What my hon. friend from Bow River has just said sounds very plausible until it is examined in its relationship to the practical movement and inspection of grain at the present time. If what my hon. friend says were to be the principle applied, it would also involve that those shippers from Saskatchewan who are now shipping to Vancouver would be able to demand Vancouver inspection instead of Calgary inspection. As things exist at the present time, every grain inspection point is a compulsory inspection point for all the grain passing through there, except with regard to Moose Jaw. With regard to Moose Jaw, for reasons which I need not discuss at this stage, but which the minister can and will explain, the arrangement was made to start with that the inspection there would be voluntary, but during all the years of the Calgary inspection, even prior to the years when Edmonton inspection came into use, all grain passing through Calgary was required to be inspected at Calgary. I have rather a vivid memory of its operation because there were in the early days of Calgary inspection many Saskatchewan shippers who, strange as it may seem, preferred Vancouver inspection, inspection at the port, rather than having their grain inspected at Calgary, but there was no help for them.

I submit that the principle advocated by my hon. friend from Bow River, satisfactory as it may sound, cannot work in practice unless it is universally applied, and if it were universally applied, that is, if every shipper had the right to choose the point at which his particular car should be inspected, that would undoubtedly involve very great difficulties in the matter of transportation and undoubtedly increase the cost of handling the cars. In fact, one of the arguments for changing the present system at Moose Jaw to the system which is in vogue elsewhere is that very fact—the transportation economics of the situation. Under the present system of voluntary inspection a trainload of cars comes into Moose Jaw, and half or three-quarters of those cars are inspected at Moose Jaw. That means that the train must be split, and the remainder of the cars have to be carried on, or else the cars which need not be delayed for inspection at Moose Jaw are in fact delayed there, and delayed again at Winnipeg for the inspection which takes place there. I do not believe it will be practicable from a transportation standpoint

very long to operate a voluntary system of inspection anywhere. If we have inspection points we must expect, as a matter of practical transportation economics, that the grain passing through those points will be inspected there. I would go this far with my hon. friend, however, that the reinspection privilege would thereby be widened. The inspection at Moose Jaw of grain coming eastward from Alberta, to the extent that it does come eastward from Alberta, rather increases the chances of the owner of the grain on reinspection. In my own experience in the business I know that very frequently it has happened, with the speeding up of transportation in recent years, that inspections made at Winnipeg in the rush season—the rush, remember, not only in the inspection, but in the offices getting out the slips to the shippers or their agents—would involve your receiving notice that the car on which you are applying for reinspection at Fort William had been unloaded before the request for reinspection arrived there, whereas inspection nearer the point of origin gives the shipper of the grain a greater length of time in which to appeal for reinspection. Surely there would be no more reason why non-compulsory inspection should be practised at Moose Jaw than that there should be compulsory inspection at Calgary, Edmonton or Winnipeg. I think the advocacy of hon. members on this side of the house and in the opposite corner of an interchange of grain inspectors is much more to the point with regard to securing uniformity of grading than any question of compulsory or non-compulsory grading at a particular point. As we look to the future we must of necessity contemplate the possibility of more points in western Canada at which inspection will be made. When the Hudson bay route opens up for traffic, there is no question about it, we must arrange some point for the inspection of grain convenient as a funnel to that route, and there is a great deal to be said in favour of inspection points both at Moose Jaw and at Saskatoon. Naturally the minister desires to go slowly in matters of this kind. I am not one of those who believe we will ever need to go outside of the present points, plus Saskatoon and some point in the future which would be the funnel for the Hudson bay line. I think those points would very naturally comply with all the requirements of western producers; I do not think there would be any necessity to go any wider than that; but I think within the next five years we shall reach that point where there will be inspection at Moose Jaw, Saskatoon, Hudson Bay junction, Calgary, Edmonton, and the usual terminal inspection at Winnipeg, Vancouver, Prince Rupert, and Fort William and Port Arthur.

Mr. VALLANCE: Mr. Chairman, as the representative of that portion of the country northwest of Moose Jaw, I can assure the minister that the farmers are looking forward with a great deal of satisfaction to Moose Jaw becoming a compulsory inspection point. I think the reason given by the hon. member for Moose Jaw (Mr. Ross) are sufficient. We have found on many occasions, just as he has stated, that before we can get word through for reinspection the car has gone forward and it is impossible to secure reinspection. The hon. Minister of Railways (Mr. Dunning) pointed out to the hon. member for Bow River (Mr. Garland) the very thing that I was on my feet to tell him. I happen to be situated just on the dividing line, and our wheat goes west or it goes east. If it goes west, we in that part of Saskatchewan have to submit to its being graded at Calgary. When you consider that 50 per cent of the wheat that is grown in the three prairie provinces originates in Saskatchewan, I think it will be conceded that we are at least entitled to some recognition. I am heartily behind the establishment of compulsory points both at Saskatoon and Moose Jaw.

Mr. FANSHER (Last Mountain): Probably the minister could give us information as to how many cars of wheat have passed through Moose Jaw in a given season, and as to how many of those cars have been inspected, and how many have been reinspected either at Winnipeg or Fort William. Since the load limit of a car has increased during the last few years, it is impossible to inspect some cars of wheat until it is unloaded. If the minister has this information it will be valuable to us in determining whether Moose Jaw has been taken full advantage of as an inspection point.

Mr. MALCOLM: I am sorry that I cannot give my hon. friend the number of cars that have passed through Moose Jaw, but about 16,000 cars were inspected there during the last crop season.

Mr. GARLAND (Bow River): Returning for the moment, Mr. Chairman, to the Moose Jaw inspection division, the Minister of Rail-

ways drew an unfair illustration. The situation with respect to Moose Jaw and the situation with respect to Calgary are not analogous. For this reason: if you are shipping your grain east, and you have inspection at Winnipeg, then you have a long distance between Winnipeg and Fort William during which you can receive your certificate and check your grading. The same with Calgary; any grain going through there has to be hauled five or six hundred miles before it reaches Vancouver, and the shipper has a chance to check up. But Winnipeg, Calgary and Edmonton are the only points on each side of the dividing line.

Now as to the minister's other point, leaving aside for the moment the question of transportation difficulties, personally I would have no objection whatever to Calgary being a voluntary point. If a farmer is foolish enough to want his grain inspected at Vancouver, all right. Of course that raises the problem of storage and holding of cars, which is a serious matter from the transportation point of view. So I say with respect to Moose Jaw, it should not be made a compulsory point; let those who want it have their grain inspected there. Again this other question comes to my mind. Inspection points were asked for at Moose Jaw, Saskatoon, Le Pas and everywhere else. Le Pas may be in a different position; it is a final point of inspection before reaching the terminal.

Mr. DUNNING: No, there will be terminal facilities at Churchill exactly as there are at Vancouver.

Mr. GARLAND (Bow River): The minister knows what I mean. I speak of Winnipeg or Calgary as being the last points at which inspection is made in order to get a check. So Le Pas would stand in the same relation to Churchill as Winnipeg does to Fort William. Inspection at Saskatoon and Moose Jaw is not a good thing until you have more mechanized and made perfect the grading of grain. The more inspection points you have the more you create room for dissatisfaction and discord among the farmers as to whether they are getting fair grades or not. It has been our experience in Alberta that if we ship samples to Calgary, Edmonton and everywhere else we get entirely different grades. The same would hold true with respect to Moose Jaw and Saskatoon, and you would get into a state of hopeless confusion and the whole inspection system would be discredited.

Mr. VALLANCE: How could that occur? If your car was inspected at Calgary westbound or at Moose Jaw eastbound, that same car would not be inspected at Winnipeg.

Mr. GARLAND (Bow River): I was speaking of submitting samples at the various inspection points. Many farmers before shipping a car take the precaution of shipping samples. We get three or four different grades.

An hon. MEMBER: You get them anyway.

Mr. GARLAND (Bow River): Yes; but why intensify the problem? Let us first improve our grading system.

Mr. VALLANCE: You are assuming that your one car should go through only one point. You are not eliminating the danger.

Mr. GARLAND (Bow River): But you are multiplying the possibility of human error in the grading of grain.

Mr. VALLANCE: Not at all. It goes through one, not two or three.

Mr. GARLAND (Bow River): That is quite right; but the hon. member is not as dense as he appears to be by his statement. He knows exactly what I mean.

Mr. VALLANCE: That is pretty smart.

Mr. GARLAND (Bow River): He wants that inspection at Moose Jaw and Saskatoon.

Mr. VALLANCE: We want it compulsory.

Mr. GARLAND (Bow River): All right, I say frankly to the minister if these points are absolutely needed to protect the interests of the growers of grain, I for one will raise no objection; but I do ask him to take the greatest precaution before he brings any more new inspection points into being, especially compulsory points. We have a multiplicity of them, increasing on demand from time to time as the trade grows. There were reasons for this when the trade was growing rapidly, but there has to be a limit. I notice that the hon. member (Mr. Vallance) makes an interjection to the effect that he knows what I mean. I am so glad he got the point before I sat down.

Mr. VALLANCE: I absolutely resent the implications of the hon. member for Bow River. He is trying to suggest that by having five or six inspection points instead of three we shall get rid of the evil. But your wheat is inspected if it goes through one point and

one point alone. If it were to go through five instead of three, as he would try to make some believe, I could see the logic of his argument. It must go through one—

Mr. GARLAND (Bow River): Certainly.

Mr. VALLANCE: —whether you have five or ten.

Mr. IRVINE: Does the minister know whether or not the Saskatchewan pool has expressed any opinion on the question before the committee?

Mr. MALCOLM: The Minister of Agriculture has received a great many representations on behalf of the producers in Saskatchewan urging that, Moose Jaw be created an order point, which is what this means. I personally have not seen the representations, nor have I as minister, up to the present time, recommended that these various orders points be created. There is one thing that I want to say on this subject, and it is this. I believe that familiarity with grading, if the grading is properly done, does create a certain confidence in the minds of the producers; and the chairman of the board, discussing the subject with me some time ago, made the statement that there was one benefit that did accrue from voluntary inspection during the past season, and that was that the farmers themselves in great numbers were enabled to visit the place and see the inspection of their grain. As a result they did feel that they were getting good inspection. They felt a confidence in the inspectors which they did not have when the inspection was done at points further away.

I thoroughly agree with what my hon. friend from Bow River says. Personally as minister I do not want to see too many inspection points, but I do believe with the hon. member for Macleod that, with an exchange of inspectors, it is not likely that you will have a greater variety of grading at five points than at three. You are just as likely to have irregularities in the human judgment of grain in three points as in five. There is no particular reason to assume that the man you have in Moose Jaw will degrade or upgrade grain any more than the man at Winnipeg or Calgary or Vancouver. I do not believe you can possibly expect to have anything but a variety of standards if you multiply the inspection points to too great an extent. But I believe with the hon. member for Macleod that with a proper exchange you can handle all the principal points we need. And I believe with the Minister of Railways that the day will come—whether that day has arrived or not I am not prepared to say—when we shall probably have to have an inspection point for the outlet of the funnel at Hudson bay and one or two more inspection points in Saskatchewan. Beyond that, however, I do not see any need for more points in Canada.

Mr. COOTE: I think one most important point has been entirely overlooked in connection with the multiplicity of inspection points. If you establish compulsory inspection points at all these places mentioned you will compel all the grain companies and pools to maintain agencies at those various points in order that they might have their own representatives there to inspect the grain. That means considerable expense; it means an increase in the expense of the inspection department. For these two reasons there is an objection to compulsory grading being established at Moose Jaw. There is ground for compulsory inspection at Winnipeg, Calgary and Edmonton, and when we begin to use the Hudson bay route there will have to be a compulsory point on that line. These are points outside the producing territory and they will get all the wheat that is being sent either to the head of the lakes, or to Hudson bay or to the Pacific ocean. In my judgment it is necessary to have compulsory inspection at those points, so that before the cars reach the terminal elevators the railway company will know the result in regard to each one of the cars. But on account of the expense involved to the people interested, in Moose Jaw particularly, they should be willing to go slow there in this matter. It will mean a great deal of expense, and we know by experience that all these expenses fall ultimately on the producer, and are taken out of the price of his wheat. That is the real basic objection to the establishment of more compulsory points. We cannot very well object to voluntary inspection at these points, and as a matter of fact, the interior terminal elevators are located at Moose Jaw and Saskatoon and there must be one inspector anyway at each of these places. So that no one can object to voluntary inspection there. But we should go slow about establishing too many compulsory points.

Mr. DUNNING: I wonder whether my hon. friend, who has presented his argument fairly, takes into account when considering the question of expense to the grain companies, the fact that that expense goes on whether or not the inspection is compulsory. If the inspection is voluntary, the expense of maintaining the necessary men to check the

samples is just as great as if the inspection were made compulsory and all cars passing through were inspected. I know something about the cost of maintaining such a checking system and I can assure my hon. friend that the cost of infinitesimal to the grain company to maintain the checking of its grades at any point where grading is done. There is always an additional expense to the inspection department to the extent to which additional inspectors are required. One would think, to hear this discussion, that inspection at Saskatoon and Moose Jaw was a new thing. Millions of bushels have been inspected at both these places in the last number of years, particularly in seasons of off-grade crops, when both terminal elevators have been required to handle the crops and the farmers have desired inspection there. As a matter of fact, they had to have it for their grain going into storage temporarily in the interior terminal elevators; and if you admit inspection at all, there is very little difference, in the expense to those handling the grain, as between voluntary and compulsory inspection.

My hon. friend from Wetaskiwin asked a question with respect to the pool. The best answer I can give regarding the pool's attitude towards Moose Jaw inspection is the fact that in spite of inspection at Moose Jaw being voluntary, during the last crop season the wheat pool did have all their cars passing through Moose Jaw inspected there. That is the best evidence that they are satisfied of its value to them in actual operation. My hon. friend from Last Mountain asked a question regarding the number of cars inspected there. According to the last record I saw—I do not know whether the minister has it here tonight—there have been, up to three or four months ago, some 16,000 cars inspected at that point, if memory serves me correctly. It was very widely used.

Mr. FANSHER (Last Mountain): How many cars have passed through there?

Mr. DUNNING: I cannot say; but my hon. friend will bear in mind the fact that the wheat pool of Saskatchewan controls over 50 per cent of the crop and all their cars were inspected there. All the cars going in that direction were inspected there. At least 50 per cent of the grain grown northwest of, southwest of and west of Moose Jaw must have been inspected there last year—because the pool controls that much—and, in addition, some at any rate of that controlled by ordinary companies in the grain trade. Not all of the ordinary grain companies but most of them opposed that innovation, as they have opposed every innovation that has ever been made in the handling of grain since the inception of the practice.

Mr. DONNELLY: With regard to this inspection of wheat at Moose Jaw I have been and am at present a grower of wheat to some considerable extent, and have shipped wheat from western Canada for a good many years. Most of the wheat from the constituency which I have the honour to represent goes through Moose Jaw, and the people of my constituency are anxious to have this made a compulsory grain inspection point. Of late I have received many communications both from the pool directors and others urging that this action be taken. For the life of me I cannot see why the hon. member for Macleod should be so much interested in the financial welfare of the grain trade. He thinks if Moose Jaw were made a compulsory inspection point they would have to have a man there. I have shipped grain from these points and I am not interested in whether or not they have a man there; they never send a man there unless it is to pick out a few good cars of wheat and send them wherever they please. I do not care whether or not they send a man to Moose Jaw to inspect my grain.

Mr. COOTE: The reason I mentioned the expense was not because I am interested in the grain trade but because I am interested in the Alberta pool. So long as it is voluntary I do not think it will be necessary for the Alberta pool to maintain an office to check the cars, but if you make it compulsory you will compel the Alberta pool to maintain an agency there for that purpose.

Mr. DUNNING: My information is that even now, when it is voluntary, the Alberta pool is using Moose Jaw inspection.

Mr. COOTE: Has the minister definite information on that?

Mr. DONNELLY: Perhaps I might complete the remarks I want to make, now that this little talk is over. As a grower of wheat I cannot see that these men should object to some compulsion. I ship wheat east and west; every time my wheat goes through Calgary I am compelled to have it inspected there, and every time it goes through Winnipeg I am compelled to have it inspected there. I do not see why these people should object if a little of their wheat happens to dribble through Moose Jaw and they are compelled to have it inspected. That is not

fair play. We grow over fifty per cent of the wheat produced in Saskatchewan, and I should not think they would object if we ask to have a little inspection carried on at this point. To me it looks rather like the dog in the manger. I think we are only asking for our share of the business when we ask that the little wheat they grow be inspected at that point in Saskatchewan.

Mr. ROSS (Moose Jaw): The hon. member for Macleod asked regarding the inspection of Alberta pool wheat. I was informed by the men who were checking the grades for the Saskatchewan wheat pool, which maintains an office in Moose Jaw occupied by two men and some stenographers, that they were handling the grain which came through there for the Alberta pool. The Minister of Railways stated that all pool cars were inspected in Moose Jaw. All pool cars from pool elevators are inspected in Moose Jaw, but although this house passed an act last year saying that the farmer had the right to designate where his grain should be inspected, the grain trade for which my hon. from Macleod wishes to save money—

Mr. COOTE: I protest against that statement. I have already said that I am not interested in the grain trade, and I think the hon. member is not fair.

Mr. ROSS (Moose Jaw): Very well; I hope the hon. member is not interested in the grain trade.

Mr. COOTE: Would my hon. friend correct that statement?

Mr. ROSS (Moose Jaw): I will withdraw the statement, if that is what my hon. friend wants. Although this act was passed last year, the grain trade have not been following the act because when a pool farmer has to ship his grain through a line elevator, the line elevator man takes the stand that once the grain is handed over to him he has the right to say where it shall be inspected. He takes charge of the grain until it is handed over to the pool again at Fort William.

Mr. SPEAKMAN: Is the hon. member correct in stating that the amendment to the act gave the farmer the right to designate the point of inspection? Did it not rather give him the right to designate the terminal to which the grain should be shipped? That is a different matter.

Mr. ROSS (Moose Jaw): That is a different matter. I did not intend to say it gave him the right to say where the grain should be inspected; I intended to say that the act gave the farmer the right to designate to what terminal elevator it should go; it gave him the right to send his grain anywhere, but the grain trade are not following that act. Once the grain is taken into a line elevator, even though it belongs to the pool, the line elevator man claims the right to handle that grain as he sees fit until he returns it to the pool at the other end. The result is that all pool grain handled through the line elevators is inspected where the elevator man wishes it to be inspected, and though the pools may wish to have it inspected at Moose Jaw, they cannot force its inspection there.

I want to say a word with regard to the multiplicity of inspection points. I think that is an advantage at times, during the heavy run of grain. In regard to inspection anywhere, the farmer has the right to government inspection of grain, and government inspection in one place is the same as government inspection at another place; at least it should be the same, and as a general rule I believe it is the same or at least very similar at all inspection points. The amount of money it will cost the grain trade to check samples at any of these points does not amount to very much and should not be taken into consideration in view of the fact that the people producing the grain want this service in their part of the country. They have been absolutely satisfied with what they have received so far and they want compulsory inspection so that they will be able to go in and see how their grain is inspected. They want to be able to send samples into this point and have them inspected before they ship their grain, and I do not see why they should not be allowed to have that service if they desire it.

Mr. YOUNG (Saskatoon): I was surprised to hear the hon. member for Bow River and the hon. member for Macleod offer such objections to further grain inspection points. I did not expect that this discussion would be precipitated on this item, but I have letters from the United Farmers of Canada, Saskatchewan section, and also a letter from the pool to that same organization, saying that in their judgment the matter of inspection points in Saskatchewan is of great interest to the producers of this country.

Mr. SPENCER: That is the Saskatchewan pool?

Mr. YOUNG (Saskatoon): Yes, and I assume that if it is of interest to the Saskatchewan pool it is of equal interest to the

farmers who belong to the Alberta pool and who ship their grain eastward. When we consider the question of expense, which has been suggested, that expense is so small that I do not think any hon. member of this house should consider it for one moment, especially if, by having these points at such a distance from the terminal point, it will insure a reinspection. Surely that is a very small thing for the producer of grain to ask—that he have that inspection as near the point of production as possible, so as to give him as much time as he may desire to have the grain reinspected. So I want to say to-night that as far as I am concerned I will support, on behalf of those men who produce the grain the establishment of compulsory inspection points at Saskatoon and at Moose Jaw.

Mr. EVANS: Notwithstanding all that has been said, I have yet to be convinced that a compulsory inspection point is needed at Moose Jaw. Moose Jaw is one of the most unlikely points that any business man would select as an inspection point for Saskatchewan grain.

Mr. McPHEE: Will my hon. friend say the same thing about Saskatoon?

Mr. EVANS: The Minister of Railways has said that the proper point of inspection is where there is a funnel through which all the grain passes. Moose Jaw is very nearly the dividing line between east and west, and consequently there cannot be any funnel there. It would mean shunting the grain back west from where it is grown. It is the most unlikely and unbusinesslike suggestion of anything I have known in the grain trade. Notwithstanding all that has been said, I challenge this statement regarding the United Farmers of Saskatchewan, and the pool. For the truth in this matter I think we had better let this question stand for another day in order to get these people's opinion.

Mr. YOUNG (Saskatoon): I made the statement that I had a letter from the United Farmers of Saskatchewan, and I want the hon. member to understand that when I said I had it I did have it. I am going to ask him to be good enough to take that statement back.

Mr. BENNETT: The letter must be produced.

Mr. MALCOLM: I should like to appeal to the committee that this discussion is entirely out of order. It is like the young lady who was nervous about where she was going to get the money to buy her trousseau. Somebody asked her if she was engaged to be married, and she answered, no, but she was afraid she might be. The question of providing money for Moose Jaw or Saskatoon inspection is not in this vote, and the whole discussion is entirely out of order.

Mr. EVANS: Mr. Chairman, I submit that you have allowed discussion from one side, and I surely have the right to answer some of these statements. When this matter came up two years ago I wired the board of trade at Saskatoon inquiring if there was any demand for an inspection point there, and there was no one interested. They did not become interested until the manager of the Quaker Oats Company spoke to them, indicating that he was very much in favour of an inspection point. I can see why the millers would like an inspection point possibly right in the middle of the wheat field. It would enable them to skim the crop a little easier than they are doing at present. They are skimming the wheat in Saskatchewan to-day, and the poorest type of each grade is going on the markets of the world, and that is how our price is based. They are getting the cream of the price that is paid for the lowest type of each grade. I may say that I spoke also to the general manager of the Saskatchewan Co-operative Elevator Company, which post the Minister of Railways has filled, and he could see no possible reason for an inspection point at Moose Jaw.

Mr. McMILLAN: Would you take the same stand with regard to Saskatoon?

Mr. EVANS: I certainly would. For years I have taken the stand in this house that these points have no business to be established. It is only an expense on the grain trade. I objected to the elevators at Prince Rupert, Victoria and Halifax as being drags on the grain trade. This is another source of expense. I spoke also to the Board of Grain Commissioners, and they assured me that before a compulsory point could be established at Moose Jaw a quarter of a million dollars would have to be expended there for that purpose. I say that an expenditure of a quarter of a million dollars for this purpose is not needed, because the natural inspection point for western grain coming east is at Winnipeg. More than that, I want to tell the minister and some of these Saskatchewan farmers that nearly fifty per cent of the grain loaded last year was loaded in cars which were too full to grade.

Mr. VALLANCE: That is a lot.

Mr. EVANS: It is just enough to knock out altogether an inspection point at Moose Jaw.

Mr. VALLANCE: Were the 17,000 cars inspected at Moose Jaw empty?

Mr. EVANS: They may have been bricks, for all they knew.

Mr. YOUNG (Saskatoon): This is a wire addressed to myself at Ottawa:

A. MacG. Young, M.P.,
Ottawa, Ont.

Establishment of inspection and order point at Moose Jaw has given such general satisfaction to growers of grain shipping through that point we would urge in the strongest possible manner that an inspection and order point be established in Saskatoon, in order that the same satisfactory service may be provided for growers of grain shipping through Saskatoon.

United Farmers of Canada.
Saskatchewan Section, per W. M. Thrasher,
Secretary.

I also have a letter which is subsequent to that. It is addressed to myself, dated May 11, 1928, and reads as follows:

Dr. A. MacG. Young, M.P.,
House of Commons,
Ottawa.

Dear Doctor Young:

As per request contained in your letter of the 4th instant, I wired you giving our stand on the establishment of a grain inspection and order point at Saskatoon. I sincerely trust your efforts in this connection will be successful, as we are advised that the inspection point at Moose Jaw has given satisfaction, particularly to wheat pool members. The wheat pool established an office of their own at that point for the purpose of checking up on inspections, and all pool wheat passing through Moose Jaw was inspected.

I am quite certain that anything you can do toward gaining the same beneficial result for shipping wheat through Saskatoon will be appreciated, not only by our organization, but by the wheat pool as well.

Mr. EVANS: Who signed that letter?

Mr. YOUNG (Saskatoon): The United Farmers of Canada, Saskatechewan Section, Limited; W. M. Thrasher, Secretary-Treasurer.

Mr. EVANS: I have no knowledge of a resolution passing the convention of the United Farmers of Saskatchewan, or that it has ever passed the board. If W. M. Thrasher has signed that letter, he did so on his own responsibility.

Mr. YOUNG (Saskatoon): The hon. member for Rosetown has said something about the board of trade at Saskatoon. If he is interested in the matter, I have a letter here from them dated November 25th, 1927, where they are asking that this thing be done.

Mr. EVANS: That must have been after the manager of the Quaker Oats Company had been there speaking to that body.

[Mr. Evans.]

Mr. YOUNG (Saskatoon): I rather expected that the hon. member for Rosetown would oppose this, as he has opposed most everything of interest to that part of the country.

Mr. KELLNER: The Minister of Railways pointed out that the railway companies had a lot of trouble in unscrambling cars. Whether you make it a compulsory point or not, it seems to me that the same situation is going to arise when you get to Winnipeg, because east of Moose Jaw the train would naturally be picking up cars.

Mr. DUNNING: The transportation practice is to have a full train movement right through.

Mr. KELLNER: The minister's contention is that nothing but a full train would leave Saskatoon or Moose Jaw?

Mr. DUNNING: The general practice is a full train load, with the exception of the necessary reduction or increase in the number of cars in the various divisions where the engine capacity is greater on account of lower grades, or smaller on account of steeper grades. As far as full train loads leaving Moose Jaw are concerned, that is and has been the transportation practice for years.

Mr. KELLNER: I think the minister will quite readily agree that there are bound to be times when the train is not loaded to capacity at Moose Jaw and will naturally pick up other cars along the way.

Mr. DUNNING: Very rarely.

Mr. KELLNER: Then you have a different situation there from anywhere else on the prairies. When you get to Winnipeg you have the difference that some of the cars are graded and some are not.

Mr. MALCOLM: My hon. friend will surely understand that when the inspection is made at Moose Jaw a solid train will go through to Port Arthur or Fort William. When the inspection is made east of Moose Jaw the cars from various points will be made into a local train. The trains at Moose Jaw will be solid trains if Moose Jaw is made an order point. I have just received some information with regard to the inspection which has already taken place at Moose Jaw and it covers the question of the hon. member for Rosetown (Mr. Evans) as to the number of cars that were overloaded. From August 1, 1927, to February 28, 1928, the total number of cars inspected at Moose Jaw were 19,934. Two thousand cars were unloaded at Moose Jaw, I presume for their own elevator,

and the balance was forwarded to Fort William or Port Arthur. There were also included in the total cars reported as inspected, 7,416 cars of grain which were loaded too full to sample properly. Thus 33.7 per cent of the total inspection at Moose Jaw was only provisional.

Mr. COOTE: Could the minister give the committee the number of cars that were inspected at Saskatoon last year?

Mr. MALCOLM: I do not have that.

Mr. DUNNING: That would be only local inspection.

Mr. SPEAKMAN: In the first place, may I say how glad I was to hear the minister speak so favourably of the suggestion that there should be an interchange of inspectors at the different points? I am convinced, as are, I think, almost all farmers who have considered the question at all, that uniformity of inspection is one of the most vital necessities in the grain business and we believe that that can best be brought about by the different inspectors having an opportunity of familiarizing themselves with the standards and methods at the different grading points.

I should like to say a word in regard to the laboratory of research. I think the people of our part of Canada are thoroughly sold now as to the value of that laboratory and the research work done therein. There are two things which they would like to impress upon the members of the house, the minister and the country. The first is that they would very much like to see adequate salaries paid to the proper men there. They think, and it is a feeling that prevails generally, that there is a danger of our losing some of our best men through the inadequacy of the remuneration paid to them. They are doing valuable work, work that must be done by men of scientific attainment and expert knowledge, and there is such a thing as being penny wise and pound foolish in dealing with matters of that nature. Any movement towards placing their remuneration on a satisfactory basis would meet with the approbation of all the people who are interested.

More and more the farmers, the producers, who, now that the pools are in operation, are taking a greater and more intelligent interest in commercial problems, are asking that they shall be in a position to acquire the knowledge that is derived through that research; in other words, that when problems have been studied and reports have been made, those reports, the result of that research, the knowledge acquired by those men, shall be at the disposal of those interested. I venture to say that it has not been the general practice in the past to place that information at the disposal of the men who are chiefly interested. I know that in speaking of these two points, I am speaking for the large majority of the more intelligent farmers—and they are becoming more and more intelligent—not only in my own province, but I believe in all the prairie provinces.

Item agreed to.

Management, operation and maintenance of elevators, $577,500.

Mr. CARMICHAEL: Might I ask the minister if the cost of the inspection point at Moose Jaw comes under this item? He informed us that it did not come under the other.

Mr. MALCOLM: It is not provided for at all in the estimates. It was not considered.

Mr. CARMICHAEL: Perhaps I can get the information under this appropriation. I was wondering what has been the cost of Moose Jaw as an optional inspection point.

Mr. MALCOLM: Moose Jaw as it now exists as an inspection point is included in the existing appropriation. Moose Jaw as an order point, as someone suggested, would entail an additional cost and that is not provided for in this appropriation.

Mr. CARMICHAEL: Does the minister know what the extra cost entailed upon his department would be if Moose Jaw were used as an order point?

Mr. MALCOLM: I have not the details.

Mr. CARMICHAEL: The minister could not tell us what the extra cost would be if it were made a compulsory order point?

Mr. MALCOLM: Of course not, because I have not considered the matter.

Mr. KELLNER: What elevators does this appropriation cover?

Mr. MALCOLM: Does my hon. friend want the list?

Mr. KELLNER: What I am particularly interested in is whether it covers the Vancouver one.

Mr. MALCOLM: Winnipeg, Moose Jaw, Saskatoon, Calgary, Edmonton, Halifax.

Mr. KELLNER: It does not cover the Vancouver one?

Mr. MALCOLM: Yes, it covers the Vancouver house too. It is leased.

Mr. KELLNER: Is the old Woodward elevator at Vancouver under this item?

Mr. MALCOLM: No.

Mr. COOTE: Perhaps the minister would tell us whether the elevators are carrying themselves through their earnings?

Mr. MALCOLM: These elevators are more than carrying themselves. The last statement for 1927 is only up to December 31 and is, as a result of that, probably too favourable, but the revenue up to that time amounted to $752,000 and the expenditure only $350,000.

Mr. COOTE: Is any use being made of the Halifax elevator?

Mr. MALCOLM: Yes, there has been some use made of it. It will probably be taken over by the Halifax harbour commission on transfer or on a lease similar to that made of the Prince Rupert elevator to the commission there.

Mr. COOTE: It has not been paying its way so far?

Mr. MALCOLM: No.

Item agreed to.

Commercial intelligence service, including miscellaneous expenditure in connection with the development and extension of Canada's trade, $500,000.

Mr. SPENCER: What is the reason for the increase?

Mr. MALCOLM: Just a general enlargement of the service, and the opening of new offices. There is a new office being opened at Lima, Peru, and there are more assistants being sent into the field.

Mr. MANION: Would the minister give us a few words explaining what has been done in connection with this work?

Mr. MALCOLM: It is a subject on which I should like to have made a speech. The success that has attended the work of our men in the field in the last few years, and the number of voluntary compliments coming to them from business houses all over Canada, would make a very interesting story for the House of Commons. I think that the Canadian foreign trade service which was established a good many years ago by a former Minister of Trade and Commerce, Sir George Foster, and which was the model from which the United States established its service, has done probably as much for Canada in the foreign field as any bit of expenditure we have ever made in this country. It is not always easy to make public bits of news that come to the commercial intelligence branch, for the simple reason that they pertain to the success of one particular firm. If we were inclined to make public all the work that our men in the field do, some resentment would naturally spring up in the minds of other firms less aggressive than their competitors who are securing the foreign business. They might feel that our men were partial in their endeavours, though as a matter of fact our men in the field are I think justified in being partial to business firms which show some aggression and a desire to co-operate with them in an endeavour to get business. It is I feel sure well within the truth to say that a further expansion of our trade commissioner service will be of very great benefit to Canada. I am asking this year for only a small increase in this vote because of the fact that we have not the trained men available to send out. If we had, I would ask the house for a larger amount. The Civil Service Commission has just conducted an examination, and some men, I believe, have been accepted, and they will go into training at once. We have also some men going out into the field at the present time. We intend further to provide assistants in some of the offices that are now overworked. I think the house will agree with me that this is not a large increase to ask for this year.

Mr. BENNETT: The minister might tell the committee something of the general scheme under which the various trade commissioners operate. There is just one complaint I have heard and that is that there has been indicated in one or two cases a tendency on the part of some of our agents to show much more consideration for some firms than for others engaged in the same trade. I think the minister knows exactly what I refer to. What can be done to meet that situation?

Mr. MALCOLM: I am informed by my deputy that we have not a single complaint of that kind on the files of the department, or it would be investigated. But as I said a moment ago, I think it is only the logical thing to suppose that if an aggressive firm sends its representative out into a certain field and he asks our man there to assist him in giving him introductions to possible buyers of some Canadian product, our man in the field, being human, will try to support that firm which is aggressive enough to send its representative out in an effort to develop business. I do not believe that there is any genuine complaint that our men in the field

have shown any partiality, but naturally they have shown a great willingness to help those who have gone to the foreign field. We have at the present time so many unsolicited favourable comments on the work that has been done by our commissioners that any criticism I might have to offer as minister of the department would seem infinitesimal in comparison with the compliments I would wish to pay to our men in the field.

Mr. MANION: Would the minister give roughly the salaries that are paid to these trade commissioners?

Mr. MALCOLM: The salaries range from $5,760, with a living allowance of $2,000, which is paid to one of our senior men, Mr. Ross, in Melbourne, down to salaries of $2,040, with a living allowance of $1,500.

Mr. MANION: The highest is $7,760.

Mr. MALCOLM: Yes, that is received by our commissioners in Melbourne, London and Calcutta—salary, $5,760, living allowance, $2,000.

Mr. BENNETT: Perhaps the minister would not regard it as too much trouble to place on Hansard a statement showing where they are located?

Mr. MALCOLM: They are located as follows:

Canadian Trade Commissioners

Argentine Republic: E. L. McColl, Buenos Aires.
Australia: D. H. Ross, Melbourne.
Belgium: Jean J. Guay, Brussels.
Brazil: A. S. Bleakney, Rio de Janeiro.
British West Indies: R. T. Young, Port of Spain, Trinidad; J. H. English, Kingston, Jamaica.
Cuba: James Cormack, Havana.
China: L. M. Cosgrave, Shanghai.
France: Hercule Barré, Paris.
Germany, L. D. Wilgress, Hamburg.
Holland: J. C. Macgillivray, Rotterdam.
India and Ceylon: R. H. Pousette, Calcutta.
Irish Free State: F. W. Fraser, Dublin.
Italy: A. B. Muddiman, Milan.
Japan: J. A. Langley, Kobe.
Mexico: C. Noel Wilde, Mexico City.
Netherlands East Indies: R. S. O'Meara, Batavia, Java.
New Zealand: C. M. Croft, Auckland.
South Africa, G. R. Stevens, Cape Town.
United Kingdom: Harrison Watson, London; J. Forsyth Smith, Liverpool; Harry A. Scott, Liverpool: Douglas S. Cole, Bristol; Gordon B. Johnson, Glasgow.
United States: Frederick Hudd, New York City.

I might explain that Mr. Lamontagne, our former trade commissioner at Brussels has been loaned by the Canadian government to the Egyptian government to help in the framing of their new tariff.

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Mr. BENNETT: There are no trade commissioners in the United States?

Mr. MALCOLM: Just the New York office.

Mr. SPENCER: Has the minister considered placing more trade commissioners in the United States? I understand that the United States have eighty odd commissioners in Canada.

Mr. FRASER: On page ZZ-20 of the Auditor General's report, under the vote for the commercial intelligence service, I find an item of $4,298.63 for advertising in various newspapers and periodicals. What is the explanation of that?

Mr. MALCOLM: I am informed by my deputy that this covers the small advertisements that may be inserted in local newspapers from time to time giving notification of the location of our offices. There are twenty-four offices included in that amount of $4,000 odd. It is not a publicity vote at all.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Saturday, May 19, 1928

The house met at two o'clock.

INTERPARLIAMENTARY UNION

Mr. SPEAKER: I have the honour to inform the house that I have just received a letter containing the report of the twenty-fourth conference of the Interparliamentary Union held in Paris from August 25 to 31, 1927.

PUBLIC WORKS ESTIMATES—QUEBEC

On the orders of the day:

Mr. J. F. POULIOT (Temiscouata): I would like to ask a question, for the sake of information, with respect to the estimates of the Department of Public Works. The first few items under the Quebec vote were passed yesterday but I do not see them either in the votes and proceedings or in Hansard, so I would like an explanation of why these items do not appear as being passed.

Mr. SPEAKER: This one vote includes several items; progress was reported yesterday and when all the items under the vote are passed they will appear in the votes and proceedings. This rule is followed in connnection with all the provinces.

IMPORTATION OF ASPARAGUS

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I would like to direct the attention of the Minister of National Revenue to the contents of a message I have just received indicating that at Toronto the market gardeners who produce asparagus have lost their market by reason of importations which have been just received there on consignment from Washington. This message asks me to press upon the government the necessity for taking immediate action under the provisions of section 43 of the Customs Act to prevent their business and their anticipations of possible profit from their enterprise being completely destroyed.

Mr. LAPOINTE: I wonder if the consumers are complaining also?

Mr. BENNETT: My friend should have thought of that when Right Hon. W. S. Fielding passed the statute.

INCOME WAR TAX ACT AMENDMENT

Hon. J. A. ROBB (Minister of Finance) moved the second reading of Bill No. 321, to amend the Income War Tax Act.

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

On section 1—Information or complaint within three years.

Mr. BENNETT: I think I should say that the Minister of National Revenue spoke to me the other day with respect to this measure. Notwithstanding the fact that the government had not intended to introduce further legislation, it was found in administration that there had been some error in the revision of the statutes, in fixing the period of limitations within which proceedings could be taken, and it was very desirable to protect the revenue by this amendment. I am strongly of the opinion that this should be passed at this session.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

HAY AND STRAW INSPECTION ACT AMENDMENT

The house resumed from May 14 consideration of Bill No. 73, respecting the inspection and grading of hay and straw—Mr. Motherwell—Mr. Johnston in the chair.

[Mr. Speaker.]

The CHAIRMAN: When this bill was last before the committee we had advanced to section 5, and had adopted all the sections to that point.

On section 5—Tag to be affixed.

Mr. BENNETT: The minister was going to look into this matter.

Mr. NEILL: I would like to point out that this section will mean considerable expense to the consumers of hay and straw. In the trade it is the custom to buy this hay either tagged or untagged; when it is bought untagged it is shipped by the carload and weighed on the railway, so one can readily see the saving which would be effected in the handling cost, since each bale does not have to be weighed separately. As a result untagged hay can be sold for $1 per ton less than the tagged hay. As a rule the dealers buy the tagged hay for the small trade and buy the untagged hay by the carload, very often reselling it in the car, in which case they are able to sell to the consumer at from $12 to $20 less per carload. This regulation, which will apply to all kinds of baled hay, will compel a dealer to have the hay tagged when he does not want that done, and consequently the price will be increased by about $1 per ton. I think the minister's purpose would be served if he put in a provision that it would only apply in less than carload lots.

Mr. COOTE: Mr. Chairman, I have a letter from the secretary of the Pincher Creek Co-operative Association, with reference to this bill. In part, this letter reads as follows:

> We are in accord with the placing of an identification tag on every bale but are not in favour of that tag bearing the name of the baler. The name of the grower of the hay or straw should be on the bale, then he would have to assume the responsibility for the product. We have practically decided to compel our members to do so in the future, as we realize the necessity of identifying the hay in case of dispute as to quality. The placing of the baler's name would not be of any use and would only complicate matters. I doubt whether we could get men to undertake the baling if they were held responsible for the condition of every bale, considering that the hay might be left exposed to all kinds of weather before sale. It would also lead to endless trouble between baler and grower.
>
> It will be useless to have the weight on the tag as hay may shrink considerably if left some time in the bale. We can also presume that the hay would be sold on the tag weight, especially in the case of small lots, and the purchaser would often pay for more hay than he had owing to the shrink. We allow for three per cent shrink on all hay and set up a reserve to take care of it. Nearly all hay is sold by weight and the tags would not be taken into consideration.

It seems to me, Mr. Chairman, that the contention of these growers is quite sound,

that if the name of any person is required to appear on the tag it should be the name of the grower rather than the name of the baler. I think the minister, or the advisers whom he has in his department, will agree that baled hay practically always shrinks after it is baled. Sometimes there is a shrinkage of four pounds to the bale, and the placing of the weight on the tag is unsound. I would ask the minister if he would not be willing to amend this section and substitute the name of the grower in place of the baler, as the name to be placed on the tag.

Mr. MOTHERWELL: Mr. Chairman, I understand that the departmental records show that this act has been on the statute book for nearly twenty years, it being included in the Inspection and Sale Act. When it was first drafted this section made it obligatory on the part of the grower to put his name on this tag for identification purposes. It very often happened that when the hay was baled it was out of the hands of the grower. About twelve or fourteen years ago this section was amended by substituting the name of the presser for that of the grower. It was felt that the presser of the hay would be interested in the operation, and since that time it has been the presser's name together with the weight that appeared on the bale.

In the actual operation of this law it has been found very difficult to get the presser to put his name on the bale, especially when he is doing custom work and is being paid by weight. He goes around from place to place, as you would doing custom threshing, and bales hay at so much per ton. He is not concerned with what kind of hay goes into the bale, but is only interested in turning out as many tons as possible, because he is usually paid on that basis. Why should we hold the presser responsible for the quality of the hay? He will press anything the owner gives him.

Mr. NEILL: Why not say the owner?

Mr. MOTHERWELL: That is just what I propose to do. We have found great difficulty in getting anyone to put his name on a tag that certifies to the weight, because invariably hay is sold by the ton not by the bale. With these two difficulties this act has been practically inoperative in the past. When we took charge of it two years ago, I was told by the seed commissioner that not 10 per cent of the bales were being marked, because of the difficulty of getting a presser who would feel responsible for the quality of the hay, although he might be prepared to certify as to the weight. The result was that it became a dead letter.

I have a substitute to offer for sections 5 and 6, as a compromise between these two extremes. In the past there has been a disposition to pass on to somebody else the responsibility of putting the name on the bale, because there is no other form of produce which offers itself as readily to deception as does hay. I have never bought very much hay, but whenever I did buy any I always found some of the bales to be rather disappointing on the inside. You cannot expect the presser to put his name on the bale, because he has no interest in the hay except to bale it. You cannot expect the grower to put his name on, because it may be out of his hands altogether, and he has lost control of it. Therefore, I contend that it should be the name of the owner at the time of baling that should appear on the bale. The following is an amendment which I offer for these sections:

> Every owner of baled hay or straw shall, before it is removed from the premises on which it was baled, affix to every bale of hay or straw sold or offered for sale a tag having thereon plainly written and legible his name and address. Such tag shall be securely fastened to the bale and shall be of not less than one and one-half inches in width and three inches in length.

This is not a very big thing to ask for, yet it is sufficient for identification. This section is the only compulsory section in the whole act. There should be some marking on the bale holding some person responsible for the quality of the contents, and it seems to me that the man who owns it at the time of baling is the one who can control the quality of hay going into the bale. He can see whether the top of the stack, or the bottom, goes into the bale when it is soiled. He is the man who pays the presser, and he is the man who controls it. He is the only man who is likely to be responsible and hold himself responsible for the quality of the hay. I would rather have one name, and nothing else, than try to have two markings and not get either. That is the way it has been in the past.

Mr. McMILLAN: As far as our section of the country is concerned the law will be a dead letter unless you compel them to put the name on.

Mr. MOTHERWELL: We have a case in court up in my hon. friend's part of the country right now with regard to another matter. If we have a law like this which is reasonable in its requirements then we can enforce it.

Mr. NEILL: How are you going to deal with American baled hay? Will that hay be

given an advantage over our hay? The American does not have to tag his hay and he cannot be held responsible.

Mr. MOTHERWELL: We are going to enforce this act, and there will be no preference given to American hay. The preference will be given to the hay that has a guarantee, and that is what we will have if we have a name on the bale to which we can trace back. The American hay will have to comply with these conditions, if it is contended that it is graded at all.

Mr. NEILL: There is nothing there about grading.

Mr. MOTHERWELL: That is in the section just before.

Mr. McQUARRIE: Has the minister any information as to the quantity of hay that comes into Canada from the United States? I understand that a good deal of American hay comes into British Columbia.

Mr. MOTHERWELL: Some, not a great deal. There may be some in certain localities.

Mr. McQUARRIE: I had a letter from the Delta Farmers' Co-operative Association in which they were complaining of the inequality of the tariff in Canada and in the United States. The tariff on hay going into United States is much higher than the tariff on hay coming from the United States into Canada and they are complaining very bitterly about that condition. Has the minister considered that matter at all?

Mr. MOTHERWELL: No. This year our surplus hay, of which there has been a very substantial quantity, has been exported to both Great Britain and the United States. We cannot deal with the question of the tariff at this time. The hon. member for Comox-Alberni will be interested in section 4 which indicates how imported hay will be dealt with as regards grading and such like in accordance with the provisions in the particular province into which it is imported.

Mr. NEILL: The amendment proposed by the minister reads:

> Every owner of baled bay before it is removed from the premises on which it was baled.

How can that be effected in the United States? There is no provision for the tagging of hay coming in from the United States. If the minister is going to adopt the policy outlined in this amendment he will need to go further and say that United States hay will have to be tagged. It would be impossible to do this because we cannot control the premises in which the hay is baled. With regard to the remarks of the hon. member for New Westminster I may say that a large quantity of alfalfa hay comes into British Columbia from the south.

Mr. CAHAN: The minister might, by a slight amendment to the section, cover all the objections that have been raised. I am suggesting this simply by way of drafting. The sentence should begin:

> Every owner of baled hay or straw shall, before offering the same for sale, affix or cause to be affixed—

And then go on with the rest of the amendment. That would apply to the foreign as well as to the domestic product. It would mean hereafter that before the owner offers hay for sale in Canada he shall cause to be affixed to the bale the information which the minister desires.

Mr. MOTHERWELL: I was under the impression that section 4 was broad enough to cover that, but possibly it is not. Section 4 reads:

> When hay imported into Canada is inspected, it shall be inspected and graded in accordance with the provisions of this act.

Mr. NEILL: It does not say "tagged"?

Mr. MOTHERWELL: That is right, it does not, but still the tagging is one of the provisions of the act. I think a reasonable interpretation of the section would cover the matter, but there is no reason why we should be running any risks.

Mr. CAHAN: I think the minister will find the words which I have suggested, following section 4 to which he has drawn attention, will cover both classes.

Mr. EDWARDS (Frontenac): Section 4 reads: "When hay imported into Canada is inspected." That implies that it may or may not be inspected. If it is inspected, then the tag will follow. If it is not inspected, it does not come under the legislation.

Mr. MOTHERWELL: I think that is right.

Mr. EDWARDS (Frontenac): I would suggest that the minister leave out the word "when" and make the clause read:

> Hay imported into Canada shall be inspected and graded.

If this is intended for the protection of the consumer in Canada, the consumer is entitled to protection as much against hay coming from the United States as against hay grown in Canada. If it is advisable for the protection of the consumer to have hay that is grown in Canada inspected and tagged, you cannot escape the logic of applying the same

provision to hay imported from the United States. It should not be optional in regard to imported hay and obligatory in regard to home grown hay.

Mr. MOTHERWELL: The question of grading is quite optional wherever the hay comes from. The only compulsory feature of the legislation is that there must be some mark on the hay. The hon. member for St. Lawrence-St. George is remodelling the amendment to clause 5 and that will take care of the point of making it apply to imported as well as to Canadian hay. Section 4 is passed, and while there is no harm in opening it up again, unless some real object is to be gained I would rather not have it reopened. It is rather an involved question and when we have safely passed one shoal we are pretty well advised not to try to run it again.

Mr. MANION: What is to prevent an unscrupulous dealer from importing hay into Canada and affixing these tags himself, or an unscrupulous dealer on the other side doing the same thing? I do not know much about hay, but it seems to me that our laws do not apply to the dealer on the other side. He can affix any tag he likes. He can write down John Jones, Tom Smith, or any name he wishes. If the minister really wants to protect the Canadian consumer, the best way to do so is to have a proper tariff such as the United States impose against our hay.

Mr. MOTHERWELL: We will refer that question to the tariff board.

Mr. FRASER: I agree with the remarks of the hon. member for Fort William. The hay growers of British Columbia are suffering very much from the inequality in the tariff. As a matter of fact they have to accept two dollars a ton less for their hay to-day than they would receive if our tariff were raised to the same level as the United States tariff. The minister by this legislation is increasing the handicap of the hay growers of British Columbia in competing in the Vancouver market. He is imposing on the growers of hay in Canada a certain restriction which he is not imposing on the growers of hay in the Wenatchee valley in the state of Washington. That is an added handicap to the growers of hay in British Columbia. I submit that in this instance the regulations under which the Canadian has to sell his hay should be the same as those under which the American has to sell his hay.

Mr. ROSS (Moose Jaw): There is no difference in the regulations as regards American or Candaian hay in this bill, and the act is entirely optional as to inspection. While it might not be proper to discuss a tariff on hay under this bill, I think that as a general thing throughout this country the farmers would be very much against a tariff on hay.

Some hon. MEMBERS: No, no.

Mr. ADSHEAD: What is meant by "every owner"? I suppose that means every original owner. The ownership might pass from one man to another.

Mr. MOTHERWELL: Every original owner would be the same as saying the grower.

Mr. ADSHEAD: There may be a variety of owners. Which owner has to put the tag on? Is it the last one?

Mr. MOTHERWELL: The question of identification by means of a tag is very important. Might I point out to the committee that two years ago when we were buying some supplies for the British government to be sent to Shanghai, we put in a very large order for hay with parties near Lethbridge. The British government mentioned the grade and kind of hay they wanted, alfalfa and other kinds of hay of such and such a grade. Now if we did not have grades, how could we carry out such an order?. It is very important to have the grade established and the identity marked on the hay. While this bill is not a very exacting one, it is necessary that we should have these grades and their identity established, especially now that our export trade in hay is developing. We shipped a very substantial amount last year overseas and to the United States.

Mr. ADSHEAD: But my point is that there might be a variety of owners.

Mr. MOTHERWELL: We are getting at the owner who sees the hay going into the bale, for he is the only owner who knows what the contents are.

Mr. CAHAN. The suggestion I have made is that section 5 should read as follows:

> Every owner of baled hay or straw shall before offering the same for sale in Canada affix or cause to be affixed to every bale of hay or straw before the same is sold or offered for sale a tag having thereon plainly written and legible his name and place of business. Such tag shall be securely fastened to the bale and shall be of not less than one and one-half inches in width and three inches in length.

I have simply changed the wording of the first sentence.

Mr. MOTHERWELL: I am afraid that my hon. friend's amendment omits the time at which and the place where it is to be

tagged. We say, "Before the hay is removed from the premises." That is omitted in my hon. friend's amendment.

Mr. CAHAN: I say in my amendment, "before the same is sold or offered for sale".

Mr. MOTHERWELL: But it says here:

Every owner of baled hay or straw shall "before it is removed from the premises"—

Mr. CAHAN: But the minister will see that baled hay imported from the south is baled in the United States, and we have no jurisdiction to compel them to put a tag on the hay when it is baled in the United States or before it is removed from the premises. But we can provide generally that every owner of baled hay or straw shall before offering the same for sale in Canada affix or cause to be affixed to every bale of hay or straw before the same is sold or offered for sale a tag, and that would apply both to United States hay and to hay baled in Canada. I am making the suggestion in good faith.

Mr. BROWN: A little confusion might arise from the words that have been used, as to who is actually responsible for the baling of the hay, good or otherwise. I think what is intended is that the man at whose instance the baling has been done, and who is really in actual possession of the hay, is the man who should be held responsible. That might, of course, be the farmer who grew the hay, and on whose premises the hay was baled. On the other hand, a case might arise where a dealer had made a contract with the farmer for the hay, and had himself become responsible for the baling of it. In such cases it would seem to me that the dealer at whose instance the hay was baled should be the one held responsible. It might be well to insert in the definition clause just what the word "owner" means. I think it ought to mean the man at whose instance the hay is baled.

Mr. ADSHEAD: The owner is the owner.

Mr. BROWN: If you refer to removal from the premises, that might place the responsibility on the farmer, and yet the hay might really be under the control and ownership of a dealer who had bought it from a farmer and was arranging for the baling of it himself.

Mr. NEILL: I think the amendment proposed by the hon. member for St. Lawrence-St. George will entirely meet the situation. It defines the man as the owner of the baled hay. There can be only one man who is the owner of the baled hay, and his amendment says that before the owner offers it for sale he must have the hay tagged. That covers the whole situation. It does not matter whether he is the grower or some subsequent owner. If he owns the baled hay, he must tag it before he offers it for sale.

Mr. MOTHERWELL: I wonder if my hon. friend from St. Lawrence-St. George will accept an addition of four words, so that it will read, "Every owner of baled hay or straw at the time of baling"?

Mr. NEILL: What does that matter?

Mr. MOTHERWELL. Any time means no time.

Mr. CAHAN: The only objection is that the words of the suggested amendment apply to hay that may be baled in the state of Washington and brought up to Vancouver. I am making it apply to every bit of baled hay sold in Canada.

Mr. MOTHERWELL: I am afraid that what we are trying to do is to embody two different questions in this one section. I suggest that we leave the amendment the way it was introduced, and insert another section dealing with imported hay. I believe it would be better to dissociate the two things; it would only spoil both if we embodied the two in the one section. I do not think that the draft suggested will be as good for Canadian hay, and that represents a very large proportion of what we are dealing with.

Mr. CAHAN: The minister will admit that it applies to every sale or offering for sale in Canada of baled hay, and the owner must put on the tag before he offers it for sale.

Mr. MOTHERWELL: He may have the hay in a warehouse. Our inspectors come along and see that the hay is not tagged. The owner might say, "I have not offered it for sale yet", and in that way he would escape any penalty for not having it tagged, but if it must be tagged before it leaves the premises on which it is baled, that difficulty could not arise.

Mr. NEILL: How would you enforce that in the United States.

Mr. MOTHERWELL: That is why I think there should be two sections dealing with these two different questions. We are dealing here with Canadian hay, and afterwards we can deal with the imported hay.

Mr. ADSHEAD: He might not sell the hay; he might want it for his own use.

Mr. EDWARDS (Frontenac): How many inspectors are there of this particular class?

Mr. MOTHERWELL: We took over this service only about two years ago, and the inspectors we have under the seed branch, who are doing other work, are also taking over this work—for instance, the inspectors of binder twine, insecticides, seed, feedstuffs and fertilizers. So far we have been able to look after the work with the regular staff, although they are not sufficient in number to take care of it. We may require a few more to enforce the act properly.

Mr. EDWARDS (Frontenac): I assume that the minister would not undertake a matter of such tremendous importance without seeing that the inspection was effectively carried out. According to what he has just said, that means another small army of government officials. A while ago a tourist stopped at a farm house close to the road to get a drink of water. He saw a small army of men around the barn. He asked the farmer, "Are these your hired men?" "Oh no; that one over there is appointed by the government to see that my hay and straw is properly baled and tagged; that other man is an inspector of the turnip field to see that the turnips don't grow too large; that other chap's job is to watch the hens lay and tag every egg as soon as it is laid; the fellow with the scales prevents me from selling apples or vegetables to a wayfarer by the package; they must be sold by weight. I cannot sell onions without cutting off the tops, and other vegetables likewise." This army of government officials, the minister says, is to be added to in the near future, so when the next election comes around about every fifth or sixth man will be a government official.

Now, the minister said he had got safely past the shoals and shallows of section 4 and did not want to go back over those dangerous waters again. I presume he had in mind the chart supplied to him by the right hon. Prime Minister (Mr. Mackenzie King). That is the trouble; the Minister of Agriculture has got the wrong chart. We have evidence of this again and again. This bill is another crack at the Canadian farmer, another restriction placed upon him, another handicap, in that every possible facility is offered to his competitor in the United States. That competitor must not be annoyed, he must be given every advantage, while the Canadian farmer is subjected to every disadvantage. If there is a large crop of hay in the United States, and prices are low, why, facilitate the bringing of that hay into Canada. As the Minister of Justice (Mr. Lapointe) interjected this afternoon: It is better for the consumer in the case of asparagus. That was his little argument. I caught it over here; I hope the reporter also caught it. That was his retort to the point raised by my leader in support of the Canadian asparagus grower: The consumer was getting the benefit, no matter how many others were being ruined there. You are imposing these regulations with respect to tagging, inspection, and so on, to protect the person who is buying hay from the Canadian farmer. I venture to say that practically all hay imported from the United States comes in baled. Why should it not also be inspected? It would be impracticable, for you would have to open up every bale to test the quality. There is no chance of getting at the American farmer; he has that advantage. In addition, he has the advantage of entering our market at the rate of $2 a ton when there is a surplus of hay on his side of the line; on the other hand the Canadian farmer is kept out of the American market by the high protective duty. My hon. friend is consulting the wrong chart—a chart that was put in the platform of the Liberal party for election purposes, and has never been lived up to since that time. It is a variable kind of chart and of no use to guide the political ship without a reliable compass.

I protest against all these restrictive regulations with respect to practically everything that the farmer has anything to do with. They are subjecting him to every possible inconvenience and are a serious handicap on his activities. He cannot go on the market or sell a few vegetables or fruit to his neighbour without conforming to certain regulations, and have a government inspector tagging at his heels to see whether or not he is giving the public what he professes to give them. The public should be given credit for exercising judgment in what they buy. I think I will put a question on the order paper to ascertain the numerical strength of this army of officials which the government has for the protection of the consumer and as a handicap to the farmer. I should like to know how many there are to inspect eggs, butter, cheese, vegetables, roots, hay, straw, —a whole army of government officials, appointed apparently for the purpose of putting every obstacle conceivable in the way of the Canadian farmer making a success of his business. That is what it looks like to me.

Mr. MOTHERWELL: I do not know whether my hon. friend was in his seat when I explained that these very sections were in force about twenty years ago; I have not yet been at the head of the department seven years. The very centre and essence of the bill revolves around the question of identification—who put up the hay. If my hon. friend had ever bought much hay he would want somebody to be held responsible for its quality. That is the only compulsory feature of the bill. I do not think he expects us to take his remarks seriously regarding the grading principle. It is conceded by all countries that if you want quality you must pay the price. The empire marketing board is gradually introducing the provision that all goods must be marked. That is becoming the practice all over the world, and unless we want to be tailenders we have to do what we are endeavouring to do under this bill. We are trimming up a twenty-year-old measure to fit modern requirements. We have not appointed any inspectors yet. Perhaps we were remiss in not doing so, but we thought we would first amend the old act so that it may be possible to carry it into effect. We will draft a special section to take care of imported hay which, after all, is not a very large amount. This bill went through the agriculture committee. It does not necessarily follow that it is now perfect, but that committee is composed largely of agriculturists.

Mr. NEILL: Is the committee not largely composed of lawyers?

Mr. MOTHERWELL: No; there are some professional men on it, but it is strongly agricultural. Let me appeal to my hon. friend now: if we had no grading system by which to designate hay, how could the British government have ordered by cable a large amount of hay for Shanghai?

Mr. EDWARDS (Frontenac): That is all right; I am not objecting to that. Let me put myself clear. When Canadian produce has to compete in foreign countries, I recognize that you must take some steps to grade it so that it can compete successfully with the same produce from other countries. But in my opinion the application of the grading principle has been carried to a ridiculous extreme in Canada in our home market where there are a few dozen eggs to be sold, or vegetables, and so on. That is where the thing is overdone. I am not objecting to the proper grading of our produce sold in the old country or anywhere else. For instance, in the case of butter there must be grading

to compete with Denmark and New Zealand; I appreciate that. But the thing has gone too far at home. We are putting our own people to needless inconvenience and annoyance. Perhaps I am wrong, but that is the idea I have.

Mr. MOTHERWELL: Twenty years ago only two items of information were required to be put on the tag, namely, the weight and the man's name. We have now reduced that requirement by half: only the man's name and address we require; we do not ask for the weight. So that in this respect we are asking for less. Regarding inspectors, does my hon. friend know of any other way of performing the service except through the medium of men—inspectors? How should I have it done? Is there any other method of grading? I should like to get a mechanical method of grading, which would not require the service of individuals. I should like some better way which would require fewer officials, and I should be glad if any hon. gentleman could point out to me one useless official in the whole country with whom I could dispense and secure the same service. If anyone would do that I should regard it as a favour; that would be better than merely complaining about the matter.

Mr. COOTE: Is it necessary to have inspection of hay in Canada itself. In 1919 we had a very hard winter in western Canada and owing to the crop failure of the year before we had to import hay all the way from Ontario. Some of it cost, laid down in Alberta, $60 a ton and I am safe in saying that in the case of some of that hay 50 per cent was refuse; not more than 50 per cent of it was good hay. The hay growers in southern Alberta are anxious to have some grading system whereby hay can be sold subject to inspection, thus obviating any difference between the buyer and the seller. As regards this section, after listening to the amendment suggested by the hon. member (Mr. Cahan), and without taking any exception to the four or five words which the minister wishes to add, I believe it would cover the situation very well, and probably the committee would be willing to accept it. I believe it would meet the wishes of those engaged in the business, and I should be glad to see it accepted.

Mr. MOTHERWELL: I understand that it has been arranged to go into supply at three o'clock, and as it is now exactly three I move that the committee rise and report progress.

Progress reported.

SUPPLY—REPARATIONS CLAIMS

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee of supply.

Mr. W. G. ERNST (Queens-Lunenburg): I move in amendment, seconded by the hon. member for Burrard (Mr. Clark):

That all the words after the word "that" be struck out and the following substituted therefor:

"This house regrets the refusal of the government to introduce legislation at the present session of parliament providing for the payment in full or in part of the various sums fixed by James Friel, Esquire, K.C., a commissioner appointed under the Inquiries Act, as losses sustained by the civilian population of Canada during the great war."

It is perhaps unfortunate that a motion of this kind should have to be made as an amendment on going into supply, but the question is one of considerable importance, and this is the only practical way in which it can be introduced into the house. As will be apparent from the wording of the resolution, it refers to what are commonly known as reparations; and in order that we may understand the question, perhaps I might take the house back to the years of the war, back to the signing of the treaty of peace, the treaty of Versailles. That treaty was concluded in 1919. To that treaty this country was a signatory. The treaty was signed by all the allied powers with the exception of the United States, which concluded peace separately by the treaty of Berlin. Three sections of the treaty of Versailles have particular application to the phase of the question raised in the amendment; they are sections 231, 232 and 233. Article 231 of the treaty of peace reads:

The allied and associated governments affirm and Germany accepts the responsibility of Germany and her allies for causing all the loss and damage to which the allied and associated governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies.

Section 232, which is the pertinent article, reads in part as follows:

The allied and associated governments recognize that the resources of Germany are not adequate, after taking into account permanent diminutions of such resources which will result from other provisions of the present treaty, to make complete reparation for all such loss and damage.

The allied and associated governments, however, require, and Germany undertakes, that she will make compensation for all damage done to the civilian population of the allied and associated powers and to their property during the period of the belligerency of each as an allied or associated power against Germany by such aggression by land, by sea and from the air, and in general all damage as defined in annex I hereto.

Annex I sets out some ten categories as applicable to article 232. These categories, with the exception of three, all relate to civilian property damage or to injury to the persons of civilians. The other three relate to separation allowances and pensions as computed on the French scale and the question of under-payment of labourers employed by Germany during the war, nationals of the allied countries. This was one of the provisions of the treaty of peace.

Article 233 provided for the setting up of a commission to be called the Reparations Commission, and I desire for a moment to sketch the history of that commission, which had a checkered career. The method whereby the claims against Germany were to be decided was this: The allied powers were to compute how much was due them under article 232, and having made that computation the Reparations Commission would arrive at the grand total due from Germany. As early as April 27, 1921, it was realized that this was impractical because of Germany's inability to pay, and on that date the Reparations Commission, of its own volition and not as a result of the Spa conference, as suggested in the return brought down by the Minister of Justice (Mr. Lapointe), abandoned the method of computation theretofore followed. On April 27, 1921, it fixed Germany's liability at 132 milliard, gold marks. Shortly after that the allied powers made a further change and decided that the amount Germany was to pay should be fixed by negotiation and not arbitrarily by the allies. However, we still had two conflicting opinions; the allied powers wanted much and apparently Germany wanted to pay little. Things went from bad to worse; the Ruhr was occupied and in 1924, because of dire necessity, the allied powers called in a commission of experts known as the Dawes commission, which sat at Paris.

It is to be noted that any amount fixed had to be arrived at under article 232 of the peace treaty; that was the only clause under which we could claim one cent from Germany. Whereas we originally intended to collect for all damage done, Germany was in the position of a bankrupt creditor unable to pay one hundred cents on the dollar. The Dawes commission fixed what Germany could be expected equitably and justly to pay. The first of these payments was made in September, 1924. The Dawes commission fixed the amounts to be paid by Germany as follows:

1924-25	£ 50,000,000
1925-26	60,000,000
1926-27	61,000,000
1927-28	87,000,000
1928-29	125,000,000

The last mentioned amount is to be paid yearly for an indeterminate period; in other words, next year and for an unstated number of years Germany is to pay the allied powers the sum of £125,000,000. Of that amount of £125,000,000 the British Empire is to receive 22 per cent, and as her proportion of the share allotted to the empire Canada receives 4.35 per cent. According to returns tabled in the house by the government, to date we have received under the Dawes payments, together with some old reparations before the Dawes scheme came into existence, a total of $10,800,992.91, which money is at present in the consolidated revenue fund. Next year and in the following years we will receive the sum of $5,000,000. In other words, at present there is almost $11,000,000 in the treasury of this country which has been received from Germany, and we will receive each year hereafter an additional $5,000,000.

That, sir, is one side of the question; now let us look at the domestic side. I said the method of computation followed by the reparations commission was to be based on the amounts supplied by the various allied governments. On November 15, 1918, an order in council was passed under which advertisements were inserted in practically every Canadian newspaper of importance, calling upon persons who had sustained civilian property damage or personal loss through enemy acts during the war to place such claims in the hands of the Under Secretary of State, in accordance with article 232 of the peace treaty. On July 5, 1920, quite independent of that order in council, the Assistant Deputy Minister of Marine and Fisheries sent a circular letter to all shipowners in this country asking what loss they had sustained and enclosing a form which they were to fill out and return. Nothing further was done until 1921.

In passing, I ask the house to note that on April 27, 1921, the reparations commission abandoned that method of computation, yet in October of the same year the then Meighen government appointed Sir Douglas Hazen as a commissioner under the Inquiries Act to inquire into civilian losses and personal damage. He took no action; there was a change of government and in 1923 the Liberal government headed by the present Prime Minister appointed Hon. William Pugsley as commissioner. The order in council appointing Mr. Pugsley asked him to inquire into civilian property damage and personal losses during the war; and he went about the country holding hearings and inviting the people to come before him and prove their claims. A large number of persons appeared before Mr. Pugsley, going to some expense to adduce evidence, and in some cases were represented by counsel in an endeavour to prove their claims. The order in council under which he was appointed was dated March 13, 1923, and reads as follows:

> To investigate and report upon all claims submitted for the purpose of determining whether they were within the categories above referred to, in the first annex to section 1 of part VIII of the said treaty, and the fair amount of such claims, and to make such findings as may be of assistance to the government in determining which, if any, of such claims shall be paid, and the extent of payment thereof.

Mr. Pugsley died before he could complete his work, and in 1925 Mr. Friel of Moncton was appointed by the Liberal administration to carry on the work. The order in council appointing Mr. Friel was dated June 19, 1925, and reads as follows:

> That a considerable number of investigations with respect to outstanding claims still remain to be made and it appears desirable that a commissioner be appointed to continue and complete the investigations made by the late commissioner.

Mr. Friel completed the task left unfinished by Mr. Pugsley; in all some 1,615 claims were submitted and according to returns tabled in this house this year some 1,613 claims were adjudicated upon by Mr. Friel, who fixed the compensation to which he thought these 1,613 claimants were entitled.

This report was placed in the hands of the government by February of this year at the latest. It was confidently anticipated, and the press encouraged that anticipation, that the report would be tabled in parliament this year and that legislation would be introduced to deal with it; it was even rumoured that a draft bill was in the hands of the minister. Be that as it may, the Secretary of State himself encouraged that anticipation. On March 5 I wrote to him personally as follows:

> Dear Mr. RINFRET:
>
> I have had inquiries from several of my constituents respecting the amount of reparations payable on account of their claims. One of these relates to the schooner Lucille Schnare of Lunenburg, which was destroyer by a German submarine.
>
> This claim was presented to Hon. Mr. Pugsley when he was holding a board of investigation at Lunenburg. Are you able to give me any information about it, especially as to whether any award is being made to the owners and if so, when payment may be expected.

On March 6 the Under Secretary of State replied as follows, apparently on behalf of the minister:

> I have the honour to acknowledge the receipt of your letter of the 5th instant, in which you ask for information as to the reparation claims

of the persons interested in the schooner Lucille Schnare, which was destroyed by submarine, and to inform you that the report of the commissioner appointed to investigate these claims is now before the government, and that it will be laid before parliament very shortly. It will then be a matter for the action of parliament, to vote moneys from which reparation payments may be made.

That is not the only letter of its kind; many of them may be found scattered all over Canada, holding out a definite promise that the Friel report would be tabled this year and that the necessary legislation would be introduced in parliament. Naturally those of us who are interested in the question were surprised when on March 30 the minister made the statement that the report would not be tabled and that no action would be taken this year.

Now, sir, before we ask what possible reason there can be for delay, let us examine for one moment the nature of the Canadian claim. This country is in a position perhaps unlike that of any of the other British dominions. We were situate on the north Atlantic and our shipping was open to the menace of the submarine campaign. New Zealand, South Africa and Australia were free from that menace, and suffered practically no shipping loss. In Great Britain all the shipping was requisitioned by the state at the beginning of the war, and was operated by the state, so that this question does not arise there. But in this country our ship owners continued to carry on the commerce of the nation, a commerce without which the state would have been hard pressed indeed. It was due to this submarine campaign that a great many losses were sustained, although some are personal claims for loss of life, and for exposure due to being torpedoed. The majority of the claims are shipping claims, and it is a significant fact that of the 1,613 claims adjudicated upon by Mr. Friel, 1,493 are under $5,000 each, the remaining 120 being made up of larger claims.

Of the 1,493 claims, many are the claims of people in necessitous circumstances. In a report brought down by the government last year, in answer to a question, it was admitted that many of the people to whom we allege these moneys should be paid are in necessitous circumstances.

Mr. IRVINE: Does the hon. member know how much money is involved?

Mr. ERNST: Yes; I am coming to that. Many of these people are in necessitous circumstances, and in some cases they are enduring actual hardship because they have not been able to obtain this money. There is one such instance right here in the city of Ottawa, of which the minister must be aware, and there are other instances scattered throughout Canada. Why, under these circumstances, should these people not receive that which is due them under the treaty?

Of the 1,613 claims, 752 are from the province of Nova Scotia, 350 of them relating to my own constituency of Queens-Lunenburg. They represent the losses of fishing vessels due to the submarine campaign. There is a large number in the city of Montreal, a still larger number in the city of Toronto, a number in the city of Vancouver, some in Ottawa, and a large number in the city of Quebec.

The circumstances are that the government has practically $11,000,000 of German money, or had on the 10th of March when the return was made. The total awards recommended by Mr. Friel is $4,246,868.76. The interest to March 10th of this year amounts to $2,042,520.59, making a total of $6,289,389.35. In other words, we have received $11,000,000 from Germany; morally we owe $6,000,000 of it and we are withholding payment. Why? In an answer given by the Minister of Justice in 1925 or 1926 he said that these people had no legal claim for their money, and any payment would be a matter of grace. As a matter of law, I am willing to concede that legally they have no claim. If they had a legal claim they would have a way to enforce it other than through parliament. They have a moral claim of the highest type, due to the provisions of the treaty. Under the treaty, that money was paid for certain purposes. It is true that it was paid to the state, and the state owes no legal responsibility to the individual, but it owes a moral responsibility. That moral responsibility was recognized in England. Sir Austen Chamberlain, who was then Chancellor of the Exchequer, speaking before parliament in 1920 on the British cases, which are relatively less numerous than ours, due to the fact that their shipping was under the control of the state, said:

> His Majesty's government have given careful consideration to the position of individuals in respect of whose losses reparation will be claimed by His Majesty's government. It must be understood that the claims to be made are claims by the British government in respect of a wrong done to the state, and not claims by individuals in respect of private wrongs, and that the government do not act as the agent of any individual to put forward his personal claim. Any payments that may be received from Germany are therefore the property of the nation, and no individual will have any claim in law for any sum which the British government may receive from Germany in respect of reparation.

But His Majesty's government recognize that in particular cases, while there can be no legal claim, a private individual may have a strong moral claim for compensation for sufferings or damage for which it will be the desire of parliament to make provision.

A similar case occurred some years ago in a case which is reported in Queen's Bench division, the case of the Queen vs. Rustomjee. This case arose by way of a petition of right concerning the payment of moneys made by the Emperor of China to the British crown for debts owing by Chinese nationals to British nationals. The amount was some $3,000,000, and in discussing that case, which is practically on all fours from a moral standpoint with the present case, in the court of appeal, Mr. Justice Blackburn said:

I think there is a moral claim that it be given to the right person, which must be investigated in the manner in which Her Majesty is pleased to direct, and the ministers who direct it would probably be responsible to parliament if they did it unjustly.

Chief Justice Coleridge used words even more significant, as follows:

We do not indeed doubt that on the payment of the money by the Emperor of China, there was a duty on the part of the English sovereign to administer the money so received according to the stipulations of the treaty.

So I say that there is, under the treaty itself, apart from any other consideration, the strongest moral claim on the part of these persons who have lost property or have been injured in person during the war. But there is even a stronger moral claim. This government, or its predecessors for whose acts it is responsible, appointed a commissioner who went about this country inviting people to come before him and prove their claims. Does not the fact that he invited them to come and prove their claim involve an implied promise of payment to these people? What other justification can there be in asking people to go to the expense of proving their claims long after the reparations commission had abandoned the method of computation, unless there is involved an implied promise of payment? Further, what justification can there be for expending these public moneys on the appointment of a commissioner and the payment of his salary and expenses, unless it be that his findings are going to be acted on in some respects? I said there was no justification under the treaty, in so far as the method of computation was concerned, because the method of computation had been abandoned by the Reparations Commission before the first commissioner was appointed. The Meighen government once, and the King government twice appointed commissioners to make inquiry What justification can there be for their appointment, for the expenditure of public moneys, unless it be that a report was to be brought in upon which this parliament could act.

Let us consider the question a step farther. There is a moral responsibility on this government to make payment. Consider it from another angle, and you must come to the conclusion that the government has irretrievably committed itself to a policy involving payment, and the people expect payment. Take the action of the government in connection with the promise they made when they appointed the commission; take it in connection with the peace treaty; take it in connection with the expenditure of public moneys, and, one step farther, take it in connection with the resolution of Mr. Copp. In June, 1925, Mr. Copp, who was then Secretary of State, introduced into the house a resolution reading as follows:

That it is expedient to bring in a measure to make provision for the payment of claims for reparation for losses suffered by Canadian nationals during the late war, and to provide,

(1) That the report of the commissioner appointed to inquire into and report upon the claims for reparation of Canadian nationals, upon approval by the governor in council shall be deposited with the Secretary of State of Canada in his capacity as custodian of enemy property;

(2) That from time to time, as sums are received on account of reparation under the Agreement of London between the allied and associated powers and Gemany, bringing into force what is commonly known as the Dawes plan, the amount thereof shall be paid by the Minister of Finance and Receiver General to the Secretary of State as custodian, until such time as the aggregate of such payments is equal to the total amount of the claims for reparation as determined by the report of the said commissioner and approved by the governor in council.

(3) That the Secretary of State shall, on receipt of such payments, from time to time distribute the same to persons found entitled to claims for reparation in the commissioner's report, by way of pro rata dividend;

(4) That the Secretary of State shall annually lay before parliament, within fifteen days after the meeting thereof, a report of the receipts and expenditures under the proposed legislation.

That resolution was introduced by Mr. Copp on the 19th June, 1925. It is true it was withdrawn and it is true that the Right Hon. Arthur Meighen, who was then leading the Conservative party, opposed it; but it is worthy of note that if we examine his remarks we shall find that his reasons for opposing it are these. He said: I do not

approve of payment of public moneys in camera on the say-so of the commissioner. Public moneys should be expended only by the parliament of Canada.

Mr. LAPOINTE: Public moneys!

Mr. ERNST: In other words he was asking for exactly what we are asking for this afternoon. That was the stand Mr. Meighen took against that resolution, namely, that the money should not be expended on the say-so of the commissioner. But the government committed itself irretrievably to a policy of payment. I notice the Minister of Justice remarks that I said "public moneys". I say "public moneys" because at the moment the Dawes money have been paid into the consolidated revenue fund. I am not contending that they can be disbursed without legislation, but I am contending that legislation ought to be introduced. Mr. Meighen's stand was simply against the distribution in Canada on the say-so of the commissioner. The Minister of Justice may say: You are asking us now to distribute the money on the say-so of the commissioner. True, but not entirely on the say-so of the commissioner because there may be inserted in the act a provision with regard to distribution to the effect that if either the crown or the individual feel aggrieved by the award which has been made, an appeal may be made to the Exchequer court or some other court. It is not necessary that the money be distributed on the mere say-so of the commissioner; nor do we advocate that it should be, but we advocate that that should be the basis upon which we start and that legislation should provide for an appeal, at the instance of either the crown or the individual, to some court of finality.

That is the situation with reference to reparations in this country and it might be well to examine what has been done in other countries similarly situated. Let us take first Great Britain. Some five years go Great Britain set aside a sum of five million pounds which was devoted to the payment, first, of necessitous claims and, second, of all other claims upon a sliding scale. This was done at a time when her budget was in anything but a satisfactory condition, and I must confess that I admire the qualities of the English people who do not try to avoid a moral claim in order to balance a budget.

What has been done by the United States? The United States case is more closely parallel to ours than any other. Only a few months ago the United States government introduced and had passed legislation providing for payment of their claims on the following basis. They had not enough Dawes money, if you may call it such, so they took some $50,000,000 of their own money; they took money out of the enemy property fund and they put it with the Dawes money so that they could pay all claims under $100,000 in full, all claims for personal injury in full, and all claims over $100,000 are being paid in instalments as the Dawes payments arrive.

Canada is the only country so situated which has done absolutely nothing in the matter and which has neglected its people in that respect. Surely, it is time that we, having the example of these countries in mind, took action and paid our claims, not necessarily in full and perhaps never in full, because it may well be argued that the state is entitled to some portion of the money. At least, however, we ought to pay the claims in part.

In this connection in order to avoid confusion, let me draw attention to the fact that some people think because claims have been paid out of the enemy property fund, the other claims are also legally payable. The enemy property fund was a fund derived from the liquidation of enemy property in this country and debts owing by Canadian nationals to German nationals, and it is under the custody of the Secretary of State as custodian of enemy property. It is not available for payment under section 232 of the treaty, nor do we seek to make it so. It is available for payment on awards made by the mixed tribunal under sections 296 and 297 of the treaty, awards that are different in class and character from the ones under consideration, but not different so far as moral claim is concerned.

For instance, under section 297 of the treaty if property situated in Germany was taken possession of or destroyed during the war by the German government compensation can be claimed as a matter of right, de jure, apart altogether from section 232 of the treaty. An instance of that was the Massey-Harris Company whose plant was taken possession of by the German government during the war and which was handed back to them after the war in good condition, and they received a large amount of compensation. That was an award made not by any government but by a mixed tribunal under section 297. There is a certain doctor in Montreal who had in Belgium a property which was taken possession of by Germany during the war and completely destroyed.

From the legal standpoint this would not come under section 297 and unless such legislation as we are contending for is passed he will get nothing, while other people who are fortunate enough to come under section 297 are paid in full. I might cite for instance the Canadian Pacific which has property in Germany as well as Belgium. The Thompson Steamship Company had a claim for detention of ships in Germany during the war under section 297. Another steamship company surely has a moral claim of the highest character in regard to one of its ships which was torpedoed while doing business of the state on the high seas.

It is nothing new for parliament to recognize moral claims. We have recognized claims far less just than these claims. We recognized a moral claim in the case of the Home bank depositors. Why should we hesitate and delay to pay these people who are justly entitled to the award made by Mr. Friel and in some instances by the late Mr. Pugsley?

Mr. GARLAND (Bow River): The hon. member stated that there were 1,493 claims of $5,000 or under?

Mr. ERNST: Yes.

Mr. GARLAND (Bow River): What was the total amount of the 1,493 claims?

Mr. ERNST: I cannot give those figures because they are available only in the report and I was fortunate to get as much information as I did, because the report was kept in the hands of the government. The total claim with interest is roughly $6,000,000.

Mr. RINFRET: Mr. Speaker—

Mr. CLARK: Mr. Speaker, as I am the seconder of the amendment if I do not speak now I may not have the right to do so, but I am quite willing that the minister should proceed if I am permitted to follow him.

Mr. RINFRET: Go on.

Mr. J. A. CLARK (Vancouver-Burrard): Mr. Speaker, after the very comprehensive and lucid statement of the hon. member for Queens-Lunenburg (Mr. Ernst) I feel that it will be quite unnecesary for me to detain the house at any length on this subject.

I should like, however, to emphasize the type of people who are suffering by reason of the government's neglect in this regard.

There are, first of all, the helpless dependents, the helpless women who lost their providers in the service of this country during the great war; those, for instance, who served in the merchant marine and perhaps were torpedoed. I have an instance in my own constituency of a woman who is now seventy-nine years of age. She was invited to present her claim years ago by this government. She presented her claim. She has no funds. She is dependent absolutely for her livelihood upon charity to-day, and upon her prospective award from this fund. I have every reason to believe that an award has been made in her favour, but in the meantime she is allowed to suffer.

Then there is the other great class, the men who were disabled by reason of service in a civilian capacity during the great war. The moral claim of these people in my opinion is quite as strong as the claim of those who were casualties in military and naval capacities.

The last speaker (Mr. Ernst) has dwelt upon the policy of Great Britain. The policy of Great Britain has been characteristic of that country. It is typical of British justice. It is too late for this government to follow the example of Great Britain and to do justice in the true British style, but it is not too late for them to follow the example of the United States. Great Britain recognized that the moral claim in this regard was just as great as any legal claim. That has been one of the characteristics of that race, that there are occasions when they recognize that moral claims are even stronger than legal claims, and this they recognize as one. Without regard to the receipt of money, without actually receiving the money themselves, they advanced their own money to settle these claims, just as they advanced their own money to pay pensions to casualties of the great war. The United States were not slow to act in this matter when they received the money. They passed legislation this year, and it is not too late for this government to follow the example of that country.

I should like to read some words from an editorial in the Daily Province, of Vancouver, published on April 23rd of this year:

> The government, in a word, prefers to retain this money, which does not belong to it, and to allow the sufferers, some of whom have already been waiting a dozen years, to wait some more. These people suffered first from the illegal actions of Germany in time of war. Now, in time of peace, they are made the victims of an attitude on the part of their own government which can scarcely be regarded as either just or sympathetic.
>
> The action of the Canadian government in regard to this question of compensation for war losses is in curious contract to that of the British government. In the old land, far from retaining the money due claimants after it had been paid by Germany, the government advanced sums from the public funds to those whose claims had been approved, so that claimants who were in poor circumstances received part of the money due them even before it was paid by Germany.

In view of the fact that this country has encouraged our people to expect payment, encouraged them to lay their claims and to go to the expense of having their claims presented before this commission, I think that action should be taken at this session of parliament to see that those claims are met.

Personally, I resent the propaganda that has gone around this house that neither party is anxious that this matter should be dealt with. I feel perfectly certain that so far as this party is concerned, at any rate, I can honestly say that we are only too anxious that this matter should be dealt with, and dealt with now. The only conclusion I can come to is that no action is being taken because of a desire on the part of the government to hold this money to bolster up another fictitious surplus.

I believe Mr. Speaker, that we may justly ask the government why provisions were made in the treaty to meet these claims, why a reparations commission was appointed, why an invitation was held out to these claimants, if there were no claims which could be enforced in this house. I sugest to the minister in charge of this department that his subcommittee should meet again, that recommendations be presented to the government, and that legislation be introduced forthwith; that, although it is late, the example of the American government should be emulated and that regret should be expressed to the claimants that we did not sooner attempt to do what the British have done in their traditional fashion, namely, British justice even to moral claimants.

Hon. FERNAND RINFRET (Secretary of State): Mr. Speaker, my first words will be to express regret that we should be called upon to discuss this very involved and peculiar question on an occasion of this kind. I believe that if there is one problem with which parliament has to deal which should have been kept non-political, it is this very problem of war claims and reparations. I shall not take issue exactly with the hon. member for Queens-Lunenburg (Mr. Ernst) for introducing this question in the form of an amendment to a motion for supply, because he may claim that this is one of the few opportunities he may have had to discuss the matter at all.

I am not trying to place blame on anyone, but I do regret the circumstances most sincerely. Having given much time and study to the problem I regret that the hon. member should have brought the matter up in such a way that the house cannot pronounce upon it without, at the same time, according to the custom and rules of the house, expressing its confidence or non-confidence in the general policy of the government.

I say that this matter should be non-political, first because it is a relic of the great war, and as such should be kept out of politics, and also because both parties, not in the sense of political parties, but in the sense of having held power alternately, are more or less connected with the question and responsible for its development. It was initiated in 1918, not by a Liberal government, but by the then Conservative government, which invited these claims in terms that I shall read in a moment. Three commisisoners have been appointed successively to deal with this matter, one of whom was a Conservative appointee, and the other two appointees of Liberal governments. One of the commissioners sat for three or four months when the party opposite held power in the famous year of 1926. Therefore while we on this side admit that we were responsible for the main portion of the development of the question in this country, we do claim that it is a non-political question and one for which both parties alternately have taken their responsibility.

The member for Lunenburg (Mr. Ernst) himself admitted that it was unfortunate that he had to bring forward the question in this form, and perhaps the house will keep in mind that this is not a question with respect to which any political advantage should be sought or any political blame apportioned. It is obvious that if this government sought merely political advantage, it would have been easier to grant the claims at once and make payments, because it is acknowledged that it is always more popular for a government to meet claims than to discourage them. That the government has not done so proves that it had the very best of reasons, and I shall try, even if at some length, to demonstrate the difficulties of this problem.

I cannot find fault with my hon. friend for his presentation of the facts. He has done so in moderate language, and has shown much study in the preparation of his case and remarkable skill in its presentation. I can meet him in many of the things he has said, and I congratulate him on the tone of his address. I would have been very sorry if he had made any attempt to direct his argument in political channels, and I am pleased to acknowledge that he has carefully avoided doing so. True, in presenting the facts he has sometimes, inadvertently I am sure, omitted certain points which give a different

interpretation to some of the documents to which he has referred; and occasionally he has drawn conclusions at which we have not arrived, and at which perhaps parliament will not arrive after it has heard both sides of the question.

On the first point I shall try to dispel the confusion which has often existed in the minds of practically all people who have approached the department to discuss this matter—the confusion between the different forms of reparations. Different articles of the treaty, as my hon. friend has made clear, relate to outstanding debts between Germany and the allied countries, to sequestrated property, and to these war claims which have been dealt with by our commissioners. It is very important to make this distinction. In the treaty of Versailles these three classes are dealt with under appropriate articles. As regards the outstanding debts between Germany and the allied countries, article 296 established a clearing office through which adjustment could be made. As to the sequestration of property in the different countries, this is dealt with under article 297, and it has nothing to do with the cases referred to by Commissioner Friel.

Mr. BENNETT: Hear, hear.

Mr. RINFRET: The cases which were submitted to the commissioner are dealt with in articles 231, 232 and 233 of the treaty. My hon. friend has read those articles, but perhaps the house will bear with me while I read them again. Article 231 is as follows:

> The allied and associated governments affirm and Germany accepts the responsibility of Germany and her allies for causing all the loss and damage to which the allied and associated governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies.

Article 232 is in these terms:

> The allied and associated governments recognize that the resources of Germany are not adequate, after taking into account permanent diminutions of such resources which will result from other provisions of the present treaty, to make complete reparation for all such loss and damage.
>
> The allied and associated governments, however, require, and Germany undertakes, that she will make compensation for all damage done to the civilian population of the allied and associated powers and to their property during the period of the belligerency of each as an allied or associated power against Germany by such aggression by land, by sea and from the air, and in general all damage as defined in Annex 1 hereto.

As my hon. friend has pointed out, the annex enumerates a certain number of specific cases which come under this article.

[Mr. Rinfret.]

Now, to make clear the difference—and I think this is essential at the outset—between the sequestration of property, the settlement of outstanding debts, and these peculiar war claims dealt with in Commissioner Friel's report, let me illustrate by an example. Suppose, sir, before the war you were the owner of a ship. If that ship had been in one of the German harbours at the outbreak of the war, it would have been sequestrated. According to article 297, after the war was over Canada could, out of the proceeds of German properties in this country, compensate you for the sequestration and the loss of the ship. That is the property clause. If you were the owner of a ship before 1914, and you had sold it to a German firm but had not been paid for it when war broke out, the amount owed you would be outstanding during the war, and you would come under article 296. Canada, through the Department of the Secretary of State, has collected German accounts in this country, and out of the proceeds paid outstanding Canadian accounts against Germans, and adjusted the whole thing through the clearing office. Again, that has nothing to do with the war claims which have been dealt with by Commissioner Friel. But if your ship remained your property, and during the course of the war suffered damages, then your claim would come under the articles which now interest us. The principle is very simple. My hon. friend has said—and here I take issue with him—that the Massey-Harris Company and other particular companies and individuals have received money. It is true, Mr. Speaker, all Canadians who held properties in Germany have been compensated by the proceeds taken from German properties which we held in Canada.

Mr. ERNST: I did not mean to imply that it was a matter of policy that they had been paid. I said they had been paid de jure under 296 and 297. I took care to distinguish between cases falling within those articles and cases coming under article 232. I said I was not dealing with article 296 or 297.

Mr. RINFRET: I know my hon. friend is not confused in the matter; but I am sure he would not wish that someone else should become confused because of his speech. That is my reason for insisting on the point.

Mr. BENNETT: It will be no clearer now.

Mr. RINFRET: These persons referred to have been compensated because they held

properties in Germany, and under another article of the treaty they were allowed to be compensated in Canada by German properties held by us. The treaty provided for that by article 297.

Another class of Canadians have been compensated. They held commercial debts against Germany. We have collected in Canada debts owed by German nationals to Canadians, and we have also prepared a list of outstanding accounts by Canadians to German nationals. These have been brought together and paid, one out of the other, and an adjustment made through the clearing office, an adjustment which has not been quite completed, but practically so. But these had nothing to do with the war claims with which we are now dealing. Very often we hear someone asking, "How is it that although Mr. So-and-So has been paid his claims I have not been paid mine?" The answer is that the claims are of a different nature, and it is easy to understand the principle on which this distinction is arrived at in the treaty of Versailles. The explanation is that it was considered that any claim which existed before the war, even though the payment of that claim had been intercepted by the war, should be recognized as a private claim when the war was concluded. On the other hand, any damage resulting from the war—the sinking of a ship or the destruction of property, or any loss of that character—was considered to come under articles 231 and 232. The treaty of Versailles did not provide that these should not be paid. In article 231 it is stated very clearly that the allied and associated governments affirm and Germany accepts the responsibility for such damages. But what follows? It follows—and this is the teaching of the war—that on both sides it had to be agreed that whilst undoubtedly Germany owed the money, she was not able to pay it and therefore these damages must be treated differently from claims that pre-existed the war. Such claims, existing before the war, are not regarded in the same light as are damages suffered during the war, for which Germany is responsible, but the claims in respect of which she is unable to pay. That is the situation.

I do not interpret the treaty as my hon. friend has interpreted it, that—after disposing of article 231 which deals with the general responsibility of Germany and her allies—article 232, wherein Germany undertakes to make compensation for damages sustained by civilians, should be considered to mean that such civilians and only such civilians shall secure the money paid by Germany. Far from it. My interpretation, which is also the interpretation put upon the treaty by the British government, is that the reparation for damages done to civilians, which was the only portion that Germany could accept, inasmuch as she could not pay the rest, would form the basis of payments by Germany to the allied countries. But it does not follow that, because the allies could not be recouped for all classes of damages suffered in consequence of the war, they should deal only with one particular class of payments and distribute to that class of the population the entire payment by Germany.

It is quite important to distinguish between property sequestrated during the war, outstanding commercial debts, and the war claims with which we are now dealing. And we may as well dismiss at once such comparisons as have been made this afternoon—as, for instance, that Massey-Harris having been paid, therefore all claims should be settled. The fact is that they are in different classes altogether and should not be confused. But after the agreement of Versailles was made in the manner indicated by articles 231 and 232, the plan was abandoned and another method resorted to. It was at first contemplated that Canadian claims should be heard, not by a Canadian commissioner in Canada but that they should be sent to London to be heard by a mixed German- British commission together with representatives of the British Empire. That proposal was however changed, and in 1921, at the conference of Spa, instead of taking as the basis of payments by Germany to the allies the amount of damages sustained by civilians, a fixed amount was arrived at of 132,000,000,000 gold marks. That was considered to be the sum for which Germany would render herself responsible to the allied countries.

Mr. ERNST: That was not at the conference of Spa; that was decided upon by the reparations commission. My hon. friend is wrong.

Mr. RINFRET: Perhaps we do not agree. However, at the conference held at Spa in May, 1921, the amount of reparations to be paid by Germany was fixed at 132,000,000,000 gold marks, and there was no necessity for assessment of these claims by the reparations commission. The fact I wish to emphasize is this, that instead of requiring Germany to act upon these claims it was agreed that Germany should pay that sum I have mentioned, namely, 132,000,000,000 gold marks to the allied countries generally for distribution in certain proportions. Therefore these claims

were not heard at all before the mixed commission in London to which I have referred. As I say, that plan was altogether abandoned. Perhaps I should place on Hansard at this point the apportionment of this 132,000,000 gold marks among the allied countries. The percentages are as follows:

	Per cent
British Empire	22
France	52
Italy	10
Japan	.75
Belgium	8
Portugal	.75

As regards the balance it was agreed that:

6.5 per cent shall be reserved for Greece, Roumania, the Serb-Croat-Slovene state, and for the other powers entitled to reparation which are not signatories to this agreement.

In the month of July, 1921, a conference of representatives of the dominions and of the British treasury was held for the purpose of apportioning among the United Kingdom and the various dominions the 22 per cent of the reparation payable to the British Empire. Several conferences were held. Subsequently the amount payable to Canada was fixed at 4.35 per cent of the 22 per cent apportioned to the British Empire. The apportionment was as follows:

	Per cent
Great Britain	86.85
Minor colonies	.80
Canada	4.35
Australia	4.35
New Zealand	1.75
South Africa	.60
Newfoundland	.10
India	1.20

I submit these figures in order to show that the original proposal, for the allied countries to present, before a mixed commission, their claims for war damages, had been gradually abandoned and ultimately replaced by an agreement whereby Germany was to pay a fixed amount, to be distributed in certain proportions amongst the allies, the apportionment to Great Britain to be again distributed in fixed proportions among the different dominions. Later on the fixed sum of 132,000,000,000 gold marks appeared too considerable for Germany to pay and the Dawes plan superseded that agreement. And it is under the Dawes plan that we have received, upon three successive occasions, amounts which now aggregate $10,175,071. On this point I wish to be thoroughly understood. In the first place, in the treaty itself it was never contemplated for one moment that the basis agreed upon by the allied countries and Germany for the payment of reparations should be binding upon every state; and because Germany was unable to meet a part of the reparations for the damage she had caused the allied countries to suffer, it was decided that when any of the allies should secure reparation in the form of money they were not bound to employ that money in any particular way but might use it for the general welfare of such country. Further than that, in other stages of the negotiations between Germany and the allied countries following the plan of the treaty, if there was a doubt as to the meaning of article 231 and article 232, that scheme was abandoned and a new basis was fixed; under the new agreement the reparations were to be divided among the allied countries. Germany could not meet the whole claim for reparations, but the proportion which Germany was able to pay was to be employed by the different countries for the general welfare of each particular country, and the money was not to be distributed especially to any one class of claimants.

Mr. CAHAN: May I ask a question just there? In so far as the treaty expressly reserved the right to recover for loss and damage from Germany, only and exclusively for loss and damage suffered by the civil population, is there not thereby imposed upon the government receiving compensation for loss to the civilian population an obligation to see that the civilian population are compensated to the extent to which the government have received money as their share of the reparations?

Mr. RINFRET: That is where we differ. I have tried to explain that by article 231 Germany admits and the allies affirm that Germany is responsible not only for the loss suffered by civilians but for the general damages caused by the war, military expenditures and everything else. However, by article 232 the treaty says that since Germany cannot pay for the total loss the allies will be satisfied if she pays a portion of it.

Mr. CAHAN: No, it provides for the payment of the losses sustained by the civil population.

Mr. RINFRET: Perhaps my hon. friend will allow me to illustrate the point in this way: If he had a set of creditors and a set of debtors, could he say, "Because I have not been able to collect more than a part of the money owing by my debtors I am bound to pay only a certain class of creditors"? That is where the difference lies between my hon. friend and myself.

Mr. CAHAN: That is the clearing house scheme.

Mr. RINFRET: Canada is getting a certain amount of money, but by article 231 Canada would be entitled to collect over a billion dollars from Germany. However, Germany says she cannot pay that money but that she is at least willing to meet the losses suffered by civilians. It does not follow because we only get part of the amount owing by Germany that we are bound to pay it to those claimants whose damages served as a basis for the whole claim. Even if there were room for a difference of opinion in this regard, surely there can be no difference on the fact that this scheme has been abandoned and a fixed amount arrived at instead, under which we have received payments according to the Dawes plan.

My hon. friend has read part of a statement made in the British parliament on May 4, 1920, by the Chancellor of the Exchequer, Mr. Chamberlain. It is not very long and I would like to read it all, since it appears to bear very much on the question. This will be found at page 1874 of the English parliamentary debates:

His Majesty's government are engaged in preparing, for submission to the reparation commission, schedules of claims which they are entitled to put forward against the German government under the various categories specified in annex 1 to the reparation chapter of the treaty of peace. The reparation commission will in due course decide whether and to what extent the claims submitted are admissible. They are required to notify to the German government, on or before 1st May, 1921, the amount of damage for which Germany is liable, and to draw up a schedule of payments prescribing the time and manner for securing and discharging the entire obligation within thirty years.

The British government may not, therefore, know for some time the amount at which their claim in respect of damage done to individuals is admitted. In any case payment may be expected to be spread over a considerable period.

His Majesty's government have given careful consideration to the position of individuals in respect of whose losses reparation will be claimed by His Majesty's government. It must be understood that the claims to be made are claims by the British government in respect of a wrong done to the state, and not claims by individuals in respect of private wrongs, and that the government do not act as the agents of any individual to put forward his personal claim. Any payments that may be received from Germany are therefore the property of the nation, and no individual will have any claim in law for any sum which the British government may receive from Germany in respect of reparation.

That is very clear, and that is the position I have taken this afternoon. I will read further:

But His Majesty's government recognize that in particular cases, while there can be no legal claim a private individual may have a strong moral claim for compensation for sufferings and damage for which it will be the desire of parliament to make provision. They propose, therefore, to set aside a sum of £5,000,000 out of the first receipts on account of reparation which are allocated to the exchequer of the United Kingdom, as distinct from the British empire... . . to be used as a fund out of which payments can be made to individuals as an act of grace on the part of His Majesty's government.

I may say that as a government we fully agree with that declaration. No matter what basis was arrived at under the treaty, any payments made by Germany to the state are the property of the state, and the state has not acted as an agent for any individuals, as the Chancellor of the Exchequer has clearly said.

Mr. ERNST: I did not so contend.

Mr. RINFRET: Well, I am speaking in a general way. Now let us examine the other side of the question, to see what has taken place in Canada. As my hon. friend said, on November 15, 1918, an order in council was passed by the Borden government which read as follows:

The committee of the Privy council have had before them a report dated the 14th of November 1918, from the Secretary of State, stating that during the period of the present war persons residing and carrying on business in Canada have been subjected to loss and pecuniary damage, and have claims arising from the destruction of life and property through the illegal warfare of the enemy, and that, through the operation of the consolidated orders respecting trading with the enemy, persons residing and carrying on business in Canada have been subjected to claims for damages for breaches of contract, which contracts they were prevented from carrying out owing to the operation of the statutory list of persons in neutral countries with whom they were prohibited from trading, and that it is advisable that a list of all such claims should be prepared, for such action as may hereafter be considered advisable.

The minister therefore recommends that Thomas Mulvey, Under-Secretary of State, be appointed an officer to take such steps as may be necessary to obtain a complete list of:

(a) Claims of persons residing or carrying on business in Canada who have been subjected to loss and pecuniary damage arising from the destruction of life and property through illegal warfare of the enemy; and

(b) Claims for damages to which persons residing or carrying on business in Canada have been subjected for breaches of contracts, which contracts were prevented from being carried out owing to the operation of the statutory list of persons in neutral countries with whom such contracts were declared illegal,

and examine and report upon all such claims as aforesaid.

The committee concur in the foregoing recommendation and submit the same for approval.

Immediately following that order in council public notice was given to the newspapers,

as my hon. friend also said, inviting claims under these two classes and the advertisement added:

> Persons having such claims should immediately file the same. Instructions respecting the method of filing and the proof to be furnished may be obtained from the undersigned. The filing of a claim does not imply an undertaking on the part of the government to put forward such claim at the termination of hostilities or any assurance that the claim, if put forward, will be paid. It is advisable, however, that claims should be made promptly, so as to enable the government to put them forward if occasion arises for doing so.

Therefore, Mr. Speaker, I would say that I am at liberty to state that this was initiated by a former government, a government belonging to another party. In November, 1918, in the advertisement that was put out through every paper, and to which my hon. friend referred, it was stated clearly that the purpose was to file claims, and produce them if necessary, but that the government did not take any responsibility whatever, or did not guarantee that they would be paid. That is a very important point.

Sir Douglas Hazen was appointed commissioner on October 31, 1921, and later on was made a judge in his own province. On May 21, 1923, the Hon. Mr. Pugsley was appointed commissioner, but he only heard a very limited number of cases before he died. It was only on June 19, 1925, that Mr. Friel was made commissioner, and had the opportunity to complete the consideration of the 1,615 cases which were submitted for examination. It was unfortunate that this work could not have been completed by Commissioner Hazen, but I think the house will agree with me that the government of to-day is not responsible for Sir Douglas Hazen's accepting an appointment to the bench and occasioning the first delay. When Commissioner Pugsley died after hearing a certain number of cases, it occasioned another delay. It was only in the month of June, 1925, that Commissioner Friel was appointed by the King government, and began the very extensive work which carried him from one end of this country to the other. He was forced to hear evidence and to pronounce on cases which were greatly involved and which differed in character.

It might be said at this point, "Why carry on this work if it was not intended to make payment?" In the first place, Mr. Speaker, I will say that this government has never indicated that it was not willing to make any payment, but has indicated that it has not sufficient evidence before it to warrant a further declaration of policy. The house will appreciate that although this work was started by order in council in 1918, it was practically the month of June, 1925, when Commissioner Friel took charge, before any practical work was accomplished. He not only had to hear a great number of new cases, but, in many instances, he had to go over the cases that had been started by Commissioner Pugsley but had not been decided.

I would like to say right here that I think Commissioner Friel deserves the very highest praise for the work that he has done. He had practically nothing to guide him outside of what had taken place in other countries, and in no two countries were the conditions absolutely analogous. He had to follow his own judgment and his own guidance to a great extent, but, nevertheless, he has carried the work through, and just on the eve of the present session we had his report before us for our own personal study and perusal.

I would like to put on Hansard some of the opinions that were given by hon. members, not only of the Conservative party, but also of the independent third group we had in this house when Hon. Mr. Copp's resolution was introduced in 1925.

It will be argued and asked, "Was it then the intention of the government to proceed with these payments if a resolution of this kind was introduced?" Upon the day Commissioner Friel was appointed, the resolution was introduced; it was a permissive resolution which would allow the Secretary of State to proceed. Although I was not a member of the government at the time, I would think that it was a resolution brought before parliament in order to find out if there was any sympathy for such a proposal in the House of Commons. I might say that the resolution met with very little approval, in fact with such rebuke that the then Secretary of State thought it advisable to withdraw it. My hon. friend from Queens-Lunenburg (Mr. Ernst) has read the resolution, and I will not read it again. I would like to point out some of the objections that were made to the principle of the resolution.

The member for Queens-Lunenburg has stated somewhat lightly that Mr. Meighen objected to the thing being dealt with in camera, or something of the kind. He presented objections of a very serious character, and if those objections are still entertained in the minds of the hon. members they will have as much strength to-day as they had three years ago.

One of the objections offered was that the money belonged to the nation and that it should go into the treasury of the nation and

should not be paid to any individual. Another objection was that we should not take the dictum of one commissioner appointed by one government. He might happen to be partisan and we should not be satisfied with the decisions of that commissioner, as to how the money would be distributed. Another argument produced was that the report was not available, and that parliament could not pronounce on it until the report was presented.

On this last point, my hon. friends may contend that we had the report and we should have tabled it and given them an opportunity to study it, but I do not think my hon. friends have any idea of what goes with the report. The report is only a schedule of names, with a certain number of arbitrary amounts estimated by Commissioner Friel to the best of his knowledge. I admit that this has been done with great ability, but it is still the dictum of one man, as was put up to us in 1925. To deal with the report properly means that we must study a number of judgments covering 1,615 cases, and, more than that, very bulky evidence piling up higher than this table that is before me.

Therefore, Mr. Speaker, I submit that all the arguments presented by my hon. friends on all sides of the house on June 19, 1925, still retain all their strength. I will be frank enough to say that this was one of the reasons for the present Secretary of State dealing very cautiously with a matter on which parliament, representing after all the sentiment of the nation, had pronounced so clearly only three years ago.

Let us see what was said on that point by different members in June, 1925. Mr. Meighen, then leader of the Conservative party, stated as follows, Hansard, page 4519:

> I do not know what the nature of these claims is. I do not doubt some of them are good. I am not going to speak arbitrarily on the priority right of these claimants. It may be they have it; I doubt it. I want to say now, I doubt very much if special claims for damages due to the war are in priority to the state itself—the damage of the state. Reparations are not paid in respect of the special damage of the individuals of a country; they are paid in respect of the damage of the nation itself.

I pause to comment on the usual conciseness of statement which was then characteristic of the leader of the Tory party.

Mr. BENNETT: The minister thinks much more of him now than he did then.

Mr. RINFRET: I would not want my hon. friend to think from what I have just said that I would reproach him for lacking clarity of expression, but he usually surrounds his statements with an environment of cheerfulness which was lacking in his predecessor. As reported on page 4524, Mr. Meighen said:

> I should not like to say finally and definitely that they should not have some priority, even priority as is set forth in this resolution until I see what is done by other countries. But there is nothing to put them ahead of the state's claim for pensions, and this resolution, if it passes, gives them the first place all round. Until their claims are fully satisfied, all else has to stand aside.

The hon. member for Fort William, as reported on page 4519 said:

> Hon. R. J. Manion (Fort William and Rainy River): Mr. Speaker, it certainly does seem strange that the money we get in our first reparations should be paid out to individuals, no matter who they may be. I must confess that I had the impression that German property which we held in this country was to be used for that purpose. It is absolutely new to me that the reparations which we get for the calamity of the war, for the catastrophe through which we have passed and the suffering which we had sustained, should be handed out to any individuals, be they ever so deserving. It would seem that the money we get in reparations is for the benefit of the taxpayer generally in this country. I say it subject to further thought, because I must say I had not read this resolution until to-day, but it seems to me we should use that money for the benefit of the general taxpayer rather than for any individuals who may have suffered losses and yet who may have been able to stand them a great deal better than those who lost their limbs or were otherwise disabled and perhaps are getting a very small pension, to say nothing of those who lost their lives. I believe the government would be well advised, in a matter of this importance, while accepting the money, of course, to hold it until parliament has had further time to discuss the whole question.

On page 4524, the same hon. gentleman put the matter even more clearly and strongly, as follows:

> Would the hon. member consider for example that the mother of a couple of boys who went over there and were killed, who is barely living on a pension, having a difficult time getting along at all, whereas before the boys went over there she was in good circumstances, has not a better right to get something of this than a shipowner who lost a cargo of grain, who did not happen to have it insured, and who has a claim against Germany? There are thousands of such cases in this country.

That was a good argument and I still believe there was strength in it. I am not reading this at all for the mere sake of having a little pleasure at the expense of some hon. gentlemen opposite, far from it. I want to show that at that time there was an opinion presented in the parliament of Canada by the Conservative party against not only the immediate payment of the money but the very principle involved in paying individuals out of money collected from Germany for

war damages. I am glad to bring forward the opinion of a man for whom I have much respect and esteem, the hon. member for Winnipeg North Centre (Mr. Woodsworth), who stated his case rather clearly on that occasion. I am reading from page 4517 of Hansard and again I say there was much strength in his argument:

Mr. Woodsworth: It has been stated that when these claims were filed the purpose of the department was to secure some sort of an estimate as to the amount upon which a claim by Canada could be based, and that it was not originally the idea that these particular claimants should receive anything.

That is the very argument I made a minute ago.

That is, that the amounts should go to the government of Canada, remain with the government and not be passed out to the individuals who had filed claims for reparations. Am I right in my understanding that that was the original idea at the time the claims were filed?

Mr. Copp: My hon. friend is absolutely right.

That states pretty clearly the position of the government in 1925:

Mr. Copp: My hon. friend is absolutely right; the claimants had no legal claim upon the government of Canada for the payment of any of these reparations. These moneys are due to Canada as a whole; but we felt that as there were so many poor people, fishermen and others among the citizens of Canada who made claims, and as reparations to a certain extent were being paid by Germany, claim of those who suffered loss or damage should be paid.

Other hon. gentlemen joined with the leader of the opposition, the hon. member for Fort William, and my good friend the hon. member for Winnipeg North Centre, to oppose the resolution. I find that the hon. member for Battle River (Mr. Spencer) is reported on page 4518 of Hansard as stating his opposition in these words:

Mr. Spencer: I do not see why the taxpayers of Canada should be taxed to collect debts for individuals, when the whole people of Canada in many ways lose so heavily from the war.

I could quote the hon. member for Wetaskiwin (Mr. Irvine) who was then sitting for East Calgary, and who as reported on page 4522, also made his case very clear in these words:

Mr. William Irvine (East Calgary): If we have to depend on receiving reparations from the countries of Europe, I do not think we will be overburdened with moneys to distribute. But even if we were, it does not affect the principle at all; I do not think it is possible for any body of men to arrive at a sure and just decision as to who should be reimbursed for losses during the war. If there are millions to come under the Dawes provisions, I think that money should go against the national debt. If it does not fit in there, there is another place where it would fit in admirably; it should go to augment the pensions of the wounded soldiers and war widows.

[Mr Rinfret.]

And so on. I could quote the hon. member for Macleod (Mr. Coote), who is reported on page 4519 as taking this stand:

Mr. Coote: I do not think this house is justified in paying out all the money they may receive from reparations to individuals whose claims have been allowed by this commissioner. At this late stage of the session I do not think there is any use wasting a great many words over it, but there is a question of principle here which should be decided, and speaking for myself I am very much opposed to the principle set forth in the resolution.

I think I have made it abundantly clear that in 1925, when the government presented a resolution to feel out the opinion of the house on the matter, there was strong opposition as regards the very principle of paying to individuals reparation money that in the opinion of these gentlemen should remain in the treasury of the country. Objections were also raised on another point, namely, that the dictum of a commissioner could not be accepted as a decision in regard to distribution. Mr. Meighen also made that very clear as reported on page 4517. That was his first objection:

Mr. Meighen: Does the minister propose that on the report of the late Hon. William Pugsley, he is to be permitted to distribute assets amounting to millions of dollars in cash among those whom Mr. Pugsley thought the money ought to go to?

A couple of pages further on, page 4519, Mr. Meighen says again:

This is merely requesting the government for authority to pay out millions of money as a first charge on reparations, on the mere say-so of him who, unfortunately, now has passed away, but who was for many years a close associate of the government themselves. It is a measure of far-reaching consequence—

And so on. As reported on page 4523 Mr. Meighen once more comes back to the same line of argument. He says:

If I remember rightly, the pensions as respects all the dominions were taken on the French scale it did not matter what scale they were on, so long as they were all on the same scale; the French scale was adopted in order to see how one country compared with another in pension liability. Many more elements entered into the estimate of what the war loss was with a view to each getting his proper share of the reparations. It seems to me astounding that we should now go on the say-so of a commissioner or of anybody else, even of a court, and authorize priority to individuals over the position of the state.

On that same point I could also quote other hon. gentlemen, but I think I have quoted enough to show that strong objection was taken in this house three years ago, not by Liberals, not by members of this side of the house, Mr. Speaker, but by hon. gentlemen opposite, by the very leaders of that party,

and also by representative members of the group of independents in the far east corner of this chamber against, first, the principle of paying that money to individuals, and in the second place, of taking the dictum or say so, as Mr. Meighen put it, of a commissioner, and being satisfied with that distributing the money on his decision.

Therefore, Mr. Speaker, it will be seen that I was right when I said at the outset that this question is very involved and presents many aspects that should be dealt with, not in a political spirit at all, but rather in a national spirit, in order to try to arrive at the proper conclusion, and that all parties were more or less responsible, both for introducing the question into this country, and later on for blocking its progress. Those are the true circumstances that cannot be superseded by any attitude taken in the House of Commons.

I come now to the pont where this report reached us on the eve of the opening of the session, and as I have said, not merely the report, but a mass of judgments, and a bulk of evidence requiring the most careful study, a study which could not be given to the report at that time when we were occupied with preparing the work of the session. I regret as much as any other hon. member of this house the delay to which we have inevitably been subjected in dealing with this matter, but I am sure that the house will admit, after the exposition of facts which I have made, both as regards the principle of the whole question and the facts which have surrounded it in this country, that the government could not possibly base a policy upon merely a superficial study of the report, merely upon the presentation of a report which required the most intent and careful study. I might add that that delay has been general.

My hon. friend has alluded to the United States. That is twice in so many days that we have had members from the other side of the house pointing out to us the example of the great American republic. First it was on naturalization; now it is in connection with the payment of these claims. I think my hon. friends will admit at last that all the American spirit in this house is not on this side.

Mr. CLARK: We referred to that because we thought you would understand it.

Mr. RINFRET: The fact remains that the United States have just adopted legislation covering war claims, and it is on such a different scale from ours that I cannot understand how my hon. friend could even think of making a comparison. In the United States they are not coming under the Spa agreement or under the Dawes plan of payments, but their claims are being submitted, not to a commissioner of their own country, but to a mixed commission representing the United States and Germany, and the payments are to be made directly by Germany conditional upon a certain priority. That is a different proposition altogether, and it cannot possibly be brought into comparison with the case with which we have to deal in Can ada.

In Great Britain they have done differently and may I say a word as to that? In Great Britain they have fixed the amount of £5,000,000 to be distributed to claimants. They have fixed that sum, instead of having a commissioner to inquire into all the claims coming before him, and then recommending the payment of a certain amount. They have gone at it the other way. They have said: We will pay £5,000,000 towards these claims, and we will appoint a commissioner to distribute that amount to the best of his ability and good judgment.

Mr. CAHAN: But the distribution was made in proportion to the merits of the claims as decided by that commission.

Mr. RINFRET: I am just coming to that. Hon. members may think that £5,000,000 is a pretty huge sum, but let me point out that so far Great Britain has received as her share £45,000,000 in payments from Germany, so £5,000,000 represents only about 10 per cent of what she has received so far from Germany. I do not wish to detract from any merits to which Great Britain is entitled in this case. I acknowledge that Great Britain has distributed the sum of £5,000,000 to meet the most pressing cases, but Great Britain has not distributed any additional amount since. If we in Canada were going to meet the claims amounting to $6,000,000, representing the total awards, plus interest, of Commissioner Friel's report, then instead of distributing a little over 10 per cent to satisfy civilian claims, which is the proportion Great Britain distributed, we should be distributing over 50 per cent of the money that has come to Canada.

My hon. friend will admit that it is true that Great Britain met at once, or at any rate sooner than we have done, the necessitous claims to the amount of £5,000,000, but I fail to see that since that time, although the Dawes payments have been evolved, Great Britain has added to that original distribution.

Mr. ERNST: I do not for one moment ask that the whole of this $6,000,000 should be paid out. The resolution reads, "in whole or in part".

Mr. RINFRET: I will admit that my hon. friend has been very vague in his conclusions. He is in favour of going on a report that he has not seen, and it is indifferent to him whether we pay in full or in part. I do not blame him for being vague, because I know the amendment is not his. I have sat on the other side of the house and I have moved amendments myself that were put in my hand. At the same time the hon. member must take the responsibility for it. My hon. friend's stands is this: I have not seen the report, but I should accept the report in full or in part, whether it means the expenditure of $6,000,000 or $10,000,000 or $500; I am not concerned as to that; we should pay something.

My stand, Mr. Speaker, as a responsible member of the government, is that on account of the questions involved in the report, we are not yet in a position to recommend the proportion of payments to be made, and that perhaps, although we have presented the facts very much in the same way, although on many points we are agreed, is where we differ absolutely as to the conclusions. Instead of taking the attitude taken by my hon. friend, who, not knowing what is in the report, is willing to recommend anything at all, we take the stand that until we have studied fully the report and the evidence in connection with it, we will not as a responsible government make any proposal to the parliament of Canada. That is the stand we take.

My hon. friend has insisted on the fact that we have received a little over $10,000,000. May I pause here to say that that is merely a drop in the bucket when compared with the huge expenditure that has been left to us as a legacy from the war. That amount would not pay one-third of our yearly expenditure on war pensions alone. It would not begin to pay the monthly instalments on the interest which we now have to meet on the public debt of this country. If my hon. friend takes the stand, as he did, that the whole of this money must go to pay these special claims, then he can say: We have more than we need. But that is a stand that I positively refuse to take. It has not been taken in the British parliament. It was not accepted by this house in 1925, nor by any hon. member, not even by the minister who presented the resolution. We take the stand that the money accruing from the Dawes payments belongs to the nation, and in my opinion it is but a very meagre and feeble compensation for the huge legacy of debt that the war has left to this country.

[Mr. Ernst.]

Again I say, it will not be one-third of the war pensions for a year, it will not be one month's interest on the national debt. It is a mere drop of water, and should be so considered if we look upon not only these claims, which are a side issue of the war lagacy, but upon the intolerable burden that has been placed upon the Dominion by our very heavy war expenditure—an expenditure for which Germany accepted responsibility, but which she has been unable to meet in full. And surely because Germany has been able to meet only a very small portion of that expenditure we should not disregard the main portion when we deal with matters of this kind. Perhaps after all it is a lesson of the late war that we should not forget, that in modern times with all the intricate equipment that invention has rendered possible, war is not only a castrophe for the vanquished, but it also involves very serious disadvantages even to the victorious country. It may not be altogether out of place in a debate of this kind to say that it would be well for Canada to ponder over the fact that war as it is staged under modern conditions is disastrous for all the belligerent nations. And when we deal with war claims, instead of devoting our sympathy to a single class of claimants, we should not forget that the whole nation has suffered and should receive consideration.

But, Mr. Speaker, I feel I must conclude, although I have a mass of evidence before me that I have not yet dealt with.

Some hon. MEMBERS: Go on.

Mr. RINFRET: Now, what was the course open to us? Taking into consideration the fact that this money undoubtedly belongs to the nation, and that although there has been delay in dealing with the matter through the appointment of successive commissioners, yet we are still without sufficient data to introduce a policy for the acceptance of parliament.

Mr. QUINN: May I ask the minister a question? He has impressed upon the house the great burden resulting from war. This being so, why is the government so lavish in voting ten million dollars for the beautification of this city and a million and a half dollars to repair the citadel of Quebec?

Mr. SPEAKER: Order.

Mr. RINFRET: I do not admit that the government is lavish, but I do admit that the government will continue to function. I for one am always ready to commend the policy of any government that leads to the

expenditure of the taxpayers' money on works of peace, on the development of the country along sound lines, rather than feel over-enthusiastic in regard to expenditures thrust upon us by a world-wide catastrophe.

Now, what could the government have done when this report was before it in February of this year? We could have presented the report to the house and endorsed in the full the recommendations made by Commissioner Friel; but, as I have said, I believe this would not have been a good policy to follow, and in this view I am confirmed by the opinion of parliament in 1925, which made it very clear that it would not consider the word of a commissioner as sufficient in itself with respect to the distribution of these funds. It might have been possible to table the report and introduce a measure recommending payment of the claims as awarded by Mr. Friel, and also allowing those claims which had been dismissed by him or entertained in part to be reconsidered by an appeal commission. But my hon. friends will at once admit that this would have given to the whole matter a kind of legal recognition by the government. Besides, it must not be forgotten that the amount of the claims put before Commissioner Friel totalled $55,000,000, without interest, which would mean another $20,000,000. We did not deem it advisable to throw open the whole matter again by allowing appeals. Then we could have disregarded payment altogether. In this respect I wish to assure parliament, if it needs reassuring, that we are perfectly willing to stand by the attitude taken by the British government. We do not acknowledge any legal right on the part of these claimants, but in certain cases we are willing to admit a moral right to recognition. But Commissioner Friel's report contains nothing that would allow us to proceed along those lines immediately, and therefore we have decided—and I think our decision will appeal to the judgment of the house and also to that of the country—we have decided to give the matter further study during the recess, to look into the mass of evidence and judgments which accompany Commissioner Friel's report, in order to be in a position next session, not in any haphazard way, not basing our action on the recommendations of the commissioner, but by a very careful study of each one of his decisions, to recommend legislation to this parliament on the basis of the British award. That is to say, not to acknowledge any legal right in any such claims, but as an act of grace and on compassionate grounds to recommend awards to certain classes of claims for a certain amount that we will best be in a position to determine when we have given the question the study it deserves.

That, Mr. Speaker, is our position. I repeat, I think it will commend itself to the good judgment of the house and of the country, and certainly it will bear comparison with the attitude taken by the official opposition, which is equivalent to saying: We do not know what the report is, we have not even seen it, but still we are willing to recommend that payment in full or payment in part, either one or the other, or both perhaps if this course can be entertained, be acceded to by the house.

Mr. BENNETT: That is neither clever nor ministerial.

Mr. RINFRET: I am willing to admit, Mr. Speaker, that the quality of my wit is not at all on the same level with that of the leader of the opposition; but as to that I will leave others to judge.

Mr. STEVENS: Will the minister permit a question? He will recall that on two or three occasions I asked him when the report would be available. He will also recall that he promised the house that immediately the report was received by the government it would be laid on the table, on one occasion intimating that he expected it in a day or two. Now, I ask the minister: Does he consider that he is justified in taunting us with not having seen the report when we have had no opportunity of studying it?

Mr. RINFRET: I have tried very hard this afternoon to explain the whole matter. It was unfortunate that we should discuss that matter to-day and in such an atmosphere, and I am willing to withdraw from my speech any word that may have offended any hon. gentleman opposite. It was not in my mind at all, and indeed it never is, to give offence. The reason why the report was not tabled I will state. When we found that we could not possibly base legislation upon the report we thought that it was not only useless but inadvisable to table a report which would indicate to 1,600 different persons that they might be awarded certain sums which in the long run they might not receive. That is why we did not table the report. We will table the report when we are in the position to intimate at the same time what we intend to do with it.

Mr. STEVENS: How can the minister justify his condemnation of us for our position in the absence of the very report which enables him to make that statement?

Mr. RINFRET: I am not condemning the opposition, I am merely comparing the attitude taken by the two parties respectively. My hon. friend (Mr. Ernst) might have moved an amendment reproaching the government with not having tabled the report, or with not having dealt with the matter. But the amendment goes further; it declares that we should pay even in full. I say that this is a very dangerous attitude to take on a question of this kind. I admit that it is not the fault of the opposition if they have not all the required information. At the same time, however, as they have not that information, surely I am at liberty to say that their stand is rather radical. If they had seen the report and realized just what it means perhaps they would be more inclined to share our views in the matter.

Mr. CLARK: Is it a fact that this report has been furnished to the press or to a section of the press?

Mr. RINFRET: Not that I know of. So far as I am concerned, I may say that a few copies only have been printed for use of council.

Mr. CLARK: I mean of course with instructions not to publish it until—

Mr. RINFRET: No. In the first weeks of the session some hon. gentleman put questions on the order paper and was given some information, though not in detail, as to the total number of claims, the total amount claimed and the total amount awarded. That information was given officially in the house, and all that I have read in the press has been based thereon, with comments added by the press on its own behalf and for which of course I accept no responsibility.

Now let me sum up. In the first place, reparation money undoubtedly belongs to the country; and in the second place the report of a commissioner, in the opinion of the house itself as presented three years ago, in 1925, cannot be taken as a basis for distribution of any money. Therefore, as I have said, it is our intention during the recess, when the labours of the session are over, to give that report, the judgments and the evidence the fullest care and study in order to be in a position at the beginning of next session to introduce legislation. I cannot now foresee exactly what that legislation will be, but I can say that in principle it will be shaped by and based upon the policy adopted in the British parliament by the British government. It will not admit any legal rights, but the government is willing to meet some of these claims on compassionate grounds and as an act of grace. And I hope that this policy will commend itself to the good sense of the parliament of Canada and of the country.

Mr. THOMAS CANTLEY (Pictou): I will ask the house to bear with me for but a few minutes. I was not much interested and less convinced by the lengthy speech made by the Secretary of State (Mr. Rinfret) on this matter. I go back to the resolution before the house in 1925 in which it was declared to be expedient to make provision for the payment of claims for reparations in respect of losses suffered by Canadian nationals during the war. That resolution went on to provide for the appointment of a commission. Those persons interested were asked to submit evidence and they did so at great length and at considerable expense.

I would point out that some of the people of Nova Scotia suffered very greatly. An important corporation in my county lost a large proportion of its fleet, and several other Nova Scotia companies suffered in the conflict. One company in particular, the Nova Scotia Steel and Coal Company, lost close to forty thousands or so of modern high class steamer tonnage sunk by the Germans. Evidence in regard to that matter was submitted to the commission, by whom an award was made. That award was made by Commissioner Pugsley some years ago and is a matter of record. I would point out further that all these vessels, at the time they were torpedoed by the Germans, were engaged in conveying material of one class or another used in prosecution of the war. Early in 1915 a company in New Glasgow entered into a contract to supply the Russian government with 2,000 cars, delivered on the tracks at Vladivostok in working condition. They proceeded to build the cars and the first steamer that sailed for that Pacific port with cars proceeded down to the Panama canal. She arrived there just as an accident had closed the canal to all traffic. That boat was diverted via the Cape of Good Hope and the second boat left, scheduled to go through the Suez canal. She was torpedoed south of the island of Crete and we lost both ship and cargo. The men were thrown into the water on a cold morning in November, their boats were shelled and one capsized, and they were two days adrift. Finally they were able to work their boats to shore at the south end of the island of Crete. That is only one case. We lost a large amount of tonnage of that character.

Several of our Nova Scotian captains lost their ships by torpedo and gunfire; some of

them spent several years in German prisons; they lost all they possessed and suffered much in health and estate, and they demand and deserve recompense.

Now the government has received $11,000,000, and some $6,000,000 of claims are admitted. I am not now making any claim on legal grounds; no one on this side of the house has done so, though I will not admit we have no legal claim. But if it were not intended that some compensation should be made, why the resolution to which I have referred? And why did the government act and appoint a commission? Why did we ask people who suffered losses to come forward and give evidence of their losses?

There are hundreds of cases of hardship in regard to which the minister has evidence. He has the report but he refuses to disclose what it calls for. But he asks us to be patient. We have been patient, but he has no right to hold the money. The minister should make payment and I ask him that he do so and meet the reasonable conditions laid down in the resolution, introduced in 1925 into this house, upon which action was taken by the government and a commission appointed. I do not suggest that these claimants have no legal standing; and in any case certainly there is another and a higher claim than that of legal right. I am not prepared, I am not able to follow the Secretary of State in his long speech of technicalities and legal quibbles. I am not interested in that; I care nothing about that. I appeal to the house and to its sense of British justice. The government has received the money for a definite purpose. Let them give to those who suffered losses some proportion of those losses. And let them do it at once.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I congratulate the government on coming to a much more reasonable position than that which is shown by the resolution as introduced in 1925. Very few members of the house will find fault on the whole with the position taken by the Secretary of State (Mr. Rinfret) in the very admirable speech which he has made. Undoubtedly it is difficult to apportion the losses due to the war; I think that is one of the outstanding considerations which we must keep in mind. There were enormous losses of life; there were men who came home permanently disabled; there were homes broken up; there were very large property losses and there is the enormous debt which we must carry to-day. Who is to say just how much each man or each home lost through the war? I should like to urge, however, that property losses have no priority over losses of other kinds sustained by other sufferers; the danger is that in connection with matters of this kind we should think in terms of property lost. A ship may have gone down or it may have been driven ashore on the coast; I can quite understand how keenly such losses were felt by many in the maritime provinces. On the other hand a home in the interior of the country may have been ruined; who is to say that the loss sustained by that home, which is deprived of a relative, perhaps a breadwinner, is less than that sustained by the company which lost a ship? So I think in deciding claims of this character it should be laid down as a fundamental principle that property losses have no prior claims whatever.

The Secretary of State has made it abundantly clear that any claims of this character should not be granted as by right. Undoubtedly the whole legal argument is well sustained that payments from Germany which are due in this connection to this country under the treaty are the property of the state. However, it may be very well that there are certain claims which should have special consideration. I would take it that the general principle should be laid down, and indeed has been laid down by the Secretary of State, that claims should be granted on the ground of compassionate allowance. That, I fancy, would limit very decidedly the scope of the claims which could find any justification.

There is one other position which I should like to put forward—and I am glad to say that I occupy the same ground I did several years ago—that is, that grants of this character should be made only by vote of parliament. I should not like to think that we were giving any plenary powers to a government commission to make large grants in respect of these claims; there should be the most careful scrutiny of all claims, and parliament should pass upon them. I recognize that with a very large number of claims and with a great mass of evidence this may be difficult, but at the same time we are all capable of judging in accordance with general principles. We should have the whole situation very clearly set forth before any definite plan is evolved by the government for the payment of any such claims.

These are matters which I hope the government will take into consideration. As yet we are not committed to any scheme and it seems to me well that now we should carefully decide upon the principles on which any such scheme should be founded.

Mr. C. H. CAHAN (St. Lawrence-St. George): I think we all agree that in the strict sense of the term these claims which

have been filed and proved before the commissioner appointed by the government are not legal claims in the sense that they can be enforced against the government in any court of law. The position is exactly the same as that which arose when, owing to certain depredations of the steamship Alabama, claims were made against England and computed on the basis of the damage and loss caused American citizens by that ship. That loss and damage was recovered by the government of the United States, acting on behalf of the state, and in a similar way we have had many instances where this has been done by the British government. For instance, there is a case now pending in the United States where British citizens have suffered owing to a riot in one of the southern cities which caused loss of life. The British government may press for damages on that account, inasmuch as the damage or loss sustained by individuals can be only recovered by the British government as a government, and when recovered by that government the legal title to the sum so secured is vested in the crown and the money is the property of the crown. But nevertheless the British government have always recognized the principle that they have a responsibility to use such funds so recovered, at least to a certain extent, for the compensation of those British citizens whose loss was the subject of the international negotiation which resulted in the payment of the money.

I think the Secretary of State (Mr. Rinfret) rests under a misapprehension, by reason of the emphasis he gives certain sections of the treaty of Versailles. He referred to certain offsets arising from the sequestration of German property in Canada and the sequestration by the German government of Canadian property in Germany, which were adjusted through a clearing house, if I may say so. That, of course, is not the sort of reparation with which we are dealing in this debate. This reparation arises solely and exclusively under article 231 and the following articles of the treaty of Versailles. Article 231 says:

> The allied and associated governments affirm and Germany accepts the responsibility of Germany and her allies for causing all the loss and damage to which the allied and associated governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies.

That is a recognition of Germany's liability to pay the entire costs of the war, but that was not the basis on which the final agreement was reached. Let me read article 232:

> The allied and associated governments recognize that the resources of Germany are not adequate, after taking into account permanent diminutions of such resources which will result from other provisions of the present treaty, to make complete reparation for all such loss and damage.

Therefore a great volume of the war claims which the allied governments otherwise would have had against Germany were waived. But the claims which were to be paid by Germany out of her reduced resources are set out in the following paragraph:

> The allied and associated governments, however, require, and Germany undertakes, that she will make compensation for all damage done to the civilian population of the allied and associated powers and to their property during the period of the belligerency of each as an allied or associated power against Germany by such aggression by land, by sea and from the air, and in general all damage as defined in annex 1 hereto.

Annex 1 sets out the various classes of damage to the civil population. Subparagraph (1) reads as follows.

> Damage to injured persons and to surviving dependents by personal injury to or death of civilians caused by acts of war.

It was not the losses of the men in the field, but of civilians. Subparagraph (2) reads as follows:

> Damage caused by Germany or her allies to civilian victims of acts of cruelty, violence or maltreatment.

And then subparagraph (3) reads as follows:

> Damage caused by Germany. . . to civilian victims of all acts injurious to health.

I am not quoting these sections in full, to save Hansard. Subparagraph (4) reads as follows:

> Damage caused by any kind of maltreatment of prisoners of war.

And then the final clause, subparagraph (9):

> Damage in respect of all property wherever situated belonging to any of the allied or associated states or their nationals, with the exception of naval and military works or materials, which has been carried off, seized, injured or destroyed by the acts of Germany or her allies on land, on sea or from the air, or damage directly in consequence of hostilities or of any operations of war.

This clause covered damages to property owned by civilians. Therefore when this treaty was made, and Canada, as one of the signatories of the treaty and one of the dominions of the British commonwealth engaged in the war, was entitled to reparations, those reparations were largely confined to loss to civilians, and there was also the payment of pensions, which

came in under another clause. Canada collects that money as compensation for loss and damage to civilian property, and as compensation for certain pensions paid by her. It seems to me, therefore, beyond any question of doubt, that the government of Canada collecting that fund is morally responsible to see that the fund is appropriated and distributed, not to defray the ordinary expenses of carrying on the war, but for compensating the loss or damage to civilians and civilian property in respect of which Canada recovered these funds from the German state. I think there is a moral obligation. I do not imagine that we shall ever recover from Germany sufficient to pay the loss or damage coming under these various clauses in annex 1 to article 232 of the Versailles treaty.

Mr. ADSHEAD: How does Germany pay her debt to Canada, in gold?

Mr. CAHAN: She is paying it under the Dawes plan.

Mr. ADSHEAD: Through goods sold?

Mr. STEVENS: No, with gold.

Mr. ADSHEAD: Services or goods?

Mr. CAHAN: The money is received by the Canadian government in the form of bills of exchange at the current rate, representing gold coin in this country. But I am not dealing with that.

It was natural, therefore, that the Canadian government should have asked the civilian population of Canada, who had met with loss and damage within the terms of annex 1 to clause 232 of the treaty, to prove their claims, and that they should assume it was the intention of the government to make certain recompense to them for their loss and damage, in so far as the government might recover compensation for such loss and damage from the German government.

I would call attention to the statement made by the Secretary of State on April 11, 1927, in answering certain questions put by the hon. member for Vancouver Centre (Mr. Stevens). In replying to these questions, the government, as represented by the Secretary of State, said:

> The commissioner was appointed to investigate and report upon claims of persons residing or carrying on business in Canada who have been subjected to loss and pecuniary damages arising through the destruction of life and property through the illegal warfare of the enemy.

If my hon. friend had said "loss and damages suffered by the civil population", with that modification I think his statement would be more correct. He then went on to deal with losses arising from breach of contract, and he concludes that the commissioner was appointed to investigate and report:

> —for the purpose of determining whether they are within the category set out in the first annex to section (i) of part VIII of the treaty, and the fair amount of such claims, and to make such findings as may be of assistance to the government in determining which, if any, of such claims should be paid, and the extent of payment thereof.

When I heard that statement from the hon. gentleman on April 11, 1927, I assumed that to be a pretty clear statement on behalf of the government that, while they were not committed to the payment of any particular percentage of these claims, they were nevertheless committed to the policy of recognizing the claims and making some recompense in respect thereof. The minister emphasized the fact that there was no legal claim against this government, on the theory that each state itself must make claim for damages caused to its citizens by foreign states. In claiming damages from the foreign state each government asserts such claim as for loss and damage to itself, but its claim is really based on loss and damage to its civilian population and to their property. Nevertheless, in closing his statement on that day, the Secretary of State said.

> The view held by the Canadian government is that claimants for losses above referred to have no claims against either Canada or Germany.

Then he proceeded:

> If there is any claim it is in the right of Canada against Germany under the treaty, and this right is being enforced as set out in answer to questions 8 to 12. This view is also held by the government of the United Kingdom. The Canadian government has under consideration the making of gratuitous payments to claimants, and if it is so decided, parliament will be asked to make an appropriation for that purpose.

Therefore more than a year ago this house was convinced by this statement of the government that the government had the clear intention to make some compensation, which it has since declined and neglected to do. In view of the fact, as the hon. member for Queens-Lunenburg has pointed out, that there are some hundreds of claimants in his electoral district, people who can ill afford that their claims should be held in abeyance, it seems that the government has been entirely negligent in its duty in not presenting a decided and considered policy of making payment to those people whose moral claims are undoubted, and particularly so because of the very fact that this government, as one of the

allied nations, based its claim against Germany and is receiving recompense from Germany—not by reason of the cost of the war to us, because it has renounced any claim for the cost of the war—but solely on account of and by way of compensation for loss and damage suffered by our own civilian population.

Mr. J. A. FRASER (Cariboo): I should like to make a few remarks, not that I have anything to say in regard to the legal aspect of the case, but because of a matter which has been brought to my attention by a person living in my constituency. This is a very hard case and I want to put on the record the particulars of the claim. The first letter which I have received in connection with it is dated December 17, 1926, from Lillooet, British Columbia, and reads as follows:

Pardon me for writing to you, but being resident in your constituency I thought you might be able to help me. I was a passenger on the Lusitania when she was torpedoed on May 7, 1915, I was in the water two hours and suffered injuries which neither time nor doctors have been able to cure. I put in a claim against the German government in the year following and since then have sent in certificates and affidavits substantiating my claim. Some weeks ago in reply to a letter, I heard from the commission that my claim had been assessed (they did not mention the amount) and that the matter was to be brought up at the next session (or now). A compassionate vote I believe they call it.

I cannot get to know anything definite, and as I am even now waiting for an operation on my knee, and the trouble is serious and gets worse every day, I thought perhaps you would be good enough to let me know if the vote passes. "Compassionate vote for war claims". I should be more than grateful, as if I could show I would be paid soon, I might be able to borrow the money to take me to the coast for my operation. May I beg of you to return me the enclosed cutting, which I thought might interest you. My husband has gone away to try and get work. He was laid off the roads two months since. Thanking you in anticipation.

Sincerely yours,

INEZ WILSON.

I took the matter up with the department and this is the reply dated Ottawa, March 7, 1927:

Re Mrs Inez Wilson

I have the honour to refer to the matter of the claim for reparation concerning which you had an interview with me this morning.

I am directed to advise that the commissioner has given this claim his consideration and has assessed it. I regret that I am unable to disclose the result of his finding until such time as the commissioner's report is made public.

For your information I may advise that the commissioner filed an interim report with the Honourable the Secretary of State, some two weeks ago, which report has not as yet been made public owing to the fact that the department is giving consideration to the schedules thereto as some rearrangement of them may be found necessary. It is expected. however, that the policy of the government with reference to these matters, will be declared shortly.

I return herewith the correspondence left with me by you.

I have the honour to be, Sir,
Your obedient servant,

J. A. DUFFY,
Secretary.

The first letter she wrote was dated December 17, 1926, and this was the reply. I received another letter from her dated March 15, 1927, as follows:

I received your letter of the 8th, to-day, and I am more than grateful to you for your efforts on my behalf. I appreciate them all the more as you are so busy. I have just been given an opportunity of medical treatment (through friends) in Los Angeles, but I am afraid to go for fear of losing the money. Could you possibly tell me if it would be safe for me to go? I mean that I would not have to come back to Canada to get the money, before my operation on the leg? I am rapidly losing the use of my leg and delay now is dangerous, but I could not go all that way and come back again.

What I wish to know definitely now is, now that my claim has been assesed, would it make any difference where I was residing at the time the claims were paid? If it was to be shortly, I would try to be as patient as I could, but if it is still a long time ahead, I might lose my leg altogether, or at the very least, the use of it. You will I hope understand how serious this is for me, and please forgive me for again troubling you in such a busy season, but if it can be managed, I want to feel absolutely safe in going.

Thanking you again for your kindness, I am,

Faithfully yours,

INEZ WILSON.

Then on November 7, 1927, I have another letter addressed from 972 Palm avenue, Sherman, California, where the lady had gone to receive the medical treatment which she said she might avail herself of by the help of friends. She writes:

Doubtless you will remember me asking your help in Lillooet, re my claim for Lusitania disaster. I heard from Ottawa that the matter would be settled, they thought this winter. Does that mean before Christmas or after? I would be very grateful if you would tell me as far as you know when parliament dissolves and if anything at all has been done and also when the house meets again.

I never see a Canadian paper here, and they do not print any Canadian news much, so I cannot tell if anything is being done or not. I am badly in need of the money, I am better than I was, but have to have a major operation on my leg, and unless I have the money, I cannot have it done. I want to return to Lillooet when I am able and have the means. You were so good to me before that I feel sure you will help me now. Could you possibly (in confidence) tell me if there is really a chance of settlement? This suspense and anxiety is very wearing and I would rather know the worst.

Thanking you in anticipation, I am,

Faithfully yours,

INEZ WILSON.

Then I have another letter dated January 16, 1928:

May I trespass upon your time and kindness, to ask you if you could possibly give me a review of my case and the standing of it, with the Canadian government re my Lusitania claim? Just recently the American Lusitania claimants have been settled and will be paid within the next sixty days. That is why I am asking you again to help me; I am in great need of the money; I require it for a further serious operation and I'm afraid to have it done, unless by a specialist. It is all caused by injuries received in the Lusitania.

They told me it would most probably be settled this last winter, but I've heard nothing further. If you could give me any idea of when the claims will be settled, I would be very thankful. I do not get any Canadian papers here, so I do not hear any parliamentary news. I am grateful for your past interest and remain

Faithfully yours,

(Signed) INEZ WILSON.

There is a further letter dated April 30th, 1928, as follows:

I am writing to advise you of my change of address, and also to thank you for your extremely kind efforts on my behalf.

Thanking you again,

Very sincerely yours,

(Signed) INEZ WILSON.

That, Mr. Speaker, is the record of a case which I thought it was only reasonable to put before this house. So far as I am concerned I must say that it seems to me a monstrous thing, in view of her circumstances and the length of time she has been waiting, to keep this woman waiting for the reasonable reparations to which she is entitled. She has been undergoing medical treatment ever since the Lusitania went down. She has used up her own resources and is now dependent upon friends to receive the necessary medical treatment to keep her alive. I repeat, it seems to me a monstrous thing for the government at this time to be refusing to satisfy claims of this kind. I have two or three other cases of exactly the same nature.

It seems to me that the whole trend of the remarks of the hon. Secretary of State this afternoon was that, notwithstanding the fact that there were claims which should reasonably be met, hard cases and all that kind of thing, although the total amount of these claims was $6,000,000 and we have already received from Germany $11,000,000, the government can still go on refusing recognition to these claims, and at the same time spend millions of dollars in beautifying Ottawa and on other schemes of that kind.

Hon. H. H. STEVENS (Vancouver Centre): I desire to say a few words in regard to this matter. I shall not traverse the ground covered so admirably by the hon. member for Queens-Lunenburg (Mr. Ernst) in presenting this case, nor shall I follow the hon. Secretary of State (Mr. Rinfret) in his lengthy resume of the history of the matter. I wish, however, to reply to some of the observations made by the hon. Secretary of State.

In the first place, the hon. minister taunted the members of the opposition with moving an amendment on going into supply, expressing regret that this subject should have been made, as he termed it, a vote of want of confidence. Then he went on to say that one of the reasons why the government had not acted was because they were unable to come to a decision without a lengthy study of the report. At the same time, during the last two years he has repeatedly assured parliament that in the course of a few days this report would be laid upon the table for the perusal of the members of the house so that we might intelligently study it and take the position upon it which our judgment might dictate, but up until this time, within a measurable time of the end of the second session of the discussion of this subject, we have not yet been vouchsafed a view of the report at all. Then what other recourse is there for the opposition, when they are placed in a position of that character, than to bring it to the attention of the government on a motion to go into supply—the old historic method, constitutional, and indeed, sir, the only method left open to us.

There are certain facts to which I desire to draw attention. In the first place, there is this fact, and the Secretary of State did not attempt to reply to this phase of our grievance, that the government have in the consolidated revenue fund an amount in the neighbourhood of $11,000,000 or $12,000,000 for the purpose of paying the claims of the civilian population of Canada. They have coming this year, so they tell us, some $5,000,000 odd from the Dawes plan, the regular annual payment. Then also for many, many months they have had this report, which sets forth in detail, according to the statement of the Secretary of State, the proven claims of a large number, some 1,600, of Canadian nationals in regard to war damage. Now our position is this: The government being in possession of this fund, why do they not settle these proven claims? That is our question, and we are being importuned on all sides to bring to the attention of parliament not only one but hundreds of claims which are being ignored, as they express it, and they are asking us as their representatives in parliament to demand from the government a recognition and settlement of these claims.

The minister made a very lengthy argument, if I might so style it, to demonstrate that this money was primarily the property of the state. That was the whole burden of an address occupying an hour and a quarter. I want to read to the Secretary of State and to call to the attention of the government the statement made by the government a year ago in regard to this matter. I placed upon Hansard a series of some twenty-five questions dealing with this subject in a fairly exhaustive manner, and in answer to question 4, the government stated in Hansard of 1927, page 2219:

> The right of the Canadian government to reparation is set out in the answer to question 1.

Now what was the answer to question 1? The answer to question 1 was to refer to article 232 of the treaty of Versailles, which reads as follows:

> The allied and associated governments recognize that the resources of Germany are not adequate to make complete reparation for all such loss and damage. Germany undertook to make compensation for all damage done to the civil population of the allied and associated powers and to their property during the period of the belligerency.

That is the basis of the payments by Germany to this country and to other countries, and it is on that basis that we are appealing to the government to settle these claims. I submit that the government cannot escape from the responsibility to disburse this money, through the medium of a vote in parliament, to the claimants from this source to which they refer in this reply they made last year.

I want to refer the government to another position which they took. This was in the year 1925, when the hon. Minister of Defence at that time, Hon. E. M. Macdonald, dealing with this whole question and with the famous resolution referred to a moment ago, known as the Copp resolution, made this statement, at page 4522 of the Hansard of June 19, 1925. Bearing in mind the position which the hon. Secretary of State has taken to-day, and that he is reflecting the present attitude of the government, here is the position which was taken then by the government through the Hon. Mr. Macdonald:

> The moneys which come from the Dawes commission, so-called, are payable under the terms of the treaty of Versailles for certain definite purposes. They cannot be put into the treasury of the country and appropriated for other purposes than those for which they are paid.

Then he gives a series of paragraphs, nine in number, quoted from the treaty itself, and indicates their purpose, to which the hon. member for St. Lawrence-St. George (Mr. Cahan) and other hon. gentlemen have referred. Now our point is this: The Dominion government having received these millions of dollars, more than double the amount required, and with another $5,000,000 coming along this year, and another $5,000,000 or $6,000,000 payable next year, we submit that these claims should be satisfied.

The hon. Secretary of State says: We want carefully to study the findings of Mr. Friel; we are not satisfied that those findings are fair, and we want to study them carefully, and next session we may bring in a measure to pay these claims. A year ago the minister had a still different view. Speaking officially for the government a year ago, he said, and I am quoting from page 2219 of Hansard:

> The policy of the government will be decided when the reparation commissioner has completed his report.

It may be said that that was a vague answer. At the time I did not take it as such, because the minister had repeatedly said, in answer to questions on the orders of the day, that they were expecting the report hourly, and the moment it was received action would be taken on it. Furthermore, the government had itself asked for and received an interim report, which dealt with what might be called non-contentious claims, which were obviously fair and should be settled. The government had that interim report in its hands over a year ago, but no action has been taken. How can the government justly complain of the position that the opposition is now taking in regard to the delay in introducing justifiable measures on behalf of these claimants?

What we are asking is this. In the first place, we ask that the report be laid on the table. This may seem a strong statement, but I make it advisedly: I submit that the government is guilty of a dereliction of duty to this house, indeed it is guilty of a lack of respect, in not long ago tabling the report. The report is not secret; the government must produce it sooner or later in its present form. The government may attach to it whatever it likes, but the parliament of Canada is entitled to the report. The minister says: Oh, what is the use of laying the report on the table; it is simply a long string of names and of figures. Well, give us the names and the figures. But, I submit, Mr. Speaker, that parliament is entitled to the report; and, furthermore, the government is open to severe censure in having suppressed the report up to this time. The report has been in the hands of the government since before the opening

of the session, according to the Secretary of State. We have gone through the whole session with repeated requests and references to reparations, and in face of the government declaration of last session I repeat that the failure to table the report is evidence of disrespect to parliament. So we ask that the report be tabled, and we have the right to demand that it be tabled before the close of this session. And, further, we have the right to ask for action on the report. In short, we want the report, and we want action on it. We are convinced from what we are able to learn, not only from the meagre knowledge we can glean from the government about the situation in Canada, but from parallel conditions in the United Sates, in Great Britain, in France and other countries—we are convinced, I say, that some at least of these claims may justly be paid. We know that in a large number of cases the failure to make payment has caused suffering similar to that to which my hon. friend from Cariboo (Mr. Fraser) brought to the attention of the house a moment ago. The case he mentioned is only one of hundreds in this country involving actual privation and suffering. I have in my room a letter from a lady, over eighty years of age, who is suffering severe privation from the lack of funds due to losses during the war incurred through the sinking of the Lusitania or a similar incident. My hon. leader reminds me that she lost her husband, a master mariner. He knows the case as well as I do. These are pathetic cases, there are hundreds of them throughout the country, and we submit that these minor claims—minor in respect to the amount of money involved—should be settled. It may be that in some of the large claims —I understand there are one or two of over a million dollars—time should be taken to scrutinize them carefully. If there are such cases, by all means scrutinize them with the greatest of care; no one objects to that; but we do object to the holding up of claims by individuals who are suffering privation while the government coolly takes time to look into these other matters.

Why is not the government prepared to take action this session? I confess frankly to the Prime Minister and his colleagues that I cannot understand it. I cannot find any conceivable excuse for the delay, and I have studied earnestly to find an excuse. The Secretary of State gave us none this afternoon. He intimated that the government wants to scrutinize the claims. I submit to him that between January and to-day there has been ample time to scrutinize a great many of these claims. Indeed, the major portion of them have been in his hands for two years on the interim report made by Mr. Friel. They have been in his hands long enough for him to go over the investigation three or four times. These claims could very properly be paid. If any of them are of a doubtful character, hold them in abeyance. But let us at least have the privilege of examining the report. Then we will be in a position to judge whether the minister is making a fair interpretation of the report when he says that it is so delicate and so intricate that he must take another year to scrutinize it and determine what action should be taken. I wonder, is it the purpose of the government to look into this report and scrutinize the findings with the expectation that some of the claims may be increased? Or does the government wish to decrease them? Is it the intention to decrease these claims or to increase them? Why the delay? It is rather significant that next session we will be one year nearer an election than we are to-day. The minister asks: Why should we make a political issue out of this, because we ask for a redress of the grievances of the people on going into supply. I ask him now, since he has indulged in implications, am I not justified in drawing this inference, that inasmuch as next session will carry us much nearer the time of an election, is not the government at least inviting designing persons to press for the payment of their claims in return for political support? That may not be so, but I say, is it not a fair inference?

Mr. MACKENZIE KING: No, most unfair.

Mr. STEVENS: Then I say to the Prime Minister it is most unfair for him to deny us our right to see that report. It is most unfair for him to deny the citizens of Canada payment of their just claims out of the moneys which the government has wrongfully put into the consolidated fund, according to an official declaration on behalf of the government by a minister of the crown from his place in the house. It is he whom I quote in support of my contention.

Now, Mr. Speaker, the Secretary of State suggests that the report is for his personal study. I submit that it is not for his personal study. He has no more right to that report than I have. It is a report to parliament, a report for this house to consider and determine what action shall be taken. Why, the ministry itself last session and this session has said, indeed the Secretary of State has repeated the language this afternoon, that

the only way effect can be given to the report is by a vote in parliament, by putting in the estimates an item to deal with the claims. It is obvious that the report is the property of parliament, and it is equally obvious that we are denied rightful access to our own property. The minister has no right to say that the report is for his own personal study.

Then the minister made this statement: he said that an appeal to the court would have given a legal air to this matter. That is to say, if they had appealed from Commissioner Friel to the court a legal air would have been given to these claims. Why are the government afraid of "a legal air"? A little while ago they said that there was no legal point at all at issue, that it was an act of grace. While I am not a lawyer I do not agree with that. I believe that under the terms of the treaty these people have an absolute legal claim against this fund—a claim which they cannot enforce because the funds are in possession of the government.

Another statement the minister made was that this report could not be taken as a basis of any payments. But I find, in his replies of a year ago, that he declares that the intention of the commission and of the report was to secure the bases upon which payment could be made. To-day however he says that the report cannot be taken as a basis of payment. I reiterate that what we are asking for is the report, which is the property of parliament, and action upon that report this session.

On motion of Mr. Bennett the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 5.55 p.m.

Monday, May 21, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

First and final report of the select standing committee on marine and fisheries—Mr. Duff.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

INMATES OF PENITENTIARIES

Mr. CHURCH:

1. How many inmates are there in each federal penal institution of the following ages: (a) 16 years or under, (b) 17, (c) 18?
2. What has been done to remedy the conditions?
3. What became of announced proposed conference with the provinces on the policy, and what action was taken?

[Mr. Stevens.]

Mr. LAPOINTE:

1. Penitentiary	16 years and under	17 years	18 years
Kingston	—	1	5
St. Vincent de Paul	10	38	45
Dorchester	4	13	8
Manitoba	2	1	1
British Columbia	—	1	7
Saskatchewan	—	3	3
Total	16	57	69

2. The matter is receiving consideration.

GOVERNMENT COMMISSIONS

Mr. MAYBEE:

1. What county and high court judges have acted on government commissions during 1922, 1923, 1924, 1925, 1926 and 1927, and on what inquiries?
2. What sums were paid them?

Mr. RINFRET:

Department of Finance

1 and 2. Living allowances and travelling expenses paid: Maritime claims commission, Hon. W. B. Wallace, $2,100; Home Bank commission, Hon. H. A. McKeown, $2,558.60; Customs inquiry commission, Hon. J. T. Brown, $10,036; E. Roy, $8,992.62; W. H. Wright, $8,498.73; Sir Francois Lemieux, including expenses of secretary, $1,032.13.

Department of Justice

1 and 2. Athabasca election inquiry, 1922-23, nil; 1923-24, nil; 1924-25, nil; 1925-26, nil; 1926-27, Justice A. H. Clarke, travelling expenses, $829.36. 1927-28, Justice Trueman, commission re Judge Maulson, expenses, $76.

Privy Council

1. Maritime rights commission, His Honour W. B. Wallace, judge of the county court, district No. 1 province of Nova Scotia. Date of appointment, 7 April, 1926.

2. No information.

Department of Immigration and Colonization

1. His Honour Judge Stubbs of the northern division of the eastern judicial district of Manitoba who conducted an inquiry in 1927 in the case of A. M. Graham, dismissed from the office of the soldier settlement board at Winnipeg.

2. No payments made.

Department of the Secretary of State

1. List of county and high court judges who have acted on government commissions from 1922 to 1927 inclusive.

Name—Office—Date

Beck, Hon. Nicholas Dominic; Athabasca election; March 27, 1926.

Brown, Hon. James Thomas; Customs enquiries; January 14, 1927.

Clarke, Hon. Alfred; Athabasca election; July 10, 1926.

Denton, His Honour James Herbert; Operations of Toronto harbour commissioners; June 15, 1926.

Duncan, Sir Andrew (Rae) Wallace, His Honour William Bernard MacMillan, Professor Cyrus; Maritime claims; April 7, 1926.

Lemieux, Hon. Sir François Xavier; Brown, Hon. James Thomas; Wright, Hon. William Henry; Customs enquiry; September 28, 1926.

Lemieux, Hon. Sir François Xavier; Customs enquiry; July 20, 1926.

Maclean, Hon. Alexander Kenneth; contract with P. Lyall & Sons in re-construction work on Welland canal; May 21, 1927.

Maclean, Hon. Alexander Kenneth; Maritime fisheries; October 7, 1927.

Martin, Hon. William Melville; claims of British Columbia in respect of land conveyed to the Dominion under the terms of the union; March 8, 1927.

McKeown, Hon. Harrison Andrew; Home Bank; February 27, 1924.

Roy, Hon. Ernest; Customs enquiry; November 11, 1926.

Stubbs, Lewis St. George; dismissal of A. M. Graham from Soldier Settlement Board; January 31, 1927.

Trueman, Hon. Walter Harley; charges against Judge Maulson; October 7, 1927.

Turgeon, Hon. William Ferdinand Alphonse; Grain enquiry; May 1, 1923.

2. No information.

Department of Trade and Commerce

1. The Hon. W. F. A. Turgeon, puisne judge of appeal court, Regina, on grain enquiry commission during 1923, 1924 and 1925.

2.

	Allowance for living expenses	Travel and sundries
1923-24..	$ 3,156 58	$1,646 46
1924-25..	2,566 50	722 30
1925-26..	9,851 92	238 48
	$15,575 00	$2,607 24

Department of National Revenue—Customs and Excise Division

1. By order in council P.C. 1161, dated 20th July, 1926, the Hon. Sir François Xavier Lemieux, Chief Justice of the Superior Court for the province of Quebec, was appointed a commissioner to continue and complete the investigation of the administration of the Department of Customs and Excise which had been commenced by the special committee of the House of Commons.

By order in council P.C. 1467, dated 28th September, 1926, a judicial commission was appointed to complete the investigation of the administration of the Department of Customs and Excise; and also to enquire into and report on the operation of the treaty made between the Dominion of Canada and the United States of America dated June 6, 1924, for the suppression of smuggling along the international boundary between the Dominion of Canada and the United States of America.

This commission was composed of the Hon. Sir François Xavier Lemieux, Chief Justice of the Supreme Court for the province of Quebec, chairman; the Hon. James Thomas Brown, Chief Justice of the Court of King's Bench, Saskatchewan and the Hon. William Henry Wright, a justice of the Supreme Court of Ontario.

Subsequently the Hon. Sir François Lemieux was replaced by the Hon. Ernest Roy, a justice of the Superior Court for the Province of Quebec.

2. In connection with his appointment under the first order in council above mentioned, Sir François Lemieux was paid by this department a total sum of $1,032.13 for living and travelling expenses.

No amounts were paid by this department to any of the commissioners appointed under the second order in council above mentioned.

Income Tax Division

1 and 2. Nil.

Department of the Interior.

1. 1922, nil; 1923, nil; 1924, nil; 1925, nil; 1926, nil; 1927, Judge W. M. Martin, investigation under the Inquires Act into the claim of British Columbia for the reconveyance of certain lands conveyed by that province to the Dominion at the time of the union. (Vote 519, supplementary estimates, 1927-1928.)

2. Services, Judge W. M. Martin, $2,750; expenses, Judge W. M. Martin, $915.20.

Department of Marine and Fisheries:

1. Judge H. F. McLatchy, county court judge, Campbellton, N.B., commissioned August 23, 1927, to investigate salmon net privileges at the east end of Eel river bar, Restigouche county, N.B.

Hon. A. K. Maclean, Exchequer Court of Canada, appointed by order in council Sep-

tember 24, 1927, as chairman of a commission to investigate the fisheries of the maritime provinces and Magdalen islands.

2. Judge McLatchy $60 for expenses; Mr. Justice Maclean $2,772.78 for expenses.

Marine Branch

1. Judge Auley Morrison, Vancouver, B.C., was appointed commissioner in June, 1926, to investigate the administration of Captain James F. Tait, former port warden of Vancouver.

2. No remuneration.

CANADIAN NATIONAL RAILWAYS—FLINT MICHIGAN STATION

Mr. CHURCH:

1. Has a new large railway station been built at Flint, Michigan, by the Canadian National Railways?

2. If so, what was the cost, was parliament asked for funds first, was it built by contract?

3. What sums have been spent on the Canadian National railway station at Hamilton, Ontario, during the past two years, and when was the station built?

4. What is being done to give Hamilton a new Canadian National railway station, and when was the question of a new station there agreed to?

5. Will any concrete action be taken this year to secure a new station there?

6. What sums are proposed to be spent on betterments on the Central Vermont?

7. What amount of (a) cash and (b) credits or bonds of the old Grand Trunk was taken out of the old Grand Trunk Railway in Ontario and invested in the new Grand Trunk Pacific for use by the Grand Trunk Pacific outside of Ontario?

Mr. DUNNING:

1. A new depot was built at South Flint, Michigan, in 1927 by the Grand Trunk Western Railway Company.

2. The cost was $20,656.57 and the building was constructed by contract. The expenditure was charged to the funds voted by parliament in the 1927 budget for works of this character.

3. $11,721. Station was built about 1875.

4. For several years past the railway has been purchasing property for a new station site. The question of station facilities and the closing of certain streets in connection therewith is now under discussion with the city officials.

5. An amount has been included in the budget for this year and if an agreement is effected with the city, and the approval of the Board of Railway Commissioners secured, excavation and other work preparatory to the construction of a new station will be started.

[Mr. Rinfret.]

6. As this railway is under receivership appointed by United States court, we are not in a position to advise.

7. No amount was taken out of the old Grand Trunk in Ontario and invested in the Grand Trunk Pacific Railway.

CANADIAN NATIONAL RAILWAYS—EQUIPMENT

Mr. CHURCH:

What amount of equipment of the Canadian National Railways during the past five years was purchased, (a) in Canada, and (b) in the United States?

Mr. DUNNING: Years 1923 to 1927, inclusive: (a) in Canada, $56,024,219.49; (b) in the United States (for United States lines), $11,366,810.02, (for Canadian lines), $94,192.89.*

*Four (4) self-propelling gasoline cars not obtainable in Canada.

WINDSOR, ONT., POST OFFICE

Mr. GOTT:

1. Does the government own the post office building in Windsor, Ontario?

2. When was same built?

3. What was the cost?

4. Has an offer for the present site been made to the government?

5. If so, when, by whom, and for how much?

6. Would the government consider a fair offer for same?

7. What is the value of the present property per running foot?

8. How many feet are there on Ouelette avenue?

9. Has any real estate firm or person in the city of Windsor an option of purchase of the property?

10. If so, on what conditions?

11. Has it ever been offered for sale—or instructions given to anyone to sell it at a net price or on commission?

12. If so, when, and to whom?

Mr. ELLIOTT:

1. Yes.

2. 1879.

3. $44,798.

4. No.

5. Answered by No. 4.

6. Yes.

7. No recent valuation has been made. In 1923 it was reported that the city assessor considered $2,500 per foot on a frontage of 200 feet on Ouelette street was a fair price.

8. Approximately 200 feet.

9. No.

10. Answered by No. 9.

11. No.

12. Answered by No. 11.

ISLE AUX GRUES WHARF

Mr. CAHAN:

1. Has the Public Works department built a new wharf at Isle aux Grues, county of Montmagny?

2. Has the old wharf been abandoned?
3. What is the difference in the depth of wharfing between the two wharves?
4. Is the new wharf situated near the public highway, and if so, how near?

Mr. ELLIOTT:

1. Wharf under construction.
2. Yes.
3. 1.4 feet more water at high tide at outer end of wharf under construction than at old wharf.
4. (a) Yes; (b) Approximately 300 feet.

ISLE AUX GRUES MAIL CONTRACT

Mr. CAHAN:

1. Have tenders been called for the transportation of the mail from Montmagny to Isle aux Grues?
2. If so, when?
3. Has contract been awarded, and if so, to whom?
4. Was the lowest tender accepted?
5. At what price was contract awarded?

Mr. VENIOT:

1. Yes.
2. Due at the Post Office Department, 29th April, 1927.
3, 4 and 5. No action has been taken on the tenders received.

ISLE AUX GRUES TELEPHONE SYSTEM

Mr. CAHAN:

1. Has the government a telephone system at Isle aux Grues, county of Montmagny, Quebec?
2. If so, how many subscribers has such system?
3. Did any persons apply for telephone connection with such government system, during years 1926, 1927, 1928?
4. Were any such applications refused, and if so, why was such refusal made in each case?

Mr. ELLIOTT:

1. Yes.
2. Twenty-three.
3. Yes.
4. (a) Yes. (b) This is a grounded circuit and loaded to capacity.

ILLICIT LIQUOR, ARTHABASKA, QUE.

Mr. CAHAN:

1. How many persons in the district of Arthabaska, Quebec, have been found in possession of illicit alcoholic products under the Inland Revenue Act and the Customs Act, during the fiscal years 1926, 1927, and 1928?
2. If any, what are the names of said persons, and what action, if any, was taken in each case, and with what result?

Mr. EULER:

1. Forty-five.
2.

Name and address—Action taken—Result

Alfred Beaudet, St. Christopher, section 185, fined $200 and costs, paid.

John Normand, Victoriaville, section 204, fined $5 and costs, paid.

Amable Houle, Ste. Victoire, section 204, fined $20 and costs, paid.

Louis Tessier, St. Rosaire, no legal action, warned.

Pierre Belliveau, Warwick, no legal action, warned.

J. C. Denoncourt, Victoriaville, section 204, fined $50 and costs, not apprehended.

Fernando Arsenault, Ste. Seraphine, no legal action, warned.

Mrs. H. Chouinard, Victoriaville, section 180E, two months and costs, paid.

Pierre Duval, Victoriaville, section 204, fined $50 and costs, paid.

Mrs. Marie Brisette, Bulstrode Station, no legal action.

Paul Picher, Bulstrode Station, no legal action.

Albert Constant, Ste. Clothilde, section 180E, fined $500 and costs, paid.

Desire Turcotte, St. Albert, no legal action, warned.

Joseph R. Crevier, Victoriaville, section 180E, fined $200 and costs, paid.

Joseph Gagne, Victoriaville, section 180E, fined $200 and costs, paid.

Henri Houle, St. Clothilde, section 180E, fined $200 and costs, paid.

Armand Frechette, Princeville, section 180E, fined $200 and costs, paid.

David Dugal, Princeville, section 204, fined $50 and costs, paid.

Henri Picher, Victoriaville, section 180E, fined $20 and costs, paid.

Louis Denault, St. Christophe, section 180E, fined $200 and costs, paid.

Armand Dupont, St. Norbert, section 185, fined $200 or 6 months, served.

Adelard Houle, Ste. Valerie, section 204, fined $50 and costs, paid.

Napoleon Camire, Ste. Victoria, section 180E, fined $200 and costs, paid.

Delphis Carignan, Stanfold, section 180E, fined $200 and costs, paid.

Desire Trottier, Princeville, section 185, fined $200 and costs, paid.

Ovila Nadeau, Ste. Helene, no legal action, warned.

Clovia Barabe, Ste. Helene, section 204, fined $50 and costs, paid $25.

Ernest Beaudet, Warwick, section 185, fined $200 and costs, paid.

Pierre Chauvette, Ste. Helene, section 204, fined $50 and costs, paid.

Ovida Talbot, Victoriaville, section 185, fined $200 and costs, paid.

Alfred Bolduc, Victoriaville, section 180E, fined $200 or 6 months, served.

Ludger Beaudette, Warwick, section 181, fined $200 and costs, paid.

Louis Lambert, Victoriaville, section 185, fined $200 and costs, paid.

Amedie Mathieu, Victoriaville, section 185, fined $200 and costs, paid.

Thomas Caron, Victoriaville, section 185, fined $200 and costs, paid.

Evariste Desrosiers, St. Louis, no legal action.

Omer Boisvert, Victoriaville, section 176E, fined $200 and costs or 6 months, not apprehended.

Louis Lambert, Victoriaville, action pending.

Egide L'Abbe, Victoriaville, section 176E, pending.

Ludger Lavigne, Victoriaville, section 176E pending.

Moise Lefebvre, Daveluyville, section 206, voluntary penalty, $50, paid.

Henri Boisvert, St. Albert, no legal action

Chas. Beaudoin, St. Louis de Blandford, no legal action, warned.

Hermenegile Gregoire, Ste. Clothilde, no legal action.

Albert Constant, Ste. Clothilde, section 180E, fined $200 and costs, paid.

Note.—Under the heading of "action taken" in the foregoing statement, the words "section 185" indicate that prosecution proceedings were taken under section 185 of the Excise Act against the offender concerned "for having in his possession, whether the owner thereof or not, without lawful excuse, a quantity of spirits of unlawful manufacture or importation".

Likewise, "section 204" indicates action under that section of the act "for having brewed beer without having a license and without having complied with provisions of section 199 of the act".

"Section 180 (e)" indicates proceedings under that section "for possession of an unlicensed still or a quantity of mash".

"Sections 181 and 176 (e)" appearing in the latter part of the statement correspond to sections 185 and 180 as appearing prior to the revision of the statutes which became effective on February 1st.

BEAUPRE, QUEBEC, WHARF

Mr. CAHAN:

1. What amount has been expended by the government upon a wharf at Beaupre, Quebec, since March 31st, 1926?
2. Is the title to said wharf vested in the crown?
3. If not, in whom is said title vested?

[Mr. Euler.]

Mr. ELLIOTT:

1. Nil.

2 and 3. There are two wharves at Beaupre. The one on the right bank of the St. Anne river is owned by the government, and the other on the left side of the east branch of the same river is owned by The Ste. Anne Paper Company.

HARROW, ONT., EXPERIMENTAL FARM

Mr. GOTT:

1. What caused the vacancy in superintendency at Harrow, Ontario, experimental farm?
2. Who was recent superintendent?
3. When did he retire?
4. What salary was he receiving?
5. How will his successor be appointed?
6. Was the recent superintendent a Canadian citizen?
7. Will the position, when filled, be made by the Civil Service Commission?
8. Will the department engage a Canadian citizen for the position?
9. Is there any person employed at the farm capable and desirous of becoming superintendent?
10. Who is filling the position of superintendent at the farm during the vacancy?
11. What salary is he drawing?
12. What salary has been paid the superintendent at the farm in the years 1923-1924-1925-1926-1927?
13. Who was superintendent in each of the aforementioned years?
14. Are there any Canadian government experimental farms in Canada which have other than Canadian citizens as superintendent?
15. If so, how many? What farms?

Mr. MOTHERWELL:

1. Resignation of the superintendent.
2. H. A. Freeman.
3. April 12, 1928.
4. $2,700 per annum.
5. By the Civil Service Commission.
6. No.
7. Yes.
8. Yes, if a Canadian citizen, capable of filling the position satisfactorily can be found.
9. One employee is, it is understood, desirous of being promoted to superintendent of the Harrow station but the department is not, as yet, quite satisfied that he is capable of filling the position satisfactorily.
10. The experimental farm assistant. Mr. O. G. Williams.
11. $1,920 per annum.
12 and 13.

Year	Salary	Name of Superintendent
1923-24	$2,460	D. D. Digges
1924-25	2,580	D. D. Digges
1925-26	2,700	D. D. Digges (resigned June 16, 1926)
1926-27	2,580	H. A. Freeman (appointed June 16, 1926)
1927-28	2,700	(resigned April 12, 1928)

14. No.

15. Answered by No. 14.

TOBACCO GROWING INDUSTRY

Mr. GOTT:

1. When was the recent tobacco investigating commission appointed?
2. On whose recommendation?
3. When did they complete their work?
4. How many sessions were held, when and where?
5. How many witnesses examined?
6. Who constituted the board?
7. What salary was paid to each?
8. What expense allowance was made each?
9. What was the total cost of the entire investigation?
10. What service did investigation render?
11. Will the recommendations of the commission be implemented?
12. If so, when?
13. If not, why?

Mr. MOTHERWELL:

1. By order-in-council of February 27, 1928.

2. Minister of Agriculture.

3. May 1, 1928.

4. Chatham, March 2; Tilbury, March 3; Blenheim, March 5; Essex, March 6; Leamington, March 7; Dresden, March 8; Harrow, March 9; Windsor, March 10; Kingsville, March 12; Belle River, March 13; Rodney, March 14; St. Thomas, March 15; London, March 19; Simcoe, March 20; Chatham, March 21; Leamington, March 22; Kingsville, March 23 and 24; Hamilton, March 26; Montreal, March 27, 28 and 29; Quebec, March 30.

5. Impossible to give the number of witnesses examined, because no special witnesses called. At the meetings which were called by the commission, however, large numbers of interested persons were in attendance, and from among those present individuals were questioned, while other individuals volunteered information.

6. E. S. Archibald, director of experimental farms (chairman); E. P. Tellier, Belle River, Ontario; H. B. Archibald, Cooper Leaf Tobacco Co., Wallaceburg, Ont.

7. E. S. Archibald, (no additional salary); E. P. Tellier, $20 per day; H. B. Archibald, $20 per day.

8. $12 per diem for living expenses, plus transportation.

9. Information not yet available, as accounts not yet submitted.

10. Too soon to enumerate nature and extent of services rendered other than that the investigation served to obtain definite information as to conditions as they exist in the tobacco industry, in regard to varieties grown, areas where grown, cultural systems followed, curing systems followed, methods of marketing, etc. A study of all these has permitted the commission to make recommendations looking to the development of the industry and the advancement of the interests of the growers.

11. As far as possible.

12. As opportunity offers.

13. Answered by 11 and 12.

FERTILIZERS, IMPORTS

Mr. GOTT:

1. How many carload lots, or tons, of fertilizer were imported into Canada from the United States during the years 1923, 1924, 1925, 1926, and 1927?
2. What is the appraised value of same per year to the importer per ton or carload lots as invoiced?
3. To how many sections in Canada was it invoiced or unloaded and at what sections?

Mr. EULER:

Statement showing the Imports of Fertilizers from the United States entered for Consumption in each Province of Canada during the Fiscal Years ended March, 1923 to 1927

Item	Province	1923		1924		1925		1926		1927	
		Cwt.	Value	Cwt.	Value	Cwt.	Value	Cwt.	Value	Cwt.	Value
			$		$		$		$		$
Manures, vegetable	Quebec			854	563	161	31	271	93	81	109
	Ontario	11,996	4,547	6,128	4,102	14,091	6,236	16,649	8,127	32,570	0,907
	Totals	11,996	4,547	6,982	4,665	14,252	6,267	16,920	8,220	32,651	11,016
Bone dust, charred bone and bone ash.	Nova Scotia	17,923	38,565	19,636	50,424	14,366	36,149	16,200	40,146	14,371	27,461
	New Brunswick	10,184	52,127	7,545	34,586	15,903	68,338	10,885	44,801	11,066	46,547
	Quebec	42	227	95	473	23	146	1,034	4,385	8,560	37,638
	Ontario	3,059	12,127	4,574	15,729	3,893	18,027	3,104	13,667	2,469	11,972
	Manitoba	45	139							8	59
	Saskatchewan			3	9						
	Alberta					11	47				
	British Columbia	7,075	23,528	1,432	6,714	465	1,865	11,043	54,243	5,795	15,507
	Totals	38,328	126,713	33,285	107,935	34,661	124,572	42,266	157,242	42,269	139,184
Fish offal or refuse	Nova Scotia		804		1,639						
	New Brunswick		2,3.0		2,441		1,250			4	22
	Ontario		5,408		6,663		338	1,224	4,147	1,900	6,987
	British Columbia		328		1,779						
	Totals		8,850		12,522		1,588	1,224	4,147	1,904	7,009
Animal manures	Nova Scotia	19,472	33,982	2,746	5,217	4,836	7,304	9,658	11,926	12,747	16,805
	New Brunswick	554	1,103	200	350	14,000	28,388	39,308	79,607	27,436	58,961
	Quebec	840	1,301	1,639	2,415	2,047	3,136	3,801	4,614	2,372	3,476
	Ontario	5,753	8,037	9,319	10,381	9,064	11,495	17,473	22,957	15,804	24,982
	Manitoba			300	396			300	380	607	828
	Saskatchewan									300	286
	British Columbia	3,692	5,705	10	11	1,262	2,810	10,455	22,756	5,528	12,290
	Totals	30,311	50,128	14,214	18,770	31,209	53,133	80,995	142,240	64,794	117,628

Phosphate rock	Nova Scotia	69,440	20,276	34,600	7,325						
	Quebec	134,292	26,857	212,660	55,136	200,862	46,765	276,399	60,465	285,120	65,370
	Ontario	14,615	4,716	2,739	1,200	8,177	3,237	1,855	1,577	6,830	4,202
	British Columbia	10,753	4,854	7,698	4,240	3	4	805	167	278	236
	Totals	229,100	56,703	257,697	67,901	209,042	50,006	279,059	62,209	292,228	69,808
Blast furnace slag	New Brunswick		1,545								
	Quebec		84				92	1,050	39		
	Ontario		730		1,150		5,358	2,898	398	29,923	2,318
	Manitoba							40	34		
	Totals		2,359		1,150		5,450	3,988	471	29,923	2,318
Ammonia, sulphate of	Nova Scotia	340	1,099	300	1,308	350	1,259	60	240	1,310	4,999
	New Brunswick	4,426	12,587	4,000	12,006			29,907	81,486	14,397	38,790
	Prince Edward Island									12,023	36,850
	Quebec	884	2,983	792	2,670	296	1,142	352	1,441	1,561	3,941
	Ontario	1,376	5,233	4,188	15,570	4,518	16,124	2,489	9,244	1,286	6,249
	Manitoba	2	9							5	34
	Saskatchewan					2	42				
	Alberta			7	39						
	British Columbia		4	6	56	88	748	19	184	4	110
	Totals	7,028	21,915	9,293	31,649	5,254	19,315	32,827	92,595	30,586	90,973
Basic slag, crushed or ground	Ontario									900	106
	Totals									900	106
Cyanamid or lime nitrogen	Nova Scotia							180	2,550		
	New Brunswick					120	318				
	Ontario			40,820	75,000			23	79	453	736
	Manitoba							26	53		
	British Columbia			501	1,950			1,508	4,414		
	Totals			41,321	76,950	120	318	1,737	7,096	453	736
Kainite and other crude German potash salts for fertilizer	Quebec			12	27						
	Ontario	320	430							2,217	1,799
	Totals	320	430	12	27					2,217	1,799

Statement showing the Imports of Fertilizers from the United States entered for Consumption in each Province of Canada during the Fiscal Years ended March, 1923 to 1927—*Continued*

Item	Province	1923		1924		1925		1926		1927	
		Cwt.	Value	Cwt.	Value	Cwt.	Value	Cwt.	Value	Cwt.	Value
			$		$		$		$		$
Potash, muriate of	Nova Scotia	29,976	52,066	3,060	7,964	15,812	30,586	4,521	7,755	4,710	9,680
	New Brunswick	5,567	10,855	80	136	.....	.....	11,590	18,656	20,544	30,570
	Prince Edward Island	400	711	.....	.....	.....	.....	.....	.....	44,301	73,322
	Quebec	694	1,444	3,693	5,069	1,579	3,104	4,192	7,779	2,414	4,757
	Ontario	2,284	2,882	2,176	4,008	4,508	7,778	7,556	13,165	13,334	23,659
	British Columbia	5,707	9,956	1,025	1,837	50	118	630	1,213	1,039	1,889
	Totals	44,628	77,914	10,034	19,014	21,949	41,586	28,489	48,568	86,342	143,877
Potash, sulphate of	Nova Scotia	.....	.....	.....	.....	.....	.....	200	439	40	130
	Quebec	305	838	226	725	1,090	2,775	1,560	3,637	675	1,905
	Ontario	1,913	4,423	938	2,060	1,000	2,253	907	2,219	4,018	8,413
	Manitoba	1	37	.....	.....	.....	5	.....	.....	.....	.....
	Alberta	.....	9	.....	.....	.....	.....	.....	.....	.....	.....
	British Columbia	300	754	724	1,618	1,041	4,531	.....	11	401	920
	Totals	2,519	6,061	1,888	4,403	3,131	9,564	2,667	6,306	5,694	12,728
Soda, nitrate of	Nova Scotia	81,493	211,208	95,244	250,263	63,680	167,901	71,708	193,117	62,553	168,430
	New Brunswick	37,757	98,881	44,081	111,446	42,618	113,095	87,469	237,558	72,866	187,413
	Prince Edward Island	5	23	.....	.....	.....	.....	.....	.....	11,924	35,023
	Quebec	102,621	239,540	42,718	35,697	63,323	157,335	45,168	115,373	6,677	8,014
	Ontario	69,087	186,512	76,676	197,424	57,422	143,518	50,921	133,309	41,558	105,037
	Manitoba	1,812	7,821	1,203	5,053	1,458	5,454	1,139	4,084	.....	.....
	Saskatchewan	9	52	.....	.....	.....	.....	.....	.....	5	45
	Alberta	650	1,844	1,046	3,701	.....	.....	.....	.....	.....	.....
	British Columbia	19,443	49,318	40,686	104,378	8,569	20,862	27,261	70,171	4,948	13,068
	Totals	313,377	795,199	271,654	708,062	237,070	608,165	283,606	753,612	200,531	527,030
Superphosphate or acid phosphate of lime.	Nova Scotia	.....	193,890	176,314	102,915	225,999	117,775	191,055	107,522	271,806	148,547
	New Brunswick	.....	95,675	216,415	115,279	228,460	127,468	435,409	266,553	324,717	220,465
	Prince Edward Island	.....	1,772	.....	.....	.....	.....	.....	.....	131,467	85,741
	Quebec	.....	23,832	63,009	40,109	90,386	49,375	118,936	72,741	102,544	65,143
	Ontario	.....	67,818	120,781	57,065	369,411	169,500	631,346	359,509	615,528	359,842
	Manitoba	.....	.....	.....	.....	.....	.....	5	13	.....	.....
	Alberta	.....	.....	.....	.....	20	45	.....	.....	.....	.....
	British Columbia	.....	.....	.....	.....	.....	.....	7,789	10,604	37,508	20,268
	Totals	.....	382,987	576,519	315,368	914,276	464,163	1,384,540	816,942	1,483,570	900,006

Fertilizers compounded or manufactured, n.o.p.	Nova Scotia	.....	57,569	67,553	122,569	138,112	210,320	57,351	92,289	144,654	221,446
	New Brunswick	.....	74,317	25,315	48,019	5,239	11,234	15,127	27,237	52,923	80,610
	Prince Edward Island	.....	.....	.....	.....	6	168	.....	.....	720	1,670
	Quebec	.....	64,376	56,358	76,199	39,499	67,763	44,404	68,881	62,517	87,384
	Ontario	.....	99,798	105,880	123,017	168,674	167,641	291,912	311,112	340,483	344,696
	Manitoba	.....	1,002	5	149	324	635	39	221	762	730
	Saskatchewan	.....	183	.....	.....	.....	.....	19	422	16	400
	Alberta	.....	330	.....	.....	.....	.....	.....	.....	.....	.....
	British Columbia	.....	306	457	2,769	33	232	23,457	18,123	570	1,268
	Totals	.....	297,881	255,568	372,722	351,887	457,993	432,309	518,285	602,645	738,204
Fertilizers unmanufactured, n.o.p.	Nova Scotia	.....	.....	4,907	9,383	.....	.....	7	19	.....	.....
	New Brunswick	.....	3,554	19,925	37,832	7,616	14,307	.....	.....	.....	.....
	Quebec	.....	34	.....	.....	254	612	30	83	.....	.....
	Ontario	.....	5,886	4,842	4,289	14,775	5,131	9	6	.....	.....
	Manitoba	.....	38	2	20	.....	.....	.....	.....	.....	.....
	British Columbia	.....	3,698	4,859	7,739	869	1,791	.....	.....	.....	.....
	Totals	.....	13,210	34,535	59,263	23,514	21,841	46	108	.....	.....

LONG TERM FARM LOANS ACT

Mr. BENOIT:

1. Has the government lately received a copy of an act passed by the legislature of Quebec, at its last session, as provided by article 8, chapter 66 of the revised statutes of Canada, 1927?
2. If so, does the government intend to put into force the Long Term Farm Loans Act as provided by chapter 66 of the revised statutes, and when?

Mr. ROBB:

1 and 2. Yes.

WESTERN CITIES, POPULATION

Mr. GERSHAW:

1. What is the last recorded population of the cities of Winnipeg, Saskatoon, Regina, Calgary and Edmonton?
2. How many in each city were born in Canada?
3. How many were British born, outside of Canada?
4. How many such were foreign born?

Mr. MALCOLM:

1.

Census 1926

	Population
Winnipeg	191,998
Saskatoon	31,234
Regina	37,329
Calgary	65,291
Edmonton	65,163

2.

	Canadian Born
Winnipeg	107,647
Saskatoon	19,200
Regina	22,625
Calgary	36,502
Edmonton	38,234

3.

	British Isles	British Possessions	At Sea
Winnipeg	46,545	592	33
Saskatoon	7,715	98	2
Regina	8,525	113	9
Calgary	19,883	396	10
Edmonton	16,474	334	9

4.

	Foreign Countries
Winnipeg	37,181
Saskatoon	4,219
Regina	6,057
Calgary	8,500
Edmonton	10,112

[Mr. Euler.]

CELOTEX LUMBER

Mr. McGIBBON:

1. Is a fibreboard marketed under the name of Celotex imported into Canada as Celotex lumber?
2. If so, what is the duty and what amount has been imported?
3. What is the duty on fibreboard?

Mr. EULER:

1. Yes.
2. 17½ per cent general tariff. No information of amount imported, as article is not separately enumerated in import classification.
3. Fibreboard is dutiable according to material, therefore subject to various rates of duty.

CHARLES PINARD

Mr. TUMMON:

1. Is Charles Pinard, who is employed by the Department of Public Works, first deputy reeve of Gloucester?
2. If so, how many days and on what dates was he absent from duty in the said department during the past calendar year, exclusive of sick leave?
3. How many days was he away on sick leave during the said period?
4. For how many days did he draw pay from the said department during the time above mentioned?

Mr. ELLIOTT:

1. Yes.
2. (a) 3 days.
   (b) January 3, and April 26 and 28.
3. Nil.
4. 365 days.

ROCK BALLASTING

Mr. PRICE:

1. Was there any rock ballasting done between Toronto and Montreal during 1925 and 1926 and 1926 and 1927?
2. If so, how many miles between what points, and at what cost per mile?

Mr. DUNNING: I would like to ask the hon. member what railway he has reference to?

Mr. PRICE: The Canadian National railway.

Question stands.

UNOPPOSED MOTIONS FOR PAPERS

SCHOOL LANDS FILE—STEPHEN MCKEOWN

Mr. GARLAND (Bow River):

For a copy of the school lands file re sale No. 495 and 496 in respect to one Stephen McKeown.

SCHOOL LANDS FILE—JOHN GAIR

Mr. LUCAS:

For a copy of school lands file No. 159518, in respect to the lands bought by John Gair, Killam, Alberta, sale No. 4571, being the N.W. ¼ of 11-43-13-West of the 4th meridian.

SCHOOL LANDS FILE—ROBERT RORERTSON

Mr. LUCHKOVICH:

For a copy of school lands files No. 13380 to 13383, inclusive, with reference to one Robert Robertson, Lanark, Ontario.

SCHOOL LANDS FILE—W. S. FEATHERSTONAUGH

Mr. KELLNER:

For a copy of school lands file No. 78720, sale No. 3818 with reference to one W. S. Featherstonaugh.

SCHOOL LANDS FILE—W. H. KEMP

Mr. SPEAKMAN:

For a copy of the school lands file in respect to section 29-35-28-west of the 4th Meridian, and bought by one W. H. Kemp of Innisfail, Alberta.

SCHOOL LANDS FILE—PETER ALBEES

Mr. KENNEDY:

For a copy of school lands file in respect to section 29-43-22-west of the 4th meridian bought by one Peter Albees, Waterglen, Alberta.

FILE NO. 31458—MRS. ETHEL TRUSCOTT

Mr. SPENCER:

For a copy of file No. 31458 relating to the S.E. quarter of section 11, tp. 50, range 2, west of the 4th meridian, held by Mrs. Ethel Truscott, of Battleford, Saskatchewan.

JOLIETTE POST OFFICE

Mr. CAHAN:

For a copy of the report made upon the inquiry held by the Post Office Department in respect of the administration of the post office at Joliette, Quebec, and particularly in respect of the robbery alleged to have taken place at said post office on or about February 29th last, together with copies of the depositions made by Messrs. Desaulniers, Champoux, the postal employees, and others at said inquiry.

Mr. VENIOT: I would ask that the hon. member allow this motion to stand. For the information of the house, I might say that we have made an arrest in connection with this robbery. Unfortunately, the prisoner escaped, but we are now in a position where we think we can recapture him. The first part of the motion is closely connected with the latter part of it, and I do not like to lay on the table anything which might interfere with the proceedings that we are instituting. I would be pleased to let my hon. friend have a look at these reports.

Mr. CAHAN: I will withdraw the motion for the present.

Motion withdrawn.

PADSTOW POST OFFICE

Mr. KENNEDY:

For a copy of all letters, telegrams, petitions, reports, and other documents passing between the Post Office Department and/or the Postmaster General and any other party or parties relating to the change in location of the Padstow post office, and the change of the postmaster of the said post office.

VALUATION OF IMPORTED STRAWBERRIES

On the orders of the day:

Mr. J. A. FRASER (Cariboo): I wish to ask the Prime Minister a question based on his statement as reported in Hansard, page 3054, that as soon as applications were received invoking the statute, an order in council under section 43 of the Customs Act would be passed authorizing the minister to fix values on produce of a class or kind produced in Canada, and on the fact that the Minister of Agriculture has acknowledged the receipt of three telegrams from the strawberry growers of three different districts in British Columbia invoking the statute and asking for the fixing of values on strawberries from May 21 to July 10. The questions are:

1. Has an order in council been passed?
2. If not, when does he propose to have the applications referred to, considered by the governor in council?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am not in a position to disclose to my hon. friend what takes place in council, but I would say to him that when an application comes before council, it will receive due consideration.

NATURAL RESOURCES OF PRAIRIE PROVINCES

On the orders of the day:

Mr. JOHN EVANS (Rosetown): Now that no feature of the question of the return of their natural resources to the western provinces is before any of the courts, I should like to ask whether the government has any statement to make in regard to the matter.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It has been mentioned at different times, I do not know whether in

direct answer to my hon. friend or not, that conferences have been held between representatives of the western governments and our government with respect to the return of the natural resources. As a result of the conferences it has been definitely arranged that shortly after parliament prorogues a conference will be held first of all with representatives from Manitoba, later with representatives from Alberta or vice versa—I cannot say which will come first—and possibly also with representatives from British Columbia. It is understood by the provinces and ourselves that the conferences will be held after the prorogation of parliament, and I understand that arrangement is as satisfactory to the governments of the provinces as it is to our government.

Mr. M. N. CAMPBELL (Mackenzie): Might I ask whether the return of their resources to Saskatchewan is not being considered?

Mr. MACKENZIE KING: I said possibly Saskatchewan.

Mr. BENNETT: The Prime Minister said British Columbia.

Mr. MACKENZIE KING: I meant to say Saskatchewan. I am sorry.

SUPPLY—REPARATIONS CLAIMS

The house resumed from Saturday, May 19, consideration of the motion of the Minister of Finance (Mr. Robb) for committee of supply, and the proposed amendment thereto of Mr. Ernst:

That all the words after the word "that" be struck out and the following substituted therefor:

"This house regrets the refusal of the government to introduce legislation at the present session of parliament providing for the payment in full or in part of the various sums fixed by James Friel, Esquire, K.C., a commissioner appointed under the Inquiries Act, as losses sustained by the civilian population of Canada during the great war."

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, there is so little difference between us with respect to some phases of this question that it is rather difficult to understand why the government has not taken the necessary action to liquidate the claims that have been made against this fund. The Secretary of State (Mr. Rinfret) the other day referred to the fact that the resolution introduced by the hon. member for Queens-Lunenburg (Mr. Ernst) was probably prepared and placed in his hands. That is not a matter of very great importance, but I should like him and the house to know that the resolution was prepared by the hon. gentleman himself, and that with the exception of two or three words which were added in order that the resolution might afford the government an opportunity to pay part of the claims, if it so desired, it represented his views because he was vitally affected owing to the fact that of the 1,613 cases that were considered, some 752 came from Nova Scotia and of those 752 cases, 350 arose in the constituency represented by the hon. gentleman who moved the amendment. You will therefore understand why he is so vitally interested and why he prepared his resolution in the terms in which he did, looking towards the payment by the government of a portion of the claim or at least of those that were, we will say, not large in amount rather than embarrassing the government by pressing for the payment of them all.

The Secretary of State made a rather long statement with respect to the rights under the treaty of those who seek reimbursement out of the fund in the hands of the government. I do not propose to traverse that question. The matter is neither difficult not complicated. The treaty is very clear and plain. the moneys that were derived under the Dawes plan were available for certain purposes; those moneys have been received and they have been paid over. Why has the government kept back the money? Shortly put, that is all there is in the case.

Now let me go a step further. The hon. gentleman also referred to another matter, namely to the different considerations that prevail with respect to the settlement of the claims of the Massey-Harris Company and of the Thompson Steamship Company. Neither of those cases, as he very properly pointed out was similar in character to the cases we are now considering. They arise under another branch altogether of the treaty. The position may be summarized in this form. Germany admitted liability which was limited by the terms of the treaty of peace to injuries or damages sustained by the civil population. As I shall presently show, the government set up a tribunal for the purpose of ascertaining what those claims amount to and they have now considered judgments in their hands as to how those claims should be dealt with. Our contention is that it is their duty to pay over these moneys.

The Secretary of State dwelt at great length upon what he regarded as the legal position of the money and of the government with respect to it. He contended that the money paid under the Dawes plan by Germany—mark you, by Germany!—to this government

to satisfy claims of the civil population, because that is what her obligation is, cannot by an action brought by individuals be taken away from the government. We will admit that at once. No subject may maintain an action against his sovereign, against the state itself unless he obtains a fiat granted as requested by a petition of right. In this instance we have what I shall presently show is a legal claim of every individual affected, but a claim not enforceable in law. Let me take the case referred to by the hon. member for St. Lawrence-St. George (Mr. Cahan), namely, the Alabama claims because they bear a striking analogy to this particular case. England denied liability; the matter was referred to arbitration and in consequence of the arbitration a finding was made against England to the extent of some $15,000,000. That amount of $15,000,000 was paid by Great Britain to the United States of America and all individuals, shipowners and others, who were affected, were paid their proportion of the money that was paid by Great Britain to the United States after they had established their claim to the satisfaction of the United States.

There are other cases which are doubtless in the minds of many hon. members where governments have received large sums of money which were available for the purpose of satisfying claims of their nationals or citizens against that fund. It does not of course follow that the citizen can maintain an action to recover any part of that money, or to obtain a judgment against his country in satisfaction of his claim; but there is a claim there, a claim which may not be enforced in the courts of law but which, as I shall presently point out to the house, has been conclusively admitted by the high court of parliament and which waits but one thing, the placing in the estimates of sufficient sums to satisfy the claims of those who have justly established their right to those moneys that were paid to Canada by Germany for the purpose of satisfying the claims of the civil population.

Now if we bear in mind the fact that it has nothing whatever to do for the moment with the enemy property question, except to the extent to which if we did not have sufficient money we might by an act of this parliament make that money available to satisfy these claims, as they have done in the United States, it would seem to me that the difficulties mentioned by the Secretary of State (Mr. Rinfret) would entirely disappear. We have nothing to do for the moment with respect to enemy property, with the custody of alien enemy property; we are not concerned with injuries sustained by the nationals of this country to their property in Germany, nor with any injuries to ships that may have been held by Germany in the Kiel canal, nor with any damages that may have arisen by reason of Germany using them during the war. What we have to deal with are claims made by citizens of this country against Germany for injuries sustained by them as civilians—as civilians—during the war.

Now let us see what our position is, according to the admissions made by the government itself on grounds of high policy. We submit to this house that these moneys are in a sense earmarked for that purpose, that they are available to satisfy these claims, that they came into the hands of this government with a trust imposed upon them, and not as part of the general revenues of the Dominion government. In support of that position, you are not in any sense bound to accept my view, but I do submit that the view of the government, this government, the government of which my hon. friend the Minister of Justice (Mr. Lapointe) was then Minister of Justice, the government of which my right hon. friend the Prime Minister was then the leader, the government of which my hon. friend the Minister of Finance (Mr. Robb) was then a member, is embodied in a statement made by the Hon. E. M. Macdonald, Minister of National Defence, on the 19th of June, 1925. That statement must be taken to be a statement of policy. It is a statement of a member of the government, and according to the well-known principles of cabinet solidarity, there is no question but that that principle enunciated by a responsible minister of the crown as to what the position of this government was in 1925, was accepted, as a matter of fact, by those concerned as being a binding declaration of policy by the government of the country. At page 4522 of Hansard, Mr. Macdonald said this:

> I was not in when this resolution was called—

Then he proceeds.

> The moneys which come from the Dawes commission, so called, are payable under the terms of the treaty of Versailles for certain definite purposes. They cannot be put into the treasury of the country and appropriated for other purposes than those for which they are paid. The compensation is paid in connection with the following list of cases:

Then follows the list of cases mentioned in the treaty, in what we call the annex, which is similar to a schedule of an act of parliament. There follows this list from the schedule of the treaty of the cases under which compensation will be paid when the money is received from Germany. The Right Hon. Mr. Meighen interrupted Mr. Macdonald at

page 4523 and asked him what his authority was for making that statement, whereupon Mr. Macdonald continued:

This is a memorandum from the Under-Secretary of State, and it sets out the clause from the treaty of Versailles which provides the lines upon which compensation can be obtained from Germany and the amount of money that is payable to this country as a result of what is known as the Dawes report, on account of damages arising in these various categories.

That I submit is a correct statement of the situation, made by a minister of the crown, speaking, as all ministers do, the view of the government with respect to the matter then under consideration.

Mr. LAPOINTE: It did not impress the house at the time.

Mr. BENNETT: I am coming to that. The Minister of Justice is entirely in error as to that. The Hon. Mr. Copp, then Secretary of State, withdrew his resolution, but the resolution was withdrawn for reasons which I think any government would regard as good and sufficient. What was the resolution? The resolution was to pay without knowing what the judgments were, to pay before the commission had reported, and to pay without having before them anything of any definiteness at all. Let us look at what the resolution was. At page 4517 of Hansard, you will find that Mr. Copp's resolution was:

(1) That the report of the commissioner appointed to inquire into and report upon the claims for reparation of Canadian nationals, upon approval by the governor in council, shall be deposited with the Secretary of State of Canada in his capacity as custodian of alien property.

That report had not been made; the commission had not finished its labours; the judgments had not been concluded; but this resolution was to anticipate all that and provide that when the judgments were made they should be lodged with the Secretary of State. Then paragraph (2) provided:

That from time to time, as sums are received—

This is vital; this is a recognition of policy. This is a statement of high policy by the government of this country:

(2) That from time to time, as sums are received on account of reparation under the Agreement of London between the allied and associated powers and Germany, bringing into force what is commonly known as the Dawes plan, the amount thereof shall be paid by the Minister of Finance and Receiver General to the Secretary of State as custodian, until such time as the aggregate of such payments is equal to the total amount of the claims for reparation as determined by the report of the said commissioner and approved by the governor in council.

[Mr. Bennett.]

If that is not a recognition of obligation and a promise to pay, I would like to know what would constitute a recognition of obligation and a promise to pay. That is so clear that there can be no getting away from it. Then follows the third submission:

(3) That the Secretary of State shall, on receipt of such payments, from time to time distribute the same to persons found entitled to claims for reparation in the commissioner's report, by way of pro rata dividend.

And then he must lay before parliament his report. In other words, there was a recognition by this government of the fact that the moneys were received with a trust imposed upon them, that they were earmarked to meet certain obligations and liabilities, and that the commissioner was so highly thought of, having been selected by the government itself, that when he made his report, then without any appeal, without any effort at changing it being made, these sums would be paid on the strength of his judgments. That was the position on June 19, 1925, three years ago, within a few weeks. There was a promise made by the government of this country, speaking through two of its ministers, the Secretary of State and the Minister of National Defence, that these obligations would not only be recognized but paid.

But this House of Commons objected to making a promise to pay before judgments were delivered. Sir Henry Drayton objected that the matter was too serious to be considered in the closing days of the session. It is true the Right Hon. Mr. Meighen made observations with respect to payment of property claims before the payment of claims with respect to personal injuries, and other members did the same, but their basis of objection to this resolution was that it put into the hands of the government the power to pay out moneys before the judgments had been delivered, which was in itself a serious departure from principle. In other words, the contention was that the judgments must be delivered, the cases made out before the commissioner, and his report presented to parliament before parliament voted the money, and I shall presently show that upon the application of the very principles that were presented to this house by the opposition at that time, and accepted by the government, these moneys should now be paid.

Let us proceed. That was in 1925. The resolution was withdrawn, and it is a matter of passing interest to know that when the resolution was withdrawn by the Secretary of State he recognized the fact that it was properly withdrawn, for after Mr. Macdonald

had made his statement, and after various speakers had presented their views, the resolution was withdrawn by the Secretary of State because, he said, the leader of the opposition and others in their righteous indignation had expressed their views in respect to it. So he clearly recognized that they were right in the contention they made. His words were:

I regret very much that my hon. friends, particularly the hon. member for West York (Sir Henry Drayton) and the leader of the opposition (Mr. Meighen) have risen in righteous indignation because this bit of legislation is brought down in the interest of those who have suffered during the war. If they had the full information that I have and knew the very large numbers of poor people, fishermen particularly, on the different coasts of this Dominion who have suffered—

Sir Henry Drayton: It is a pity the minister would not give us the information.

Mr. Copp: I asked that the resolution be allowed to go into committee, when I would give the information to hon. gentlemen opposite.

Those were the statements of the government, speaking through the Secretary of State, about the suffering that would be imposed upon poor people, particularly fishermen, by this resolution not being passed three years ago.

Now we come to the next year, 1926. There were questions asked in an endeavour to find out what were the facts, but for reasons, which need not be discussed here, nothing was done. But in 1927 the matter was again brought to the attention of this house. I find at page 2218 of Hansard of that year questions were asked by Mr. Stevens with respect to this matter and answered by Mr. Rinfret, in the course of which he reviewed the whole of the circumstances much as he did Saturday. Question 19 asked:

What is the intention of the government with regard to payment of the awards made by the reparations commissioner?

This is the answer:

The policy of the government will be decided when the reparations commissioner has completed his report.

Mr. RINFRET: The report is being considered now.

Mr. BENNETT: Exactly; and he completed it some months ago. I shall show presently it is more than that. This session again questions were asked by Mr. Manion, and they will be found at pages 687 to 688 of Hansard of February 22. 1928. One or two of these questions and the answers thereto I should like the house to consider. This is question 15:

Has the reparations commissioner's report been printed?

The answer is:

It is in the hands of the printer.

That is on February 22, 1928. Then comes the next question:

16. When will it be brought before the house for consideration?

To which the answer is:

Under consideration.

Then question 17:

How much has Canada received to date on account of reparations?

This is the answer:

$10,175,071.44.

Then I desire to direct attention to question 9:

Have not Canadian claimants under other articles of the treaty of Versailles been already compensated?

The answer is:

Yes.

To question 10:

If so, what were the total number of claims and the total amounts paid under and by virtue of such articles, and can any reason be given for such preferential treatment?

The following answer was given:

1,009 claims were filed of which 686 were paid amounting to $7,848,824.81. Special provisions were made in the treaty for the payment of claims under articles 296 and 297.

The final question relates to the distribution of the moneys. Now, Mr. Speaker, on February 22, the minister said the report was in the hands of the printer; this is now May 21—three months later. I am credibly informed the report has long since been printed and advance copies of it, in anticipation that it would be tabled, placed in the hands of the press for release when the moment came. But further than that, sir, I have under my hand the letters written by the Under Secretary of State in February last and of the secretary to the commission presided over by Mr. Friel in which, in answer to questions by claimants as to when the claims would be paid, it is said that the report would be submitted to parliament in a few days. It was fully expected by the Under Secretary of State that it would be so submitted. The minister says the report was in the hands of the printer. I say to the Prime Minister and his cabinet: When a public inquiry has been instituted by the government by order in council under the authority of the governor general in council and the Inquiries Act, and a report is made thereon, that report belongs to this House of Commons, and not to the government. And what is more, Mr. Speaker, we propose to insist that

that report be brought down in this house. The government may say: You are helpless in the matter; we have our majority behind us, and we will not give the report to you. Well, since the institution of British representative government supply is granted only when grievances are remedied. In fact governments came into being under British parliamentary institutions for one reason, and one only, that there might be a body of men who would present to the sovereign the grievances of the people as expressed in the House of Commons in order that those grievances might be redressed.

Now, what has happened? I submit we have a condition which this house probably has never seen before. The government, by order in council, appointed a commissioner to investigate claims under a treaty, which treaty was a contract between, among other nations, Germany and Canada. The commissioner has made inquiry and has delivered his report. He is through, he has nothing more to do, he is functus officio. Now parliament is told by the government that it cannot have this report which the country is paying for. Surely the government realizes that that position cannot be maintained.

Mr. RINFRET: I thought I made it very plain on Saturday that there was no objection at all to tabling the report, except that the list of names with the amounts opposite might lead a number of persons to conclude that those amounts would be paid to them, when in fact they might not be. Under those circumstances we thought it would not be advisable to lay the report on the table.

An hon. MEMBER: You promised to.

Mr. RINFRET: I say again there is nothing in the report that we do not wish the opposition to know of. We rather want the opposition to agree with us that it would be inadvisable to lay the report on the table under such circumstances.

Mr. BENNETT: The hon. Secretary of State has made just one mistake in the use of words when he says there is no objection to the opposition having the report. I am not speaking for the opposition, I am speaking for the people of this country who are affected by this report. It is not a question of the opposition seeing the report. It is a question of the rights of this parliament to have before it a document which the people are paying for. It is a judgment delivered by the commissioner, and it should be laid on the table of this house and so be available for the people. What is more, the report was printed by the government for that purpose.

Mr. RINFRET: No.

Mr. BENNETT: Well, for what purpose?

Mr. RINFRET: So that a certain number of copies would be available for members of the cabinet privately to consider the report.

Mr. BENNETT: The hon. gentleman did not put that limitation in the answers he gave early in the session, three months ago. This is an afterthought. I can only say this, Mr. Speaker, that we on this side of the house, in view of the situation which has developed, must insist as a condition of supply being granted that we have the report.

Mr. MACKENZIE KING: May I interrupt my hon. friend just for a moment? He said it was an afterthought on the part of the Secretary of State to say that the report had been printed privately for the consideration of the cabinet as a whole. I have in my hand a copy that was printed for the cabinet. It is marked "Confidential", and it is headed "Memorandum for sub-committee of council". It is dated March 13, 1928.

Mr. BENNETT: That is not the report. That is a memorandum. Of course, that is confidential. It is a memorandum from the minister to the cabinet. What has that got to do with the report? That is not even a preface to the report.

Mr. MACKENZIE KING: It has everything to do with the report. Apart from the report this document is meaningless; and without this memorandum it would be difficult to consider the report.

Mr. BENNETT: It is incomprehensible that the Prime Minster would endeavour to impose on the house by making the statement that he has just made. The Prime Minister knew when he rose to interrupt me that that was not the report of the commissioner.

Mr. MACKENZIE KING. My hon. friend's remark was that what the Secretary of State said was an afterthought. I got up to correct my hon. friend in that regard, and to say that the Secretary of State was perfectly right when he said that the report was not brought down because the cabinet wished to have it considered confidentially in the first instance. I have in my hand the memorandum relating to the report, which is marked "Confidential" as relating to this question.

Mr. BENNETT: That has as much to do with the report as a confidential memorandum with respect to naturalization. Ministers prepare confidential reports for council, in order that council may be apprised of that which they have to consider. When that statement was made to induce this house to think that the right hon. Prime Minister held in his hand the report, I say it was all wrong. He had before him a confidential memorandum, prepared probably by the Under Secretary of State, indicating to his minister, and through him to the cabinet, what should be done with respect to the report on reparations.

Now let us get down to what is involved in this matter. Here is a report submitted by a commissioner appointed by this house—because the governor in council represents this house, it is the administrative side of government, when parliament is not in session. The cabinet of the country, I say, appoint a commissioner, who is paid to conduct a certain inquiry. That commissioner has submitted his report and, his duties having been performed, he has ceased to function. He has delivered several judgments and submitted a final report, and that report we want. That is all; we have a right to it. And, what is more, it has been promised from time to time. The question has been asked on various occasions by different members as to when the report would be delivered and the government have replied, "In a few days". But those few days have become weeks and the weeks months, and nothing has yet been done in the matter. There is no necessity for such a delay, and I am sure that if my right hon. friend (Mr. Mackenzie King) were on this side he would be most insistent that a document, prepared by a commissioner appointed to consider and report upon a matter of such great importance, and upon which the country has a right to know his conclusions, should be presented to parliament in order that it might be dealt with.

Mr. Friel, the commissioner, made his report. Now, it well may be that there are those who consider that these judgments should be reviewed, although no suggestion was made to that effect when the commissioner was appointed. The claims filed amounted to over $50,000,000 and, with interest, to over $75,000,000. In answer to what the Secretary of State has said with respect to the difficulties that might arise from people being led to believe that they would get a larger sum than they might afterwards receive, it is only necessary to point out that the commission granted only $4,000,000 without interest, instead of $50,000,000 with interest, or a total including interest of less than $7,000,000—$7,000,000 as against $75,000,000. Obviously therefore he was not overgenerous.

Mr. RINFRET: Does my hon. friend take the stand that the report should be considered as final?

Mr. BENNETT: The report is final so far as this commissioner is concerned; he is through. But whether or not it should be final so far as the government is concerned depends, it seems to me, upon the amount involved. Some of these amounts are trifling; I mentioned one or two the other day. Last year for the first time there was brought to my attention the case of a woman in British Columbia, living on Vancouver island, whose husband, a sea captain, was killed when his vessel was torpedoed. This woman is in dire want and this money is all that she can look forward to. Her claim was considered and, I believe, allowed, although on that point I cannot speak with authority. However, she asks that the matter be disposed of; she should not be allowed to die before her claim is paid. At the time of his death, it is true, her husband was in civilian clothing; nevertheless he was discharging a useful service to his country. But I would point out that this report deals with prisoners of war. This morning I received a telegram which reads:

> On behalf of the Nova Scotia ex-mercantile marine prisoners of war insist on settlement of reparation claims this session. All the mercantile prisoners from Great Britain who were with us in Germany were paid shortly after arriving back to their respective homes while we have been kept waiting for nine years.
>
> Captain R. G. Sprague, of Bridgewater Lunenburg Co., Captain J. E. Roope, Digby, Digby County; Captain C. O. Allen, of Halifax.

I do not think I know any of these gentlemen but, as I say, they sent me this morning the telegram I have just quoted. Now this is not a property loss; nor was it a property loss in the case of the poor woman to whom I have referred. Other cases I have in mind and to which I might refer are of the same character as these. But let us take the case of property loss; let us take the 352 cases in the county of Queens-Lunenburg, nearly one-half of the cases from Nova Scotia, which in turn constitute nearly one-half of all the cases that came before the commission, amounting to 1,609. Who were the persons seeking reparation? Fishermen who owned little vessels and about whom my hon. friend from Antigonish-Guysborough (Mr. Duff) could probably tell us more than anyone else. These men owned their little vessels which

were torpedoed, and to-day they are on the verge of bankruptcy. In some cases they are almost bankrupt and in other cases absolutely ruined. And we have money to pay them and yet have held it back all these years. Why should these people not get their money? If the government desire to be further informed with respect to this matter I suggest that they ask my hon. friend from Antigonish-Guysborough. He can tell them a good deal more than anyone else can, for probably he knows every one of the 300 odd. He knows that these men owned fishing boats, sometimes of but a few tons, upon which they depended for their living. And these boats were destroyed by Germany during the war.

In England, I would point out, not only were cases such as these provided for out of the fund, but out of the £5,000,000 advanced by the British government before reparations were paid, payments were made to those who had lost arms and legs and who had otherwise suffered from bombs. Furthermore, property losses suffered in inland Great Britain were also paid. It is not a case of property as against life; it is a matter of injury to persons.

The other day there came to me a young man who had a claim of something over $200. He had lost practically everything he had in the world in the shape of property and he went into uniform although he was not fit. He remained in the army as long as he could. His claim now is only small; I believe it is something like $230. He preferred that claim and was told that it was admitted. But nothing has been done so far in the matter. Another case I have in mind is that of a chaplain who lost his all in the Lusitania. He also preferred his claim, which was allowed, amounting to a few hundred dollars.

Does the government realize what a few hundred dollars means sometimes to people without money? I can recall the time in my youth when a few hundred dollars to me looked like a great fortune. But here is a young man who, ten years ago, preferred a claim amounting to slightly over $200 and who finds it impossible to get any recognition when he needs the money so badly. It is all very well to talk about paying interest at 5 per cent on these claims. But the claims of these fishermen and prisoners of war—men who lost boats, machinery, tackle, and men who suffered injuries of one kind or another —are claims which should be settled without further delay. I am told that in many cases these claims do not amount to $1,000 each. There are those who will correct me in that regard if I am wrong. At any rate, the claims are small. Under all these circumstances, does the government not think that the proper course to pursue is to pay the small claims and, if there are large claims which need to be looked into further, make some payment on account in respect of those? No one will deny the Minister of Justice the right to investigate these claims with respect to large property losses; this house would not for a single moment suggest that he ought not to take further time to consider claims of that character. But should not a payment be made on account?

The former government, I would point out to hon. gentlemen opposite, invited the submission of claims. That is number one. Number two: this government inquired into those claims. Number three: it actually paid persons to assist claimants to come before the tribunal and submit their claims. An answer made by the Secretary of State in reply to a question asked indicates that public moneys were actually paid out to enable certain people, in their poverty, to come before the commissioner and present their claims for consideration. Now having done all that surely my hon. friends opposite will not repudiate their liability in the matter. I would be the last to deny the Minister of Justice or the law officers of the crown sufficient opportunity to look into the larger claims affecting property. Indeed, I try to put myself in the position of the Minister of Justice in relation to the question, and doing so I at once concede that I should like to have an opportunity to see whether the commisioner had proceeded upon the right principles and whether his judgments were based upon a proper recognition of the value of the testimony given. I concede that much; so does every hon. gentleman on this side of the house. But we are faced with a situation in which small claims are not paid and nothing has been paid on account of the larger claims, notwithstanding that these moneys have been in the possession of the government for many years. We might do as has been done in the United States: we might take a portion of the enemy property fund, which now amounts to over $13,000,000, and pay the claims. I am prepared to concede all that. I may tell my hon. friend the Secretary of State that the reason why the words "in whole or in part" were added to the original resolution proposed by the hon. member for Queens-Lunenburg was to enable the government to consider the larger claims in any way they liked. But the point is that the smaller claims should be disposed of. Whatever the government might consider just in the way of a partial payment on account of the larger claims, I submit that the smaller claims should

be dealt with at once; because after all, when men lose their all, by act of war and they know that a fund has been provided by the enemy to pay that liability, it only makes for dissatisfaction when that money is withheld from year to year. I am sure there is no desire on the part of the government to increase the number of dissatisfied people in the country, and when the money is there, the liability small and the necessity pressing, why should we not pay these claims?

That is the reason this resolution is upon the order paper as an amendment to the motion to go into supply. Why was it moved as an amendment to that motion? My hon. friend the Secretary of State understands that very well. He knows that unless this resolution were moved in this way we would be denied any opportunity to present this case to the house this session. The hon. member for Queens-Lunenburg (Mr. Ernst), pressed as he is by the 352 men in his constituency who went to sea as civilians but who were discharging useful services during the war and who had their property destroyed by enemy torpedoes, who for years and years have been unable to secure compensation, now knowing that we have received over $10,000,000 while the total of the claims with interest is not over $6,000,000, availed himself of his constitutional right to move an amendment to the motion to go into supply, not necessarily to involve the government in any difficulty but to afford them an opportunity to say that when the supplementary estimates are brought down they will include a sum sufficient to pay in full the claims under, say, $4,000 or $5,000 and a percentage of the claims over that amount. That is all that is sought to be done, and I submit to the house that it is a proper exercise of the power of opposition to present this matter to this parliament for consideration.

There was just one matter to which I had intended to direct the attention of the Secretary of State, one error which he made with respect to the Spa conference. That conference did not set the liability at 132 milliard of gold marks. If he will turn to the History of Reparations, by Bergmann, at page 43 he will find what took place at Spa in these words:

> Whilst no progress was made at Spa in the reparation question itself, and the outlook for an understanding, on the contrary, was rendered less hopeful, the allies at least reached an agreement on one point—how in future to distribute among themselves the skin of the bear—the reparation payments. It was agreed that France should receive 52 per cent, England 22 per cent, Italy 10 per cent, Belgium 8 per cent and all other participants the remaining 8 per cent. Furthermore, Belgium's right to preferential treatment in reparation—the so-called Belgium priority— granted to her in principle by the allies at Versailles, was definitely fixed at 2 milliard gold marks.

At page 72 my hon. friend will find the reference to what was done by the reparations commission, sitting at London, when the matter of the 132 milliard of gold marks was settled, and the question of the payments made from time to time is also dealt with.

That is all I propose to say with respect to this matter. We feel very strongly about it, because it affects those who in large measure cannot press their claims themselves. There is no large claim among the 352 people in Queens-Lunenburg; there are no large property claims there. The hon. member for Antigonish-Guysborough (Mr. Duff), who represented that constituency in those days, bears me out by a nod of the head with respect to that. These are not large claims, amounting to only $200, $300, $500, $600, $800, $1,000 and up to $5,000; why not pay them in full with the money we have? Why continue to hold that money after Mr. Macdonald, speaking for the government, said that those sums never should have gone into the consolidated revenue fund of the country, and that they belong as of right to the people on whose behalf they were paid? It may be that the government was not the agent of those who suffered, to receive these moneys; no one suggests that the crown is an agent, because when the crown gets money and puts it into the exchequer sometimes it is hard to get it out again unless perchance there is some friend to be taken care of, some public work to be undertaken or something else of that nature to be looked after, which may be of advantage to the administration.

What are the reasons which prevent these people from receiving justice; what are the reasons which prevent them from receiving the money to which they are entitled and which they were promised by contract between the Dominion of Canada and the German empire? No one has stated the reasons. When my hon. friend the Secretary of State says the government want to consider this matter, let us remember how many judgments there are. How long would it take the Minister of Justice to review those 1,600 cases in which judgment has been given? It is true that at the moment he might not desire to pass judgment with regard to the larger claims, but let me state that with regard to the smaller ones this is only a question of justice. We have the money; the claims have been considerd; they are

just and proper, and members of this house know them to be such. Let us at least show our sense of trusteeship and our recognition of the services rendered by these men, many of whom, while not in uniform, lost their all. Let us see that the judgments given by the commissioner named by this government as a fit and proper person to determine the extent of liability and to fix compensation, are implemented and the claims paid, in whole or in part, as the government in its discretion may determine.

Hon. LUCIEN CANNON (Solicitor General): The amendment moved by the hon. member for Queens-Lunenburg reads as follows:

"This house regrets the refusal of the government to introduce legislation at the present session of parliament providing for the payment in full or in part of the various sums fixed by James Friel, Esquire, K.C., a commissioner appointed under the Inquiries Act, as losses sustained by the civilian population of Canada during the great war."

In support of that amendment, if I understand him correctly the leader of the opposition advanced the following argument: First, there is no legal liability on the part of the government, or there is no legal claim on behalf of any citizen of Canada in connection with any of these claims.

Mr. BENNETT: I said there was no enforceable claim.

Mr. CANNON: It is not enforceable because it is not legal.

Mr. BENNETT: No, it is like a petition of right. You cannot sue the crown.

Mr. CANNON: I would not like to misquote my hon. friend. Does he contend that these people have any claim at all?

Mr. BENNETT: Certainly. I read what Mr. Macdonald said, that the receipt of this money imposed a trust upon the government to pay the claims, but inasmuch as no claim may be made against the crown it is not enforceable. That is the whole point.

Mr. CANNON: Mr. Macdonald's statement covered altogether different grounds. If the leader of the opposition takes the position that there is a legal claim, his argument is quite different from that made by the hon. member for St. Lawrence-St. George (Mr. Cahan) on Saturday afternoon, when he declared in the most positive manner that he admitted there was no legal claim. The contention of the leader of the opposition is altogether different from the argument brought forward in the British House of Commons by the then Chancellor of the Exchequer, Right Hon. Austen Chamberlain, who maintained that there was no legal claim in connection with these matters. The argument of the leader of the opposition is also different from and foreign to the stand taken by every one of the governments concerned with these claims, and I do not think my hon. friend seriously contends that any of these claimants have what we call a legal claim against the government in connection with these matters. The hon. gentleman went on to say that the moneys received under the Dawes plan were received by this government for one purpose, the purpose being to pay the civilian claims in connection with war losses; that in consequence these moneys, so to speak, were earmarked; that the government had only one thing to do, and that was to use those moneys for the purpose for which they were paid by Germany and to compensate these Canadians for the losses sustained.

Where does the hon. gentleman get his authority? After all, behind any assertion in this house, no matter how positive it may be, must lie some authority to support that assertion. Where is it? Where is the support for my hon. friend's assertion that this is a trust? Where does he find it? I am very much surprised when I hear that the hon. gentleman does not rely on outside sources, and says that the whole of his claim rests on the authority of Mr. Macdonald, who was Minister of National Defence for some time in the Liberal government.

Mr. STEVENS: Is not article 232 sufficient authority? May I read it to you?

Mr. LAPOINTE: We all know that.

Mr. CANNON: If my hon. friend will permit me, I will discuss that in a minute.

Mr. STEVENS: That is authority, without question.

Mr. CANNON: I am dealing with the leader of the opposition, who says that his authority is Mr. Macdonald.

Mr. BENNETT: That is his construction.

Mr. CANNON: Mr. Macdonald may have made an assertion, but, without any hesitation whatever, I will take the same liberty with Mr. Macdonald as the leader of the opposition has taken with his former leader, Mr. Meighen; I disagree with him. I am not bound any more by what Mr. Macdonald

might have said in 1925, than my hon. friend is restrained by what his then leader may have said in this house. This is not a matter that can be decided by an isolated statement made by Mr. Macdonald.

An hon. MEMBER: That was a statement by the government.

Mr. CANNON: How can there be ministerial solidarity, as far as a legal opinion is concerned?

Mr. LAPOINTE: On a question of law.

Mr. BENNETT: It is not a legal opinion, it is a construction.

Mr. CANNON: How can my hon. friend talk about solidarity when it comes to an interpretation of texts? Solidarity exists in matters of policy, and the statement made by Mr. Macdonald was not a statement of policy; it was an interpretation of a text. That is a distinction which my hon. friend the leader of the opposition will appreciate and admit, I have no doubt.

My hon. friend's second argument is that we are trustees. When I ask where is the authority of the hon. gentleman to establish that trust, to make it a trust towards the people of Canada, my hon. friend has no other authority than the isolated statement of a former member of this government.

Mr. BENNETT: And article 232 of the treaty, and the annex.

Mr. CANNON: My hon. friend is shifting his ground.

Mr. BENNETT: Not a bit.

Mr. CANNON: I do not blame him for doing that for he is getting on firmer ground when he talks about the treaty.

In connection with this, I may say that my hon. friend from Queens-Lunenburg (Mr. Ernst), when he presented his case on Saturday afternoon, in my humble opinion made a much stronger claim and a much firmer argument than his leader did this afternoon.

Mr. BENNETT: I agree with that.

Mr. CANNON: I admired the hon. gentleman's speech. His reputation had preceded him to this house, and on Saturday afternoon he lived up to the very highest expectations that the friendliest member in this house could have for him.

The leader of the opposition opened his argument by saying that there was very little difference between the two parties on this important matter. When you carefully read the speech of the leader of the opposition this afternoon, I think you will come to the conclusion that there is really very little difference. If his speech is summed up in the closing sentences, I do not think there is any reason for the amendment brought forward by one of his supporters in this house. If the question has been clarified to such an extent that there is very little difference between the two parties, I may say that on the one hand we owe it to the presentation of the member for Queens-Lunenburg, and on the other hand to the most remarkable speech on this question made by the Secretary of State. I will repeat, as the Secretary of State said on Saturday afternoon, that this is not a political matter.

An hon. MEMBER: It is becoming one.

Mr. CANNON: It is simply a question of law, and the parties in this house certainly should not make a political issue of it, and ask the members of the house to express their want of confidence in the government, because the government has not brought in legislation at this session to implement the reports made by Mr. Friel since the house met. As the leader of the opposition has just said, it would be only fair and just that the law officers of the crown look into the matter. How can the leader of the opposition conclude his remarks by saying that no policy on this subject should be adopted by the government until, and only until, the Minister of Justice has had time to examine into the claims, and, on the other hand, support an amendment brought forward by one of the members on his side of the house? This amendment would mean the defeat of the government for not doing immediately what the leader of the opppsition has said should not be done now.

Mr. BENNETT: That is not what he said.

Mr. CANNON: That is what the leader of the opposition said.

Mr. BENNETT: No, he did not.

Mr. CANNON: I listened to the leader of the opposition very carefully, and he concluded his speech by saying that he did not expect the large claims to be paid, although awards were made by the commissioner, until and unless the Minister of Justice would have an opportunity to examine into these claims and decide whether or not payments should be made. What does the amendment say? The amendment says that this government should be condemned for not having brought in legislation in order to make those payments. Is there any logic in that?

Mr. BENNETT: Three months is long enough.

Mr. CANNON: Is there any logic in the attitude of the leader of the opposition?

An hon. MEMBER: Absolutely.

Mr. CANNON: I am pleased to see that the hon. gentleman is so easily satisfied. But can the leader of the opposition on the one hand conclude his remarks by saying that the matter is of such importance that action should be delayed and on the other say that the house should vote non-confidence in the government because we have not immediately introduced legislation to do exactly what he says should not be done now? The leader of the opposition interjected a minute ago: "Is not three months enough?" Three months enough for the Minister of Justice during the session, because the report was made while the session was on, when the Minister of Justice has to examine into every piece of legislation and also to follow the debates in the house! The leader of the opposition thinks it would be fair for the house to say that the Minister of Justice, notwithstanding all his pressing parliamentary work, should have had the time, within the last three months, to examine into 1,600 different claims in order that legislation might be brought down immediately. This is the position. These are the facts.

I say, first, there is no legal claim, notwithstanding what the leader of the opposition may have stated. I share the opinion expressed by every other government concerned and by the Right Hon. Austen Chamberlain, Chancellor of the Exchequer in the British government. Second, I say there is no trust and the moneys received under the Dawes plan are not, as the leader of the opposition has stated to the house, earmarked for a certain purpose.

Mr. CAHAN: Although my hon. friend says that there is no trust, does he also say that there is no duty and obligation on the government?

Mr. CANNON: I will come to that later In order to understand the treaty of Versailles, and in order to give to the different clauses of that treaty a proper interpretation the house must revert to the time when the treaty was made. What was the situation then? When news of the signing of the armistice was received, the idea prevailed in every allied and associated country in the world throughout the military and the civilian population, that Germany would be made to pay every cent of expenditure for war purposes and every dollar of damage caused by the war. That was the feeling which prevailed in November, 1918. To my ears are present to-day the words pronounced by the leaders of France, England, Italy and all the other large countries which fought during the war; not only were full indemnities to be exacted from Germany, but even moral responsibilities were to be met and crimes under international laws were to be punished. Every man in the house recalls speeches delivered at that time by no less a personage than the Right Hon. Lloyd George, Prime Minister of England, who claimed that in Paris not only a permanent basis for peace was to be established but an example would be set for unborn generations and the executions of those responsible for the outbreak of the war would be decided upon and would be carried out. Those were the contentions which prevailed when the plenipotentiaries were making their way to Paris.

After the conference met, when the different delegates from the various countries had to face conditions as they were and had to be awakened from the dream which they had dreamed during the war; when they realized that on account of the conditions which prevailed throughout the world, a hurt inflicted on Germany or on Austria or on any other country in Europe, would react in a very harmful way against every other country, a new attitude was taken. The allies recognized that Germany could not pay everything and at the Peace conference and the other conferences which took place later the principle was laid down that Germany would be asked to pay, in recognition of her liability for the war, only a certain fixed amount. That amount which was to be paid was fixed at 132,000,000,000 gold marks. After further negotiations the method under which those payments were to be made was indicated in the Dawes plan and the moneys that Canada has received so far, amounting to $10,000,000, were paid by Germany under the Dawes plan. But every cent which Germany has paid, not only to Canada but to France and England, is in payment of all damages caused by the war—

Mr. ERNST: Oh, no.

Mr. CANNON: —and the basis for the payment or for the part payment has been the civilian losses sustained. That is a distinction that has to be drawn, that has to be borne in mind when we are discussing the matter. Germany at first was called upon to pay all damages caused by the war. Germany recognized her liability; but when the

financial experts went into the situation in Germany they realized that Germany could not be called upon to pay such a huge amount, and they also realized and appreciated the fact that the total bankruptcy of Germany would react against every other country throughout the world. Although the liability of Germany for the losses sustained by war was asserted and acknowledged, she was called upon to pay only part of those losses and the part payment of those losses was established upon the basis of civilian losses, but the amounts to be paid were in part payment of all damages and not only of losses sustained by civilians themselves.

Mr. ERNST: Will the hon. member give his authority for that statement, which is somewhat sweeping.

Mr. CANNON: I am coming to that.

Mr. McGIBBON: You will never reach it.

Mr. CANNON: We have first of all the Versailles treaty in two sections, one acknowledging liability and the other mentioning civilian losses. This treaty was afterwards changed to a certain extent by further conferences, and as I said before, plans were established. But if the contention brought forward by the leader of the opposition were true, if we were trustees for the Canadian people, if we had received those moneys for one purpose and one purpose only, how is it that the British government, which received moneys under the same plan—

Mr. BENNETT: They made an appropriation of £5,000,000, and paid it before they received the moneys.

Mr. CANNON: My hon. friend is not going to divert me from my argument. The British government received 22 per cent of the total moneys paid by Germany under the Dawes plan. The moneys which Canada received represent 4½ per cent of that 22 per cent. Therefore, I have thus proved beyond peradventure, as my hon. friend would say, that the source of the payments is the same; secondly, that the process under which the payments are made is the same, and thirdly, that the object for which the payments are made is also the same, alike in England, alike in Canada. But what did the British government do? Would my hon. friend as the responsible leader of the Conservative party in this house, rise in his place and say for one moment that the British government has acknowledged a trust towards the British nation?

Mr. BENNETT: I will answer the question at once. The British government, not waiting to receive the Dawes payments, advanced out of their exchequer over £5,000,000, which was distributed nine years ago to the very class of people mentioned in the telegram to-day.

Mr. DUNNING. And none since.

Mr. BENNETT: Because they have settled all the claims.

Mr. CANNON: I do not want the hon. gentleman to tell me that the British government paid £5,000,000 in anticipation. I ask my hon. friend, as the responsible leader of the Conservative party in this house, if the British government—I will use a strong expression, because a trustee who does not use funds for the purpose for which he receives them, misappropriates them; there is no other name for it—if the British government was a trustee, as my hon. friend claims, how is is that the moneys which it received under the Dawes plan were not paid over to claimants for damages for civilian losses during the war in their entirety, as he claims we should do? The law is that a trustee has to use the funds which he receives for the purpose for which they are entrusted to him. What did they do in England? In England they appropriated, not out of the moneys received under the Dawes plan—

Mr. STEVENS: In anticipation of it.

Mr. CANNON:—but in anticipation of it, they appropriated £5,000,000 or $25,000,000, and they have not distributed a cent since then. When they paid the $25,000,000 Sir Austen Chamberlain, Chancellor of the Exchequer, got up in the house and said, "These people have no legal claim," notwithstanding what my hon. friend the leader of the opposition might have said this afternoon.

Mr. BENNETT: Against the British government

Mr CANNON: "This government," Sir Austen Chamberlain said, "is not collecting these moneys as trustees for claimants,"—notwithstanding what my hon friend may have said this afternoon—"but the moneys are paid as an act of grace" Will my hon friend as leader of the opposition, and as a lawyer of prominence in Canada, deny tht the Chancellor of the Exchequer in England could not have made that statement that the payments were made as an act of grace if my hon friend's legal argument this afternoon had any basis at all? Either the Chancellor

of the Exchequer was wrong, and nobody ever contended that he was, or my hon. friend was right, which I doubt very much

First, then, no legal claim. Second, no trust. Thirdly, I come to the main point touched on by the leader of the opposition—moral obligation. In dealing with this matter, Mr. Speaker, in order to understand the position which might have been taken by the several governments towards the civilian population in their respective countries, there is one great underlying principle which must not be lost sight of. War is the enemy of individual claims. When war is declared, it is the call of collective interest crushing individual privileges; that is war. War is a state of things where under the old Roman law the dictator used to call out the Roman legions by saying. Salus populi suprema lex." "The salvation of the nation is the supreme law." In war individuals vanish; their claims disappear; personalities have no existence; the law is beyond morality towards the individual; collectivity is supreme. My hon. friend says that this is pointed out in books—

Mr. BENNETT: That is not what I said.

Mr. CANNON: —I know it is, but it is good to read those books when discussing these matters. That is the standing of the individual in face of the state when war prevails.

Moral obligations the government may have towards the individual; that may be so, and the Secretary of State has not denied that the government intended to look into the question and to acknowledge such moral obligations in cases where moral obligation might rightly, without prejudice to the general interests of the country, be acknowledged; but in matters of this kind the only claim that the individual may have, if it is a moral claim, is the weakest kind of claim possible because, as I said before, the sufferings of the individual are the necessary consequence of a state of war The civilian population of the devastated regions of France have a moral claim against Germany. Their houses were destroyed, their families separated, their children killed. But the moral claims of those people against Germany were not recognized—

Mr. ERNST: Oh yes, they were.

Mr. CANNON: —and France herself had to spend millions to rebuild those sections.

Mr. ERNST: She is getting it back.

[Mr. Cannon.]

Mr. CANNON: In connection with this discussion, Mr. Speaker, I think it will do us all good to contemplate the dire consequences of the late war.

An hon. MEMBER: Oh, oh.

Mr. CANNON: I do not know what the hon. gentleman is laughing at. This is no laughing matter. Millions went to war. We all knew that war was a terrible thing; history had taught us so. When peace was declared and the nations went back to their everyday work, humanity discovered that not only was war a terrible thing, it was a useless thing. Germany vanquished is in a better position to-day than victorious France, notwithstanding the moral claims that the millions of Frenchmen who died on the battlefield or the hundreds of thousands of French soldiers who were maimed have against Germany. We have received from Germany ten million dollars. As the hon. leader of the opposition has pointed out, some of the claims are small, claims probably that should be met. But these claims under $5,000 number over 1,400. Speaking for myself, I think the government should take a very favourable attitude towards these small claims. But why should we as a government, why should we as a nation, when we have to bear the tremendous burden of a national debt of 2,000 million dollars entertain the claims of large corporations? When the Canadian people as a whole have such a tremendous moral claim, is this house going to say that the government is derelict in its duty towards the public weal by not bringing in legislation in order to satisfy the large claims which were made before the commissioner? Two kinds of claims have been filed, small and large. As a minister of the crown, I may say that I have not been bothered by any of the small claimants. They have faith in the sense of justice of this country, I have no doubt. But I have been worried by the large claimants, and I have no sympathy for any of them.

Now, Mr. Speaker, to sum up. The commissioner's report was put in the hands of the Secretary of State while this session was in progress. A matter of policy of the gravest moment must be decided by the government. Is this house going to say that we should decide it right away in the last weeks of the session? Or are we to be given an opportunity of examining into these claims which, as the leader of the opposition said, it is fair and just that we should be.

Mr. ERNST: Will the hon. minister permit a question? Had the government gone into supply five weeks ago this matter could have been taken up. The report was in the hands of the government at that time.

Mr. CANNON: That is a matter of detail rather than principle.

Mr. ERNST: But it would not have been in the last weeks of the session.

Mr. CANNON: This, as I have said, is a matter of policy of the gravest moment, because the government will have to decide whether there should be a priority of claim recognized. Should the nation have priority over the individual, notwithstanding how favourably his case may be considered? And is the house ready, without having that report before it, without having the information, without having the detail—not of the judgment, as the leader of the opposition has stated erroneously, but of the awards—is the house willing to decide now on that priority that the country should stand second to the individual in the payment of war claims.

Mr. SPEAKER: Is the house ready for the question?

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, I do not intend to delay the house, but I want to make my position clear before you put the question. This being a motion of want of confidence, and I being a Liberal, I am going to vote for the government. But I say that in my humble opinion these claims should be paid at the earliest possible moment. The Solicitor General (Mr. Cannon) said that since he became a member of the government he has heard only from the large claimants. I want to say, sir, that during the last six years I have knocked at the door of the government, both by letters and personally, in an endeavour to have these claims paid even earlier than at the present time, but in vain.

Mr. CLARK: You have opened the door now.

Mr. DUFF: I hope they will pay them.

The house divided on the amendment (Mr. Ernst) which was negatived on the following division:

YEAS

Messrs:

Bell (St. John-Albert), Bennett, Black (Halifax), Brady, Cahan, Cantley, Chaplin, Charters, Clark, Dickie, Edwards (Frontenac-Addington), Embury, Ernst, Esling, Fraser, Garland (Carleton), Grimmer, Hocken, Jones, Ladner, MacDonald (Cape Breton South), Macdonald (Kings), Macdonald (Richmond-West Cape Breton), Macdougall, McGibbon, Manion, Matthews, Quinn, Rennie, Ross (Kingston City), Senn, Short, Smith (Cumberland), Stevens, Stirling, Tolmie, Young (Toronto Northeast).—37.

NAYS

Messrs:

Adshead, Bancroft, Beaubien, Bissett, Blanchard, Boivin, Bothwell, Bouchard, Boucher, Boulanger, Bourassa, Bourgeois, Bradette, Brown, Campbell, Cannon, Cardin, Carmichael, Casgrain, Chevrier, Coote, Delisle, Denis (St. Denis), Denis (Joliette), Descoteaux, Deslauriers, Donnelly, Duff, Dunning, Elliott, Euler, Evans, Fansher (Last Mountain), Fansher (Lambton East), Forke, Foster, Gardiner, Garland (Bow River), Girouard, Glen, Goulet, Howden, Irvine, Jelliff, Jenkins, Johnston (Long Lake), Kennedy, King (Kootenay East), King, Mackenzie (Prince Albert), Lacombe, Laflamme, Lanctôt, Lang, Lapierre, Lapointe, Lucas, Luchkovich, Macdonald (Glengarry), MacLean (Prince), McLean (Melfort), Macphail (Miss), McMillan, McPhee, McPherson, Malcolm, Millar, Milne, Morrissy, Motherwell, Neill, Perras, Power, Prévost, Ralston, Rinfret, Robb, Robitaille, Ross (Moose Jaw), Sanderson, Sinclair (Queens), Smith (Stormont), Speakman, Spencer, Steedsman, Stewart (Edmonton West), Telford, Thorson, Totzke, Vallance, Ward, Woodsworth, Young (Saskatoon).—92.

PAIRS

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

Messrs:

Barber, Edwards (Waterloo), Preston, Peck, Pettit, Hodgins, Tummon, Cowan, Price, Simpson, Perley, McIntosh, Young (Weyburn), Edwards (Ottawa), Morin (Bagot), Benoit, Bowman, Langlois, Allan, Verville, Cahill, Marcil,

Anderson (Toronto),	Fontaine,
Cotnam,	Dussault,
Stinson,	Goodison,
McRae,	Blatchford,
Spence,	Bock,
MacLaren,	Fiset,
McQuarrie,	Fafard,
Quinn,	Donnelly,
Hanson,	Veniot,
MacNutt,	Ilsley,
Smoke,	Cayley,
Harris,	Tobin,
Sinclair (Wellington),	Hall,
Ryckman,	Desaulniers,
Rowe,	Lacroix,
Thompson,	Dionne,
Kaiser,	Lavigueur,
Robinson,	Odette,
Casselman,	Howard,
Arthurs,	Jacobs,
Black (Yukon),	Heenan,
Johnstone,	Baldwin,
Wilson (Wentworth),	Kay,
Hubbs,	Hay,
Boys,	Parent,
White (London),	Gershaw,
Maybee,	St-Père,
Bell (Hamilton),	Mercier (St. Henri),
Geary,	Mercier (Outremont),
Church,	Rhéaume,
Ryerson,	Taylor,
Anderson (Halton),	Bettez,
McGregor,	Séguin,
Bowen,	McKenzie,
White (Mount Royal),	Wilson (Soulanges),
Guthrie,	Dubuc,
Maloney,	Guérin,
Gott,	Rutherford,
Pouliot,	Lennox.

Mr. RYCKMAN: I was paired with the hon. member for Champlain (Mr. Desaulniers). Had I voted I would have voted for the amendment.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted I would have voted for the amendment.

Mr. KAISER: I was paired with the hon. member for Quebec-Montmorency (Mr. Lavigueur). Had I voted I would have voted for the amendment.

Mr. ROBINSON: I was paired with the hon. member for East Essex (Mr. Odette). Had I voted I would have voted for the amendment.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted I would have voted for the amendment.

Mr. THOMPSON: I was paired with the hon. member for Matane (Mr. Dionne). Had I voted I would have voted for the amendment.

Mr. PECK: I was paired with the hon. member for Bagot (Mr. Morin). Had I voted I would have voted for the amendment.

[Mr Duff.]

Mr. PETTIT: I was paired with the hon. member for St. Johns-Iberville (Mr. Benoit). Had I voted I would have voted for the amendment.

Mr. HODGINS: I was paired with the hon. member for East Algoma (Mr. Bowman). Had I voted I would have voted for the amendment.

Mr. COWAN: I was paired with the hon. member for North Oxford (Mr. Allan). Had I voted I would have voted for the amendment.

Mr. TUMMON: I was paired with the hon. member for Chambly-Vercheres (Mr. Langlois). Had I voted I would have voted for the amendment.

Mr. BLATCHFORD: I was paired with the hon. member for North Vancouver (Mr. McRae). Had I voted I would have voted against the amendment.

Sir EUGENE FISET: I was paired with the hon. member for St. John-Albert (Mr. MacLaren). Had I voted I would have voted against the amendment.

Mr. FAFARD: I was paired with the hon. member for New Westminster (Mr. McQuarrie). Had I voted I would have voted against the amendment.

Mr. McKENZIE: I was paired with the hon. member for Durham (Mr. Bowen). Had I voted I would have voted against the amendment.

Mr. BOCK: I was paired with the hon. member for Parkdale (Mr. Spence). Had I voted I would have voted against the amendment.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted I would have voted against the amendment.

Mr. ILSLEY: I was paired with the hon. member for Colchester (Mr. MacNutt). Had I voted I would have voted against the amendment.

Mr. CAYLEY: I was paired with the hon. member for Brant (Mr. Smoke). Had I voted I would have voted against the amendment.

Mr. PRICE: I was paired with the hon. member for Lotbiniere (Mr. Verville). Had I voted I would have voted for the amendment.

Mr. SIMPSON: I was paired with the hon. member for Pontiac (Mr. Cahill). Had I voted I would have voted for the amendment.

Mr. GOODISON: I was paired with the hon. member for Victoria, Ont. (Mr. Stinson). Had I voted I would have voted against the amendment.

Mr. PRESTON: I was paired with the hon. member for Ottawa (Mr. Edwards). Had I voted I would have voted for the amendment.

Motion agreed to.

SUPPLY

POST OFFICE DEPARTMENT

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

Post Office—salaries, including amount required to pay allowance to office appliance operators, grade 2, operating Hollerith card punching machines in accordance with provisions of order in council P.C. 156/2521, dated 24th December, 1923—$1,345,379.

Mr GARDINER: Before we proceed further I wonder if the Postmaster General would move down towards the centre of the chamber in order that we might hear him better.

Mr. VENIOT: I can assure my hon. friend that I will speak loud enough so that he will hear me. I prefer to retain my seat.

I might explain to the committee that this amount shows an increase of $40.230, of which $18,450 is due to statutory increases approved by the Civil Service Commission and the balance to staff requirements due to growth of service and new postal developments. In the reorganization and carrying on of the inside service there have been increases amounting to $132,330 gross and decreases amounting to $92,100, making a net increase during the year of $40,230. I have all the details here; for instance, the increase of $40,230 in salaries is made up as follows: 281 statutory increases, totalling $18,450; 28 increases at $120, 250 increases at $60 and 3 increases at $30. There have been 19 new appointments to the inside service during the year amounting to $19,920 in salaries. These appointments include one map draftsman, one clerk grade 4, one clerk grade 3, 7 clerks grade 2, 2 stenographers grade 2, 3 typists grade 1, one truckman and one office boy. To provide for increases to employees now in one of the grade 3 classes who were formerly in one of the senior grades, whose cases are under review by the Civil Service Commission, $9.360; to provide for staff requirements due to growth of service and new postal developments, $3,360, making a total of $51,090. The decrease in the difference between the salaries of employees promoted or who have left the service and the salaries of those who replace them, amounts to $10,860, leaving a net increase of $40,230.

Mr. EDWARDS (Frontenac): I would like a little information from the minister. He has indicated some causes for the increase in the vote, and I presume one of the causes is the additional appointments which have been made.

Mr. VENIOT: Yes; there were nineteen additional appointments.

Mr. EDWARDS (Frontenac): Then I would ask my hon. friend if these 19 additional appointments were made on the recommendation of the Civil Service Commission.

Mr. VENIOT: Each of these 19 appointments to the inside service was made on the recommendation of the Civil Service Commission, or at least by the Civil Service Commission, which issued the certificates.

Mr. EDWARDS (Frontenac): Will the same answer apply in the case of promotions?

Mr. VENIOT: I might explain that under the rules governing promotions within the inside service, these are made by the merit system through a rating board, whose report is submitted to the Civil Service Commission for final decision.

Mr. GARDINER: Who appoints the rating board? Is it within the service?

Mr. VENIOT: That depends on the position that is being considered. Generally the rating board is appointed from the immediate superiors in the class where the promotion is to be made.

Mr. EDWARDS (Frontenac): Then I would refer to a certain position here in Ottawa, to which attention was called in the columns of a local paper a short time ago. I refer to a man named Hall, who I understand has worked in the Ottawa post office for some twenty years. The minister will correct me if I am wrong in my understanding of the case. This man was found to be perfectly efficient in the position which he occupied, and because of his efficiency and length of service he was entitled to promotion. The Civil Service Commission asked for applications for this position, and in their advertisement they restricted the applicants to members of the permanent service. Mr. Hall, who had been filling the position for about eighteen months, was the logical man to be appointed; he was recommended for

appointment and the Civil Service Commission announced his appointment on March 31 of this year. Then I understand that the Civil Service Commission were instructed through the minister to issue another advertisement in which the wording was changed, apparently with the view of shutting out Mr. Hall, who had been fulfilling the duties of this office, and enabling another person, favoured by the minister, to get the appointment.

Mr. VENIOT: I wish the hon. gentleman would not use a term like "favoured".

Mr. EDWARDS (Frontenac): I am sorry, Mr. Chairman, but I cannot withdraw the word. I should like to do so if I could do it conscientiously, but having had some experience with the minister in my own county, and his activities there, I am afraid I am unable at the present moment to withdraw it. If the minister can convince me by any reasonable argument to withdraw that or any other expression which may reflect upon his merits, I shall be happy to do so. I am most anxious to give him all possible credit in the administration of his department, for I think he stands in need of the most generous consideration that can possibly be given to him. I will be the first to accord him that generous consideration when, as I hope he will be able to do, he proves himself in any degree worthy of it. At present I cannot accord it to him, and I will give him my reasons a little later. I cannot, therefore, withdraw anything I have said.

There were two advertisements issued. On the strength of the first this man Hall, who had been officially conducting this branch, was recommended by the commission, and his appointment was announced on March 31. That was later changed because, as I say, another advertisement was sent out which practically eliminated him. For the time being I will accede the floor to the minister and see what he has to say up to date.

Mr. VENIOT: Mr. Chairman, I wish to thank the hon. member for Frontenac-Addington (Mr. Edwards) for having brought this question before the committee. On May 8 there appeared in an Ottawa newspaper an article, under the caption of "The Activities of Mr. Veniot", from which he has been quoting.

First of all, I want it to be distinctly understood that I intend to have efficiency in the Post Office department in all sections of Canada. When I find it is necessary to have people who can speak both languages, I am going to see that those people are appointed, irrespective of the comments or criticism of my hon. friend. That applies to all sections of Canada. I will give you an instance right in the city of Montreal, which is essentially French. In certain branches it is necessary that English also should be known, and applications received from those who can speak only the French language have been refused. Why? Because efficiency is necessary.

Let me explain that this case here in Ottawa was purely a matter of departmental administration. When the vacancy in question occurred the officials of my department, who are not French—the deputy minister is, but he is guided by the superintendents of the branches—advised that it was necessary that a person of bilingual qualifications be appointed to this position. That report was made to me, and I accepted it. I then instructed that an advertisement should be issued calling for the promotion of persons of bilingual attainments. In some unaccountable way the advertisement did not call for what had been ordered. When this was discovered the Civil Service Commission were notified that they should call for bilingual qualifications, and they did so. The matter is now before the Civil Service Commission for its decision.

The position became vacant through Mr. Cherry's promotion from the registration department to a promotion formerly held by Mr. Larue, a bilingual official who was in charge of the letter carriers. Mr. Cherry's promotion was made, notwithstanding the fact that a bilingual employee had been Mr. Larue's assistant during a long period of years. I raised no objection to that, because it was thought necessary that it should be done at the time. When it came to the point where it was necessary to have a bilingual appointee replace the gentleman who had received the promotion over the head of a bilingual man, on the recommendations made by my officials, I issued the order. These are the facts just as they will be submitted to the house when all the documents that have been asked for are laid on the table.

The newspaper that brought this question up makes the following statement:

> Mr. Veniot, judging from some of his past utterances, looks pretty much as though he were more concerned with patronage and with matters of race and language than with the efficiency of his department.

This newspaper is printed here in Ottawa, and has the opportunity of ascertaining whether or not the present Postmaster General is efficiently operating his department. It is singular that a newspaper

situated as the Ottawa Journal is, with every opportunity of ascertaining whether the present Postmaster General is capably and efficiently administering his department, is so unfair in its criticism that it has not, during the time I have been at the head of the department, attempted to find out how the business of that department was carried on. Other newspapers have attempted to do so, and I hold in my hand an article which I am sure the hon. member for Frontenac-Addington will accept as being true and genuine, an editorial from the Montreal Star.

Mr. EDWARDS (Frontenac): May I interrupt just for a moment and tell the Postmaster General that at the present moment I do not feel inclined to accept the statement of any paper published in the Dominion of Canada? Or if I do so, it will be with reservations.

Mr. VENIOT: I see it would be useless on my part to try to convince the hon. gentleman.

Mr. EDWARDS (Frontenac): You cannot do it with newspapers. I have not said all I intend to say.

Mr. VENIOT: Neither have I, and you will find it out before I get through with the estimates.

Mr. EDWARDS (Frontenac): Lay on, Macduff.

Mr. VENIOT: I am not reading this article from the Montreal Star for the purpose of praising myself, but when I find an outstanding newspaper like the Montreal Star, in an editorial article entitled "Our Postal Service", saying the things it does, I think this house should be made aware of it. I quote:

> Mr. Veniot, the present Postmaster General, came into office with a reputation for executive ability and the record of a hard worker. He has plunged into the multifarious phases of his official duties with determination, working long hours to acquaint himself with every activity of his department. While he has been handicapped, like his predecessors, by political traditions that are a heritage in his department, he has shown initiative and a capacity for organization. Much remains yet to be done, for there are many barnacles to be cut away before a certificate of first class efficiency can be given to the post office. Yet Mr. Veniot has made a commendable start and the postal service is already reacting to his example and encouragement.

I am surprised that the Ottawa Journal has written and published such a scurrilous article in an attempt to raise racial prejudice in the community. The publication of this article reminds me—and this is the first opportunity I have had to deal with it in public—of another article published by the same newspaper in connection with myself. I refer to a report that it published, and that it implemented by an editorial, of a speech which I delivered in Montreal and in which I referred to the present leader of the opposition. There was absolutely no foundation for the report or the editorial. I took the matter up with the Ottawa Journal; I took the French report word for word of the speech that I delivered in French at that banquet; I called the attention of the Ottawa Journal to its unfair treatment of the case, and I offered to give them the newspaper that contained the verbatim report. They sent for it; they promised to publish it in order to correct what they had done before, but from that day to this—and it is nearly a year—they have not published one word. Therefore I cannot and do not expect any fair treatment at the hands of a newspaper of that stamp.

Mr. EDWARDS (Frontenac): I have personal reasons for agreeing in part with what the Postmaster General has said regarding the Ottawa Journal. I am not going so far as to agree with him in his accusation that the Ottawa Journal was endeavouring, in reference to this matter, to raise racial cries. In fact I will say that when the question is one of trying to put race against race in this country, the record of the Postmaster General, since he became a cabinet minister, occupies a very prominent place in such records. Mr. Hall, to whom I have referred, worked in the Post Office department for approximately twenty years and for ten years of that time he was in charge of the registered mail division as assistant clerk.

Mr. VENIOT: He was not in charge as assistant clerk. He was an assistant clerk.

Mr. EDWARDS (Frontenac): He was assistant clerk in charge of the registered mail division. Does that wording satisfy the minister?

Mr. VENIOT: No, it does not.

Mr. EDWARDS (Frontenac): Well, I will say that Mr. Hall was for ten years assistant clerk in charge of the registered mail division.

Mr. VENIOT: No, he was not.

Mr. EDWARDS (Frontenac): Well, he was assistant clerk in the registered mail division. Will that do?

Mr. VENIOT: Now the hon. member has it.

Mr. EDWARDS (Frontenac): Am I correct in saying this, that he was acting as clerk in charge of the registered mail division for some sixteen or eighteen months?

Mr. VENIOT: If he was doing that he never had the sanction of his superiors for it.

Mr. EDWARDS (Frontenac): Well, he was acting with or without the sanction of his superiors. It does not reflect to the credit of the department if he dominated the department and acted without their sanction. The minister can get all the comfort out of that he likes, but I cannot see much credit in it for him.

On December 28, 1926, the Civil Service Commission called for applications to fill a vacancy for clerk in charge of the registered mail division. Mr. Hall, who had been serving for some time, forwarded his application in December, 1926, and the Civil Service Commission announced his appointment in March, 1928. He was gazetted and his name published in the Ottawa Citizen, I believe, a certificate of promotion being duly signed and issued to him by the Civil Service Commission. Mr. Hall's certificate was forwarded to the Post Office Department by the Civil Service Commission and it was rejected by the Postmaster General on the ground that the position should be filled by a bilingual employee. This man had been acting apparently efficiently in that position for a matter of some sixteen months, so I take that as very strong ground for the attitude assumed by the Ottawa Journal in supporting the claim of this man to the position to which he was appointed by the commission. In addition to that, after the Civil Service Commission sent forward his appointment to the Post Office Department and it was rejected by the Postmaster General on the ground which I have stated and in which he concurs, the commission sent an investigator to ascertain whether or not the position which had been filled efficiently by Mr Hall for some eighteen months really required a man who could speak both languages. The minister, I venture to say, will not claim that while Mr. Hall was acting in this capacity, his services were not satisfactory. Mr. Hall had been in the position for a year and a half, which was long enough for anyone to ascertain whether or not he could fill the position efficiently. The Civil Service Commission had doubtless taken that into consideration, because they appointed a man to investigate the matter and he reported that the position did not require a bilinguist.

[Mr. Veniot.]

Mr. ST.-PERE: Why would the position not require a bilinguist when there are 40,000 French-speaking people in Ottawa?

Mr. EDWARDS (Frontenac): My hon. friend can have his own opinion on that. I have none to offer. I am offering what the Civil Service Commission thought, the reason why they came to the conclusion they did, as backing up the fact that their conclusion was right, namely, that the man had filled the position satisfactorily for a year and a half and that after the Civil Service Commission had sent a man to investigate whether or not the position really required a man who possessed both languages, he reported that the position did not require a man with those attainments.

Mr. VENIOT: No.

Mr. EDWARDS (Frontenac): My information is that the Civil Service Commission investigated whether the position required a bilinguist and the report was that a bilinguist was unnecessary. If that was the only case where the civil service commission has been overridden by the Postmaster General, I would not take up the editorial in the Ottawa Journal, but it is not the only case, not by any means. The Postmaster General in my own constituency has absolutely disregarded the law of the land and the regulations which should govern his as well as others, has disregarded the recommendation of the Civil Service Commission and made his own appointment over and above the recommendation of the commission. Does my hon. friend deny that?

Mr. VENIOT: Yes.

Mr. EDWARDS (Frontenac): Well then, I will refer my hon. friend to the case of Enterprise—

Mr. VENIOT: I want my hon. friend—

Mr. EDWARDS (Frontenac): You sit down.

Mr. VENIOT: I gave my hon. friend the privilege of asking a question, and I want my hon. friend to state his case clearly. He said that I had refused the certificate of the Civil Service Commission and made my own appointment. I want him to stick to that, and then we will know where we are.

Mr. EDWARDS (Frontenac): I said that the hon. minister had disregarded the law and the regulations in regard to making appointments. That is what I said, and I repeat it. Now I will state the case. I state the case of Enterprise post office in my own constituency, where applications were invited for

the position of postmaster to be received up to January 29, 1927. There were seven applications for the office of postmaster in that village, and I believe that every one of the seven was competent. Only one applicant of the seven was a returned soldier. His name was Cooper. The inspector reported on February 22 in regard to these several applicants, and in regard to Cooper—

Mr. VENIOT: What year, please?

Mr. EDWARDS (Frontenac): February 22, 1928. Here is the question which was put to the inspector in regard to Cooper:

> Do you consider this candidate sufficiently qualified as to education, experience, personality, character and integrity to meet the needs of the office in question?

I grant at once that a returned soldier, who, under the act, is supposed to have the preference—that is what the act says; not that he may, but that he shall—must possess the necessary qualifications, and the answer of the inspector in regard to Cooper was that from the standpoint of education, experience, personality, character and integrity Mr. Cooper, the only returned soldier applying for the position, was qualified to fill the position of postmaster at Enterprise. I may say that Cooper has served for two and a half years in France, and was gassed over there. He came well recommended. His application was backed up by a petition signed by 229 of the residents of that district who knew him and his qualifications very well. He provided a site which was perfectly satisfactory in the opinion of the inspector, and which was somewhat nearer the station, and consequently there would be a tendency to reduce to some slight extent the cost of transferring the mail to that office. The Civil Service Commission, acting on the inspector's report, notified Cooper of his appointment to the position of postmaster at Enterprise. They also notified the other six applicants that Cooper was the one who had been selected. On the strength of that, Cooper went ahead and got a carpenter to make certain changes and fix up the building which he was going to use for the post office. He went to some expense in that regard. He also disposed of the tools of his trade—he was a tinsmith by trade—and was awaiting word to take over the office.

Now in justification of my statement a moment ago that the Postmaster General disregarded not only the Civil Service Commission but the law, I say that notwithstanding all these facts, the Postmaster General threw to one side the recommendation of the Civil Service Commission, disregarded the law giving the preference to a returned soldier who was qualified, and insisted that another man be appointed to the position. The Civil Service Act, referring to those who served in the war, says, in section 29, I think it is, that they shall receive the preference irrespective of the marks obtained. The Postmaster General in this matter, in the correspondence which passed between him and others, referred to Cooper as a man in debt. That was evidently one of the reasons which influenced the Postmaster General to turn down Cooper. Cooper's debt amounted to about $200. I would like to ask the Postmaster General if he thought that that was sufficient reason, or that that of itself was one good reason why he should turn down the application of Cooper—because he owed some money. That is the position which the Postmaster General took, and that is one of the reasons he gave as the final say for rejecting Cooper's application.

But the minister says, oh this position was vacant before on one occasion right after the war, in 1920. Cooper was an applicant then but was not accepted at that time. The position was given to a man by the name of Fenwick. That I know is what the minister has in his mind, or part of what he has in his mind. So in that connection I should like to quote to him from a statement of the Civil Service Commission on that particular point. They say:

> In this connection it might be pointed out that the material under consideration at the time of Mr. Fenwick's selection—

That would be in 1920, I think:

> —was entirely of a different nature to that in the present competition. The circumstances surrounding Mr. Cooper's candidature in 1920 were also different inasmuch as he had no place to keep the post office at that time, and was competing against an applicant who lost a son overseas.

Mr. VENIOT: That did not give him any preference.

Mr. EDWARDS (Frontenac):

> This son had won the D.C.M. and prior to enlistment was his father's chief help on the farm. The father, as a consequence, and on account of poor health being unable to get along without his son, was obliged to sell his farm and move to the village.

Those were the circumstances in 1920. The commission continue:

> In the present instance, Mr. Cooper offers a suitable accommodation and location for the post office, and is certified by the inspector as being qualified in all respects. The examining branch, therefore, has no alternative but to recommend his appointment.

That is dated March 23, 1927. In 1920 when Cooper applied for the position, Mr. Fenwick, who had lost a son in the war and was obliged to abandon his farm on that account, applied for the position of postmaster, and

the sympathy of the community went out to Mr. Fenwick. Because of that fact, and of the further fact that Cooper at that time had no place for the post office, a decision was given in favour of Mr. Fenwick. Now the Postmaster General seeks to excuse his action by referring to the report of the Civil Service Commission in 1920 as indicating Cooper's lack of qualifications for the position. It does not indicate anything of the kind. The inspector certified that Cooper had the qualifications. The Postmaster General may say that he is not a very good writer. Well, I had a note from the Postmaster General the other day, and a letter from Cooper some time ago, and having taught school for some years, and therefore being somewhat of a judge of handwriting, I would give Cooper more marks than I would the Postmaster General.

Mr. VENIOT: What would you do about your own handwriting?

Mr. EDWARDS (Frontenac): Well, I can write better than you; you may bet your life on that. But the Postmaster General gave another reason for turning against Cooper. He said: Oh, this man Cooper is in debt. Now, I ask him if he really thinks he should have put that in? Does the Postmaster General really think that because this returned soldier owed a couple of hundred dollars, this should be advanced as one reason why he should not have the position? Will he answer yes or no?

Mr. VENIOT: You will get your answer at the right time.

Mr. EDWARDS (Frontenac): All right, I shall wait for the answer with interest. I refer to that now as one of the reasons advanced by the Postmaster General why this man, who had served his country in the war, the only one of the seven applicants—

Mr. VENIOT: Does the hon. gentleman state there were seven applicants?

Mr. EDWARDS (Frontenac): Yes, and I will give you their names. They were: P. J. Murphy, W. S. Fenwick, O. B. Jackson, Geo. A. Cooper, Miss Wiseman, W. P. Covert and Mrs. Lockwood.

Mr. VENIOT: Where did you get the information?

Mr. EDWARDS (Frontenac): From your own department. That ought to be good enough.

Mr. VENIOT: No.

[Mr. J. W. Edwards.]

Mr. EDWARDS (Frontenac): Yes. If you will look over your files you will see that is correct. Apparently the minister wanted to see only one name in this connection. He had made up his mind that he was going to have efficiency, according to his ideas. Efficiency was the only thing that counted with him. He declared: I am determined, though the heavens fall—

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): I am determined, says the Postmaster General; no matter what happens, law or no law, Civil Service Commission or no Civil Service Commission, I will have my way in running this department; I will dismiss postmasters by the hundred for the efficiency of the service, because Liberal members of parliament say it will be more efficient to put out a man who voted on the Conservative side and give the position to one who voted Grit. That is his estimate of what constitutes efficiency. He estimates efficiency in the public service by the way a man votes at elections. He may be the biggest numskull on earth, but if he votes Grit, then according to the standard of the Postmaster General he is efficient. Now, I should like to get an answer to that question.

Mr. VENIOT: You will get it after you are through.

Mr. EDWARDS (Frontenac): Well, it is said the pleasures of anticipation are greater than those of realization. I do not subscribe to that theory. However, we will have to wait. I have another case, but I will leave it in cold storage for a little while.

Mr. VENIOT: Oh, come on.

Mr. EDWARDS (Frontenac): I know the hon. gentleman—

Mr. DUNNING: You are not going to let him answer before six.

Mr. EDWARDS (Frontenac): I think it is better to keep everything in chronological order. The other is the Odessa case. Probably the minister will remeber Odessa. I wrote a letter about it.

Mr. VENIOT: I remember it quite well. That is where you certainly did all you could to support the returned soldier.

Mr. EDWARDS (Frontenac): We shall see when we come to it. Apparently the hon. gentleman has made up his mind, but we will

see if we cannot change it. It is a pretty difficult thing to do. Now I come back to this Enterprise case. Don't forget, Mr. Postmaster General—

The CHAIRMAN: Order.

Mr. EDWARDS (Frontenac): —you can answer me in any order you wish, but don't forget that I asked you if you thought you were playing the game square by putting up the excuse against this man Cooper that he was slightly in debt.

Mr. VENIOT: I did not say slightly.

Mr. EDWARDS (Frontenac): You said he was in debt. If you have the information as to the amount of the debt perhaps you will give it.

Mr. VENIOT: Even if I had I would not give it to the hon. member.

Mr. EDWARDS (Frontenac): Did I understand my hon. friend to say he would not give it to me?

Some hon. MEMBERS: Sit down.

The CHAIRMAN: Order.

Mr. EDWARDS (Frontenac): I do not believe my hon. friend has the information as to the amount.

Mr. VENIOT: You may be quite correct,—

Mr. EDWARDS (Frontenac): Yes, and in other things too.

Mr. VENIOT: —and you may not.

Mr. EDWARDS (Frontenac): I hope my hon. friend does not go so far as to say that he will not give an answer to my question whether or not it was proper for him to mention the fact against Cooper that he was in debt as one reason why he should not have the position. The Postmaster General will not deny that he made use of that argument. Now I ask him if he thinks that is just square.

Mr. VENIOT: Go on till six.

Some hon. MEMBERS: Carried.

Mr. EDWARDS (Frontenac): Go on.

Some hon. MEMBERS: Carried.

Mr. MANION: Mr. Chairman, the item is not going to carry yet awhile; we have a few other questions we wish to ask the minister. As a matter of fact I think he should answer the question that has just been put to him. Possibly he thinks five minutes to six does not give him sufficient time.

Mr. VENIOT: It is four minutes to six. Had the hon. member for Frontenac (Mr. Edwards) stopped at ten minutes to six he would have given me an opportunity.

Mr. MANION: Call it six o'clock?

Mr. VENIOT: I should like to have it called six o'clock, but I wish to assure my hon. friend I do not need that time to collect my thoughts and reply to him. I have the goods right here.

Mr. EDWARDS (Frontenac): If the Postmaster General is not prepared to go on presumably he wants further time to consider this matter.

Mr. VENIOT: No.

Mr. EDWARDS (Frontenac): Mr. Chairman, the Postmaster General can sidestep as much as he likes, but there is no doubt he wants a little time to look over things and prepare himself before he speaks.

Mr. VENIOT: If the house will give unanimous consent to sit until five minutes after six, I will handle the hon. gentleman. I have called your bluff.

Mr. EDWARDS (Frontenac): I am rather surprised—

Mr. VENIOT: You are.

Mr. EDWARDS (Frontenac): I am rather surprised—

Some hon. MEMBERS: Sit down.

The CHAIRMAN: Order.

Mr. EDWARDS (Frontenac): Wait a moment. I am rather surprised at the Postmaster General's tactics. It is not in my power to change the rules, but so far as I am personally concerned I am ready to sit here until eight o'clock to give an opportunity to answer.

Some hon. MEMBERS: Sit down.

Mr. VENIOT: Call it six o'clock.

Mr. EDWARDS (Frontenac): No. I thought the hon. gentleman was going to proceed. I intimated that so far as I am concerned he could go ahead. I am ready to sit here until five minutes after six or five minutes after seven.

Mr. VENIOT: Call it six o'clock.

Mr. EDWARDS (Frontenac): No, we are not going to close until six o'clock.

Mr. VENIOT: Go ahead.

Mr. EDWARDS (Frontenac): The other day in the house when another matter was under consideration I referred to the fact that

the Postmaster General (Mr. Veniot) had given the preference, in the case of an appointment, not to a returned Canadian soldier but to a returned British soldier. The hon. gentleman passed a note across the floor to me asking to what office I referred when I made that statement. I wrote on the bottom of his note, which I passed back, the word "Odessa". The matter that was being discussed then was preference to soldiers. The man who was appointed postmaster of Odessa is, I believe, well qualified for his position; there were several others well qualified also. But the fact is that this man who was appointed to the post office there did not become a resident of Canada until after the war. He came here from the old country after the war, having served in the British army, though not at the front. However, he performed in the British army such service as they thought him best qualified to discharge. Under our interpretation of the law—and I have no fault to find with it personally—he ranks as a returned soldier. There were however returned soldiers, Canadian-born, among the applicants.

An hon. MEMBER: Six o'clock.

Mr. EDWARDS (Frontenac): Not quite; it lacks about a quarter of a minute. Now, while I would draw no hard and fast line between returned soldiers born and brought up in England and returned soldiers born and brought up in Canada, at the same time, other things being equal, I am free to say that I should be disposed to give the preference to a Canadian soldier who was born and raised in this country. I shall be glad to receive the information I asked for when the minister has had time to prepare it.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose at six o'clock we were considering vote No. 20 on page 9 of the estimates.

Mr. VENIOT: When the committee rose at six o'clock the hon. member for Frontenac-Addington had been discussing the question of the appointment of a postmaster at Enterprise. He and I had previously discussed the Ottawa promotion, and I think perhaps sufficient has been said in that connection unless further information is required by the committee, which I shall be glad to give.

In connection with the postmaster at Enterprise let me point out that the hon. member for Frontenac-Addington got a little ahead of the blows which he expected to deliver in connection with that appointment in 1921. This office became vacant in that year through the resignation or death of the postmaster, at the moment I forget which. Three applications were received for the appointment. I interrupted the hon. member this afternoon and asked him if he were not mistaken as to the number of applicants, thinking he was referring to the appointment in 1921. He was right when he said there were six or seven applicants for the position in 1927. In 1921 the report of the inspector touching upon these three men, of which I have both a copy and the original, was as follows:

> Cooper has no place to keep the office, and no means to purchase a building, but his foster father states he will buy one for him. Fenwick on the other hand, owns the premises where the office now is, which is well adapted for the purpose, so no change in site would be necessary if he were appointed.
>
> Both are highly spoken of and there does not appear to be anything against the character of either, but I am bound to say that Fenwick is much the better appearing man of the two, and more fitted for the position. In fact, were it not that Cooper had been overseas, he should not be considered, because he lacks the attributes which the former possesses.

That was the report submitted by the qualifying inspector sent to rate the different applicants. Later on this office became vacant again through the death of Mr. Fenwick, who received the appointment in 1921 through a certificate issued by the Civil Service Commission. That was a case of a civilian being appointed as against a returned soldier, but I have yet to learn that the hon. member for Frontenac-Addington, who to-day stands up as the champion of returned soldiers and who at that time was a member of the government, if I am not mistaken, never raised his voice on behalf of Cooper. In fact, I know he did not.

Mr. EDWARDS (Frontenac): When was that?

Mr. VENIOT: That was in 1921, when my hon. friend was a member of the government.

Mr. EDWARDS (Frontenac): What time in 1921?

Mr. VENIOT: I have not the exact date. I see I was mistaken; it was in 1920 that the vacancy occurred through the resignation of Mr. Wagar. My hon. friend may not have been a member of the government, but he was a leading member of his party at that time. I do not know that he ever raised his voice on behalf of that returned soldier, and he never had anything to say about it until Mr. Fenwick died in 1926. I was then in

charge of the Post Office department and applications were asked for, six or seven being received. Among the applicants was this returned soldier, George A. Cooper, the only returned soldier who applied. The inspector who acted in 1920 was again called upon to qualify these applicants for the position, and his report reads as follows:

George A. Cooper is a returned soldier, and on this account has a lot of sympathy from many residents. He does not appear to be very bright and states he is barely able to make a living at his work. He is a tinsmith and does odd plumbing jobs. His education is lacking. . . . It was also ascertained that he was in debt. Mr. Cooper was an unsuccessful applicant for this position six years ago.

When this report was placed before me I went back over the record of Mr. Cooper, and I felt that if he were lacking in education, as is stated in both reports, and in the attributes necessary for such a position as the first report states—

Mr. EDWARDS (Frontenac): That is not what the report said.

Mr. VENIOT: It stated he lacked the attributes possessed by the other gentleman.

Mr. EDWARDS (Frontenac): That is very different.

Mr. VENIOT: The other gentleman possessed the attributes which qualified him for the position, and if Mr. Cooper did not possess the attributes which the other gentleman had certainly he did not possess the attributes necessary for the position. That is a roundabout way of saying it, but that is the fact.

Mr. EDWARDS (Frontenac): My hon. friend's logic is very bad.

Mr. VENIOT: It is bad for my hon. friend; no logic presented from this side of the house can find favour with him. We know that, so we do not try to impress our logic upon him. May I further add that in addition the inspector reported that if this man had not been a returned soldier he would not have been in the running at all, and this official, working under the provisions of the Civil Service Act, whose duty it was to state all the facts in his possession, further said that this man was in debt. Under those circumstances I felt it my duty to refuse the certificate from the Civil Service Commission, and I did so.

Mr. McGIBBON: Might I ask a question? Did the man who made that report serve in the war?

Mr. VENIOT: I do not know; I cannot tell my hon. friend that.

Mr. CAHILL: He served in the Tory party, did he not?

Mr. VENIOT: He was appointed by the Tory party. I do not know that being a returned soldier would help him in making a report of this kind. However that might be, the hon. member for Frontenac-Addington stated that I had appointed or named another individual to take the place of this man. That statement is not correct. While the minister has the power to direct his deputy to refuse a certificate—it can only be done through his deputy—the minister has not the power to name a person in the place of the one whose certificate was refused. The refusal of the certificate goes back to the commission and they make their choice from among the other applicants. In this case there were six applicants, and when the commission received the refusal by the department of their certificate they chose the next one who should receive the certificate. That certificate was issued and it was accepted, and that is the whole story.

While I am on my feet I will refer to the case brought up by the hon. member (Mr. Edwards) regarding the appointment to the position of postmaster at Odessa. I might just mention that there are two post offices of this name in the Dominion, one out west and one in the hon. gentleman's riding. The postmaster died and, if I am not mistaken, his son continued to act until the commission could appoint a permanent official.

Mr. EDWARDS (Frontenac): It was not his son, but a man of the same name.

Mr. VENIOT: In looking over the records I find that the hon. member for Frontenac-Addington was not so anxious to stand up for the returned soldier as he is standing up for him now. There were four returned soldiers applying for the position at Odessa, one of whom was a disability man. If my hon. friend were as honest then in his advocacy of the rights of the returned man as he pretends to be now, he certainly would never have written the letter he did on August 4, 1926, when the shadow government was in power. What do I find in the official records of the department? I find this letter dated at Kingston, August 4, 1926, addressed to L. J. Gaboury, deputy minister of the department:

My dear sir:
I understand that several persons have applied for the vacant postmastership at Odessa.

He knew there were several applying.

I visited Odessa yesterday and made most careful inquiries into the situation there and after mature consideration beg to recommend the appointment of Mr. S. W. Clark for the position. Mr. Clark's son, Percy, has been in the office for the last year and a half and

during the past six months has had full charge of this important office. He is competent, courteous and popular with all. If he was 21, I think there would be no question as to this appointment which I feel sure would please the public. He is only 18—

I want you to listen to this, and see what my hon. friend wanted to do with this important office.

He is only 18 and I ask for the appointment of his father, who is well qualified to discharge the duties of the office, and who would be the responsible one. He would no doubt retain the services of his son, who has discharged the work so satisfactorily, as your inspector will testify. This is a very important office—

And yet he wanted to put a boy of 18 in charge of it!

This is a very important office, and I am anxious to have it properly filled.

If you please!

I beg to request that you will give my representations your favourable consideration and that you will show this letter to the Hon. Dr. Manion.

I do not know whether he did that or not.

I remain,

Yours truly,

J. W. EDWARDS.

Mr. DUNNING: Was that a civil service job?

Mr. VENIOT: His party was in power and they did not care about the Civil Service Commission. Now that they are in opposition they are very solicitous for the rights of the Civil Service Commission.

But what do I find? I find that Melville G. Lee was an applicant, a returned soldier. D. O. Frink was an applicant, a civilian. Stanley J. Smith was an applicant, a returned man. W. C. Snider, civilian; R. A. Hamon, civilian; Ross D. Schermeshorn, a returned soldier with disability, and S. F. Hillier, a returned soldier, were also applicants.

When the present government came back into power, and after these advertisements were put out, it was reported to the department that there were two other returned soldiers who desired to have the opportunity of applying. The report of the inspector on the qualifications of those who had already applied had not been received, and I wrote the Civil Service Commission that it would please the department if they would consider the two additional applicants and allow them to apply, and have the inspector look into their qualifications. This was done, and among others who applied was the returned soldier whom the hon. gentleman referred to this afternoon as being an imperial soldier, having been only four or five years in Canada. On the report of the inspector as to his qualifications, approved by the commission, this soldier received the appointment certificate of the commission. When the certificate came to me, feeling that preference should be given in all cases to Canadian soldiers I took the matter up with the commission. There were Canadian soldiers applying, and my hon. friend knew that when he recommended that a young boy eighteen years of age be put in charge of this office. I received a reply from the commission that I had misinterpreted the act. They said that under the act any soldier who had served in any of the commands of the British colonies, and who afterwards came to Canada, would have the same preference as a Canadian soldier. They told me that that was the interpretation of the act. My feeling is that if that is the interpretation, then the act should be changed. Preference should be given to Canadian soldiers in all cases, and not to soldiers belonging to the allied British colonies; it is a privilege that should belong to Canadian soldiers and Canadian soldiers alone. The Civil Service Commission, however, ruled against me, and I had nothing to do but accept their ruling. I will frankly confess that if I could have found a good reason which would have justified my refusing the certificate of that soldier, which was given to him in preference to a Canadian soldier, I would have done so. But I could find no reason, because the law was against me.

Mr. McGIBBON: We thought you were more resourceful.

Mr. VENIOT: I am resourceful, in so far as it is necessary to be resourceful to do what I consider to be fair and just.

Mr. HOCKEN: Why did you not make it a bilingual position?

Mr. VENIOT: Because I knew my hon. friend opposite would raise the race cry. My hon. friend is too good a sport not to take his medicine. He will have his turn and then I shall have mine, which I will take advantage of, to come back at him. Let me go one step further. I should like the hon. member for Frontenac-Addington to explain this to the committee: How is it that when his party are in power, they do not care a snap, as this letter proves, for the returned soldier; but when they are in opposition my hon. friend is the champion of the returned soldier? We hear him to-day fighting in parliament the battles of the returned soldier, but when the occasion arose when he could have done something for the returned soldier, he was as dumb as an oyster and he did not do any-

thing. Where is the consistency of my hon. friend? I do not think I have anything more to say on those two points; I think I have said enough just now to give my hon. friend reason to think over the position in which he has placed himself, and if any more questions come up I shall be only too glad to deal with them.

Mr. EDWARDS (Frontenac): I can assure the committee and the Postmaster General that I shall not require two hours to get my thoughts into some kind of order. In regard to the Enterprise post office, to which the Postmaster General has alluded, I took up the cudgels, if I might use that word, on behalf of Cooper. The Postmaster General has corroborated what I said this afternoon in regard to Cooper. He has added to what I said. He said that the inspector, who was the same man in 1920 as in 1927, spoke of Cooper as being highly regarded in the community, but he laid considerable stress on the fact that the inspector said that Cooper did not possess the attributes possessed by Fenwick. By a peculiar line of reasoning, or logic, if I might dignify it by that term, the Postmaster General says that the inspector, by saying that Cooper does not possess the attributes which Fenwick possesses, has thereby said that Cooper does not possess the attributes necessary to fill the office. That does not follow at all. I will concede at once that Fenwick was a better qualified man than Cooper, but the records and statements of the inspector in 1920 and 1927 in regard to Cooper indicate positively that Cooper did possess all the requirements necessary to fill the position efficiently.

Mr. VENIOT: Why was he not selected?

Mr. EDWARDS (Frontenac): I gave the reason and my hon. friend also gave the reason. I will give this illustration to show the Postmaster General how absolutely ridiculous what he would dignify with the name of logic is. The position of postmaster is vacant. Two men apply for the position. The inspector reports that both men are qualified. One man, however, is a university graduate; he certainly has qualifications, and his attributes are superior to those of the other man, but the other man possesses all the qualifications required to fill the position.

Mr. DUNNING: And he was a returned soldier.

Mr. EDWARDS (Frontenac): Very well, take it that way if you like. The returned soldier in this case was Mr. Cooper. The inspector reports that Mr. Cooper possesses all the qualifications that are required to fill the position efficiently. Mr. Cooper's educatonal standing is not as high as that of Mr. Fenwick. Therefore the Postmaster General reasons that he does not possess the necessary attributes at all. That is contrary to the report of the inspector. The reason why Cooper was not selected in 1920 was given by the commission and I read it this afternoon. There is no need to read it again. The reason was mainly that he did not have any place in which to hold the office and consequently the preference was given to Fenwick—not because of Fenwick's superior qualifications, because both were qualified, but because Fenwick owned the place where the post office had been for twenty years and furthermore because of the fact that he had lost a son in the war and was obliged to give up farming on that account. Those were the reasons which influenced the commission in 1920.

Mr. VENIOT: But does the act not state that the preference shall be given only to a returned soldier and not a civilian who may have lost a son in the war?

Mr. EDWARDS (Frontenac): It is quite true that the act does not take into consideration the fact that a civilian applicant for a position may have lost a son in the war, but that is what influenced the commission in 1920. I submit to the judgment of the committee whether or not the Civil Service Commission was doing its duty at that time. The minister says that I did not in 1920 appeal on behalf of Cooper. If I understood the minister aright, in 1920 there were three applicants for the position, namely, Fenwick, Cooper and some other person.

Mr. VENIOT. A woman, Mrs. Lockwood.

Mr. EDWARDS (Frontenac): I may say very frankly that no letter was written to me in regard to the matter and I know why the request was not made. I know that by visiting the place since, in 1926 and 1927. The reason was that the general opinion of Grit, Tory and everybody else in that community was that the position should go to Fenwick because of the sympathy, rightly placed or not, which they had for him on account of his having lost a son overseas. That is the explanation in regard to that.

I take up the other matter, the matter of the Odessa appointment. The minister says that I wrote a letter asking that young Clark be appointed to the position. That is very true. I did write a letter. The minister said

that I was not at all concerned at that time about relieving a returned soldier, a well-qualified man who was born in Canada and who went overseas with the Canadian forces. I want to inform the minister—and his files will show that I am correct—that the point he is endeavouring to make falls to the ground because at that time neither Frink nor Lee had applied.

Mr. VENIOT: Frink is not a returned soldier.

Mr. EDWARDS (Frontenac): No, he is not. But Lee is a returned soldier and I will mention how the thing happened.

Mr. VENIOT: What about the other returned soldiers who had applied?

Mr. EDWARDS (Frontenac): The other returned soldiers, as the minister will know by looking at his files, were reported by the inspector as not being qualified, with the exception of Pooke. That is that. I want to say just why I interfered on behalf of Clark. The minister spoke about this letter requesting efficiency and then he threw his arms up in the air and said that I was willing to allow this important office to be filled by a boy of eighteen. If that applies to me, what about the minister himself? He apparently was willing to let the boy fill the office and the boy did fill the office until September 15, 1927, when Pooke took charge. Though the minister holds up his hands in holy horror at the very thought of this boy of eighteen carrying on in this office, trying to make a point out of the fact that I recommended the boy, nevertheless he is so perfectly satisfied with the boy's efficiency that he allows him to carry on in the office for months and months afterwards.

Why did I write my letter on behalf of Clark? I will give the reason. The Civil Service Commission were notified of the vacancy on July 9, 1926. Let me say that the postmaster in Odessa had for nearly a year before that date been a sick man, and this young fellow of the same name, though not his son—I do not know whether they are related in any way—had carried on and been fully responsible for the duties of the office during that year in which the postmaster was sick. After the postmaster died, young Clark still carried on, and carried on apparently with perfect satisfaction to the Post Office department and to everybody else concerned for about a year and a half.

As I said, the Civil Service Commission were notified of the vacancy on July 9, 1926, and applications were asked for in the early part of July to fill the vacancy. Quite a number of persons applied, and a date was fixed when these applications would be considered and an appointment made. Here is a list of those who applied, given in order of merit:

W. C. Snider, not a soldier.
R. A. Hamm, not a soldier.
S. W. Clark, not a soldier.

That is one, two, three, in order of merit, as reported by the district superintendent. The fourth in the list was W. J. Pooke, the man who was later appointed, an overseas man. Then came Smith, then another man by the name of Snider, then Schermeshorn and Hillier. Hillier, by the way, being from Peterborough, was shut out because they said that they were going to give the office to somebody in the locality. Up until that time, August 6—my letter was written on August 4—neither Lee nor Frink were applicants for the position. As a matter of fact, Frink was a very active politician, and pressure was brought to bear on the minister that Frink should be given a chance to apply for the position. I will remind the minister that on November 24th, which was quite a long time after my letter was sent in, the Postmaster General asked the Civil Service Commission to reopen the case and call for new applications in order to give D. O. Frink the opportunity to apply. I said at that time that if the opportunity was to be open for Mr. Frink, who was not a returned soldier, it should also be open for Melville Lee, a Canadian and a returned soldier, whose application had not gone in in the first place. When the government failed to make the appointment after the expiry of the time when the applications were to be considered, as nothing was done I went up to Odessa, which is only a few miles from my home, and made inquiries from the people there, irrespective of party—some of them applicants themselves—about the filling of the position. I venture to say that two-thirds of them said this: "Can't you let this young fellow Clark keep on? Everybody is satisfied with him. He is popular, very courteous and obliging."

Mr. FOSTER: Would the hon. member please tell us whether this Clark family were Liberals or Conservatives?

Mr. EDWARDS (Frontenac): I realize, of course, that from the hon. gentleman's standpoint, if I said they were Conservatives that would condemn them, but if I said they were Liberals they would be in the proper category, in his estimation. I perfectly appreciate the fact that so far as the hon. gentleman is con-

cerned there is only one way, as I said this afternoon, which he and others have for measuring the efficiency of a man for any position, and that is by his politics.

Mr. YOUNG (Saskatoon): Now answer the question.

Mr. EDWARDS (Frontenac): Having obtained the views of the community, having learned that they wanted young Clark to remain on if the government would allow him to do so, I wrote my letter to the department, which had failed to make any decision on the applications they had received—

Mr. VENIOT: I must correct my hon. friend. The department does not make the decision; it is the Civil Service Commission.

Mr. EDWARDS (Frontenac): Well then, the Civil Service Commission. The Civil Service Commission had not made any decision up to that time. I believed that it was in the interests of that community, and that it was what the people of that community wanted, that this young man should carry on. There was only one way in which that could be done, and that was through the appointment of his father until the young man should reach the age of twenty-one. His father had had considerable experience as assistant in the post office, and was a thoroughly competent and thoroughly responsible man. That is the reason I made the recommendation. But let me point out that at that time as the file of the minister will show some of those who applied for the position and others I could mention said that this man Pooke should not be given the appointment because he was not a Canadian.

Mr. VENIOT: That is right.

Mr. EDWARDS (Frontenac): That is the attitude which they took. I am not taking that attitude, but I do say that when the vacancy was reopened at the request of the minister for Frink, Lee should also have been given the opportunity to apply at the same time. I say that Lee was just as competent in every respect as Pooke. He was born in Canada, and was a returned soldier with an honourable record overseas, and I do say that in my humble judgment Melville Lee should have the preference over Pooke, whom I also believe to be a good mon. But the minister is absolutely wrong when he tries to lead the committee to believe that I turned my back on Melville Lee, who was qualified, in favour of Clark or anybody else. At the time I wrote my letter, Lee was not an applicant, neither was Frink an applicant.

Mr. VENIOT: Frink was an applicant, but his application did not appear.

Mr. EDWARDS (Frontenac): I know just what is in the mind of the hon. gentleman, and the fact that he did not regard him as an applicant is shown by his own letter of November 24, in which he asked the commission to reopen the matter so that Frink could be an applicant. Of course, I know what was said about Frink, that he sent an application in, and that the then Postmaster General, the Hon. Charles Murphy, had overlooked it or something of that sort, but that did not occur to him until after there was a change of government. It did not occur to Frink to put in an application before the government changed. I do not believe that he put in an application up to that time, but afterwards there was a change of government, and Frink says: "I want to apply for that job. I have been doing your dirty work around here for a long while, and I want some reward." The Postmaster General, recognizing that as a strong qualification for any applicant for a position, sent word to the Civil Service Commission, ordering them to ask for further applications so as to open the way for Mr. Frink. However, the pressure was too strong for even Mr. Frink to get the position. I am not saying that Pooke is not qualified; he is qualified. But so far as that is concerned, I say that Lee is equally well qualified. The two men were returned soldiers, the one having been born in Canada and having enlisted in Canada, the other having enlisted in England; the one having served at the front, the other having served in a clerical capacity and having never seen the front. I do feel that when the matter was open consideration should have been given to Lee as a Canadian-born returned soldier rather than to Pooke.

Mr. VENIOT: Surely my hon. friend does not want to blame the Postmaster General. He should blame the commission. He always claims the commission should make appointments; they made this appointment.

Mr. EDWARDS (Frontenac: They made certain appointments after the minister refused to accept the appointments which they had made and intimated that he wanted someone else appointed.

Mr. VENIOT: I never intimated anything of the kind.

Mr. EDWARDS (Frontenac): Yes.

Mr. VENIOT: Mr. Chairman, I wish to correct that right now. In no case have I ever intimated to the commission whom they should appoint.

Mr. EDWARDS (Frontenac): I state, Mr. Chairman, to the hon. minister that the file will show he did mention Mr. Murphy, for instance, for Enterprise.

Mr. VENIOT: No, sir, I did not.

Mr. EDWARDS (Frontenac): You had better look the file over again.

Mr. VENIOT: I have it before me.

Mr. EDWARDS (Frontenac): It will also be well for the hon. gentleman to look over the file in connection with the Ottawa post office. There is another point I wish to refer to and with respect to which I ask the hon. Postmaster General to speak this afternoon. In seeking an excuse against Cooper being given the position, he did bring up against him that he was in debt.

Mr. VENIOT: I did not; the inspector did.

Mr. EDWARDS (Frontenac): I assert, Mr. Chairman, that the file will show—I copied it—that the Postmaster General himself did call attention to the fact that Cooper was in debt.

Mr. VENIOT: He called attention to the inspector's report.

Mr. EDWARDS (Frontenac): It cannot be twisted around.

Mr. VENIOT: There is no quibbling over the facts.

Mr. EDWARDS (Frontenac): Anyway the Postmaster General this afternoon indicated by what he said that that was one thing, along with others, that did influence him.

Mr. VENIOT: Certainly it did.

Mr. EDWARDS (Frontenac): May I ask the hon. gentleman if he thinks the Postmaster General should be influenced by the fact that an applicant for the position of postmaster is in debt? What does he think, we will say, about a member of parliament being in debt?

Mr. VENIOT: They are all in debt.

An hon. MEMBER: Impossible!

Mr. EDWARDS (Frontenac): What does he think about a cabinet minister being in debt?

Mr. LAPOINTE: Order.

Mr. EDWARDS (Frontenac): I should like the minister to ponder over his references in regard to Cooper being in debt. I would presume that anyone who used it as an argument against a returned man that he was a couple of hundred dollars in debt, would need to be very sure of his own position. If cabinet ministers are to bring it up against respectable citizens who apply for positions in the civil service that their applications must not be considered because of the fact that they owe a little money, then I hope all cabinet ministers are not themselves in the position of owing money. I wonder if the Postmaster General ever heard tell of a Lowndes Company in Toronto?

Mr. VENIOT: Yes.

Mr. EDWARDS (Frontenac): Or a widow down in the maritime provinces by the name of Peters?

Mr. VENIOT: Yes. If, Mr. Chairman, the hon. gentleman wishes to discuss those two points I am ready to wash his dirty linen. If he wants to discuss them, let him go a step further.

The CHAIRMAN: Order.

Mr. EDWARDS (Frontenac): Mr. Chairman, I never had any education—

Mr. VENIOT: We are well aware of that.

Mr. EDWARDS (Frontenac): —from a Chinaman, not being accustomed to washing dirty linen. But since the hon. minister has referred to dirty linen, why, there must be something in his mind connected with himself. My query was this: Is it quite consistent for a cabinet minister, in his anxiety to get the man of his choice into a position, to bring up against a man who served in the war, a returned soldier, the fact that he was in debt to the paltry amount of $200? Does that come consistently from a cabinet minister unless his own skirts are clear in that regard? That is my question, and the minister is at liberty to go into the washtub. But it will not be my dirty linen that he will have to wash; it will be the linen he has worn on his own back, let me tell him that.

Some hon. MEMBERS: Order.

Mr. VENIOT: Let him go on.

Mr. EDWARDS (Frontenac): All right, he invites this. When I was a boy—a good many years ago now—my father took me to see a circus—something different from this.

Mr. VENIOT: Something like the one on exhibition now.

Mr. EDWARDS (Frontenac): In some particulars. In going through the menagerie before entering the circus tent we saw a cage

with apparently a very ferocious lion in it. He growled and howled, his mane bristled, and he pawed the bottom of the cage. I asked the keeper with trembling voice if the animal was dangerous. "No," replied the keeper, "he is not dangerous. He is an old fellow and has no teeth. He was accustomed in his more vigorous days to raising Cain, but this is only a bluff he is putting up." Now I am willing to discuss the Postmaster General's estimates with him.

Mr. POWER: There was a mistake made that day.

Mr. EDWARDS (Frontenac): I might say, since my hon. friend invites it, that next to the lion's cage, by way of contrast, there was a cage of monkeys, and I saw some there looking awfully like the hon. member.

Mr. POWER: Was that in the lion's cage?

Mr. EDWARDS (Frontenac): I am perfectly willing, Mr. Chairman, to discuss these questions on their merits.

Mr. VENIOT: No, you are not.

Mr. EDWARDS (Frontenac): Yes, I am, absolutely. I have made my points. I want to assure the Postmaster General that I am ready to discuss these with him point by point, but he cannot roar and scare or bluff me.

Mr. VENIOT: Nobody would stoop that low.

Mr. EDWARDS (Frontenac): But if he thinks it will give him a little exercise I am quite content; it will afford the rest of us amusement. But I want him to understand that members on this side of the house do not propose to be shunted from discussing the Postmaster General's estimates by his—

Mr. VENIOT: By reading your letters.

Mr. EDWARDS (Frontenac): —by his vigorous voice, his energetic action, and so on, which are nothing more nor less than bluff. I do not use that term in any offensive sense, but simply because it expresses his attitude so aptly.

An hon. MEMBER: That is enough.

Mr. EDWARDS (Frontenac): It is not for the little boy over there to tell me when I have said all I want to say. I am sorry if his supper did not agree with him. I want to make this further charge against the Postmaster General, and it can be substantiated from one end of the country to the other: he is the man who in the house this afternoon raised the racial cry.

Some hon. MEMBERS: No, no.

An hon. MEMBER: Sit down.

Mr. EDWARDS (Frontenac): No, I wont sit down. Although I am a lot older than is my hon. friend over there, may I say with all due respect that he cannot make me sit down. Since the Postmaster General assumed the office which he now holds he has degraded the Post Office department of the Dominion to a level never reached before.

Some hon. MEMBERS: Order.

Mr. LAPOINTE: I rise to a point of order. No gentleman has the right to use that language in parliament.

Mr. EDWARDS (Frontenac): On the point of order I submit that the word "degraded" is used in the proper sense.

Mr. LAPOINTE: It is very improper to use it in this way.

Mr. EDWARDS (Frontenac): With all deference, observing my hon. friend in the past, I do not think he is a competent judge. He is Minister of Justice, but—

Mr. LAPOINTE: I desire to have my point of order decided.

The CHAIRMAN: I really think the hon. gentleman should define the sense in which he used the word "degraded".

Mr. EDWARDS (Frontenac): I proceed to do so and I commend you, Mr. Chairman, on your wisdom. I used the word "degraded" advisedly. I repeat that the Postmaster General, since he took office, has degraded the postal service of the country, or the Post Office department,—well, the service—to a level it has never reached before in the history of the country. How?

Some hon. MEMBERS: Withdraw.

Mr. EDWARDS (Frontenac): If the chairman tells me to withdraw the word, after I have made my explanation, I shall at once conform and withdraw it. I used the word "degraded" in this sense: that in conforming to the demands of Liberals and Liberal Progressive members of parliament and defeated candidates, in dismissing competent men by the hundred in Canada and in many cases putting less competent men in their places, he has lowered the grade—if you like it that way, although "degraded" is properly used—he has lowered the grade of efficiency of the Post Office Department in this country. Have I used the word properly, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. EDWARDS (Frontenac): Very well. That is once that the Minister of Justice (Mr. Lapointe) is wrong in his point of order. I hope he will get a lesson from it and in time come to realize that after all he is not omnipotent and that even he may make mistakes the same as others. But what have we seen in Canada since the Postmaster General's return? Look at the record on the table of the house brought down by way of returns in answer to questions. Hundreds of postmasters throughout the country dismissed. Why? Frankly stated by the hon. gentleman, because Liberal members and defeated Liberal candidates asked for their dismissal. That is his attitude, and the records will prove the correctness of my statement, that it is the first time in the history of this Dominion that we have had a Postmaster General who went to the length the hon. gentleman has gone in that regard.

Some hon. MEMBERS: Oh, ho!

Mr. EDWARDS (Frontenac): Yes, I make that statement and I believe it is correct. I say that in that respect he has degraded the service, or put it on a lower grade than it was before, if that makes it any clearer. Now I suppose the next thing we shall hear is the Postmaster General getting up and saying, with all the fervour at his command, that his one desire since he entered the department and assumed the duties of minister, his sole desire, has been to increase the efficiency of the Post Office department.

Some hon. MEMBERS: Hear, hear.

Mr. EDWARDS (Frontenac): I expect the Postmaster General will repeat that assertion.

Mr. VENIOT: It is known.

Mr. EDWARDS (Frontenac): Well, there is a difference of opinion on that point; we will leave it at that. But I do not know that the hon. gentleman will be quite safe in taking the applause which emanates from behind him as an indication of what is really in the hearts of hon. gentlemen who sit on those benches. I do not think he has played the game squarely. I do not think he played it squarely in the case of the Enterprise post office, nor do I think that he gave the consideration which he should have given to the matter—although he took lots of time over it—so far as Odessa is concerned.

Mr. VENIOT: I do not like to be on my feet all the time but I have a right to be on my feet just as often as my hon. friend opposite. I am not surprised at the temper shown by the hon. gentleman when he found himself driven to personalities for want of an argument. It ill becomes a member of this house, no matter who he may be, to use as an argument, in defence of himself, personalities regarding the member who has contended against him. Let me say to the hon. gentleman, for his information and the information of this committee, that the reference he made to a certain widow in New Brunswick touches one of the worst cases of blackmail on the part of the husband of that widow, when he was alive, against a man in public life that Canada ever knew. And I resented it and won out. I would not be browbeaten or blackmailed. And as regards the other case to which he has referred, let me say to him that, while it was an honest debt, the attempt to collect it in the manner adopted was resented by me, and when they came down to where they should be and acted decently in the matter the debt was paid. That is what I meant when I said that if the hon. gentleman wanted to wash dirty linen I could wash it for him or, at least, for those who gave him the information.

I am not going to attempt to answer the laboured arguments made by my hon. friend in defence of the Odessa case, and that now notorious letter written by him. The letter is before the public and before the committee. The committee has heard his argument and the public no doubt will read it in the press, and they can judge for themselves whether or not this is the champion of the returned soldiers.

The hon. gentleman said that never in the history of Canada had there been a postmaster general who had degraded the office so much as I did in the matter of dismissals. My hon. friend reminds me of something I read in the press the other day about a professor going into a house of detention for poor people. He asked one of the inmates, "What do you do to put in your time?" The inmate replied, "We sit and think and sometime we only sit". If the hon. gentleman had thought for a moment on the record of his own party he never would have made the argument he has made to-night. Degrading the public service by means of the dismissal of officials! Why, it is enough to make one laugh to think that any Conservative could stand on the floor of this house and accuse any head of a department of degrading the public service any more than they degraded it when they were in power. What is the record? Let me give the record from 1911 to 1917 and may I say to my hon. friend that I did not take any time during the dinner hour to prepare this; I had it already pre-

pared. What do we find? We find that from the first of October, 1911, to the 31st December, 1912, they dismissed 908 postmasters. That is not degrading the service. We find that from the first January, 1913, to the 30th September, 1917, they dismissed 696 postmasters. These are the gentlemen who now say that the Postmaster General has degraded the Post Office department because, forsooth, in the last two years there have been 421 changes—

Some hon. MEMBERS: Oh, oh.

Mr. VENIOT: —in the Post Office department. I use the word "changes" because I wish to place the record of these changes before the committee; I wish to dissect what our friends call wholesale political dismissals by your humble servant. I find there were 56 dismissals for shortages in accounts, abandonment of office, arrest of postmasters for stealing, for farming out post offices and so on. Some postmasters who were appointed under the Tory regime started farming out their post offices, and when I discovered that I dismissed them. Then there were 91 dismissals and changes in sites and in the interests of the service. There were 25 dismissals for political partisanship, so proved after investigation. There you have 243 out of 421 dismissals for stealing, for inefficiency, for irregularities, for absence from the Dominion and for other reasons, and in none of those dismissals is there the slightest taint of political reasons.

Mr. MANION: Might I ask a question just there? How does my hon. friend get that total? As I understand it, he said there were 56 dismissals for shortages, 91 for inefficiency and 25 for political partisanship.

Mr. VENIOT: I will give you the correct figures. There were 56 dismissals for shortages and so on, 49 for change in site.

Mr. MANION: My hon. friend said 91 before.

Mr. VENIOT: No; the 91 dismissals were in the interests of the service. Then there were 47 dismissals for unsatisfactory management, which makes the total of 243.

Mr. MANION: My hon. friend is giving different figures now.

Mr. VENIOT: Then I added 25 who were dismissed for poltical partisanship after investigation. I was keeping the dismissals under the first four groups separate from the others, leaving the difference between 243 and 421 which I was satisfied to allow my hon. friends to parade throughout the country as political dismissals.

The reason I have so closely dissected these figures is that the Conservative press and our friends opposite do not miss an opportunity to point out that the Postmaster General lopped off the heads of 421 postmasters for political reasons. It will be remembered that on one occasion this charge was made across the floor of the house and I interjected the remark that the hon. member was not taking into account those postmasters who had been dismissed for stealing and for other irregularities. In reply to that the hon. member stated that having made that remark I should furnish the details to the house. Now I am in a position to do so; if anyone wishes to know when, why or how a particular postmaster was dismissed for stealing the public funds of the Dominion, I am prepared to give the names if the hon. gentlemen are prepared to take the responsibility.

Let me go further. There have been dismissals from the service other than among postmasters. I regret to have to say this, but I feel that I should do so in order to justify my position. I would rather keep this information secret in the files of the department, but in self-defence I must tell the committee that no less than from 90 to 100 other officials occupying high positions in the Post Office department, have been put in jail or arrested for stealing the public funds. I do not make it public when I dismiss men of that kind; I do not expose their crimes because I feel that perhaps that knowledge should be kept away from the public. But when I do that my friends opposite shout throughout the length and breadth of the country that I am lopping off the heads of these men because they are political opponents. In that respect the record of the Post Office department is very dark, so much so that when I took charge and ascertained these facts we had to institute a secret service in order to protect the revenues of the Dominion, and also to protect these men who are placed in the way of temptation. Everyone knows that there is a great temptation in the handling of public money, and there is not a department of the government which handles a greater amount of public money passing through so many hands. The money handled by the Post Office department amounts to about $37,000,000 a year. This secret service had to be inaugurated in order to eliminate this evil if possible, and it is because of the work we have done in this direction—because of the fact that we try not to be too hard on those who have fallen by the way in order to give them an opportunity of retracing their steps and doing better in the future, without exposing them to public scorn, and instead

of putting them in prison where perhaps they deserve to be—that within the last year or two we have been able to cut down the number of thefts and irregularities in the postal service.

As I said a few moments ago, I feel that it might have been better not to have made this statement, but in justice to myself and to the department over which I have the honour to preside I felt I should lay the case before the members of this house in order that they might know exactly what these changes and these dismissals mean.

Mr. McGIBBON: May I ask a question? I do not make this suggestion in a critical sense, but does not the minister think he is really reflecting on all those people who have been dismissed, since all of them could not have been dismissed for stealing?

Mr. VENIOT: I gave the figures. Certainly it was not my intention to reflect on all those who have been dismissed, as will be readily understood from the fact that I gave the number of dismissals for those causes.

Mr. McGIBBON: But my point is that the public will not be able to distinguish, and every man who has been dismissed will be under suspicion.

Mr. VENIOT: I cannot help that, but if it would help matters at all I will give the names of the persons dismissed for other reasons. That might help out, because certainly it is not my intention to reflect on those people at all.

Mr. ROWE: Just in connection with the point raised a moment ago, and in view of the fact that the Postmaster General has invited questions regarding any particular postmasters and why they were dismissed, I would ask if the postmaster of the town of Orangeville was included in the list of those dismissed for irregularities of any description, or whether his dismissal was included in that larger number in connection with which the minister has made no explanation at all?

Mr. MANION: Before that question is answered, might I offer a suggestion? A few weeks ago the minister made a statement to the house to the effect that a great many of these postmasters were dismissed because of shortages in their accounts, and I made the suggestion that a further statement should be made to clear the names of those who were not dismissed for that cause. Since the direct question has been asked, and the Postmaster General has suggested that he might go further with his list, I say that I do not think he should do that. I do not think he has justified the remark he made some weeks ago, a remark which drew from me the request of further explanation. I cannot give the page in Hansard, as I do not remember the date, but some weeks ago he gave the impression to the house that a much larger proportion than 56 out of 421 had been dismissed for shortages. That was the impression one would naturally draw from his remarks at that time. I suggested then that he should clear those who had their names impugned by that remark. If fifty-six men or women did get in the unfortunate position of being short in their cash, I do not believe it is the duty of the Postmaster General or any of us in this house to name those people and put upon them the brand of a thief. If a man has made a mistake—I doubt if there is any man in this house who has not made a mistake in some way—then it is not the duty of this house to put him down in such position that he cannot get up. Therefore, though I suggest that the minister has not justified the remark that he made, I think he has gone quite far enough with his list.

I took the figures down when he gave them first, but for some reason the minister read a different list the second time. I took the figure as 172, taking the minister's own figure of 243 who were dismissed for shortages, inefficiency, political partisanship after investigation, or for some other reason, it still leaves 200 who were dismissed for unknown reasons, which I assume would be entirely political reasons.

An hon. MEMBER: Was that in 1911?

Mr. MANION: I was not here in 1911; I think I was over there then.

Mr. DUNNING: The minister did not include those dismissed for political partisanship after investigation.

Mr. VENIOT: Will the hon. gentleman permit me to answer the question I was asked, and then I will answer his?

Mr. MANION: I was suggesting that the question should not be answered any more than the other one should.

Mr. VENIOT: The hon. gentleman asked me about the Orangeville postmaster.

Mr. ROWE: I was merely asking if the Orangeville dismissal was included in those dismissed on account of irregularities.

Mr. VENIOT: Perhaps you would like to know why the dismissal took place?

Mr. ROWE: Yes.

Mr. VENIOT: Come over here and look at it yourself. It is not included among those dismissed for irregularities, but I want you to look at it.

Mr. ROWE: I would be glad to hear the minister give the reason.

Mr. VENIOT: Reported by the inspector as being inefficient.

Mr. EDWARDS (Frontenac): When the minister was speaking in regard to Cooper of the Enterprise post office, it did not occur to me that at that time the Enterprise post office was not in the constituency which I represent. The minister asked me why I did not bestir myself on behalf of Cooper at that time.

Mr. MANION: I should like to bring up a case with which I think the Postmaster General will be familiar. I put some questions on the order paper some time ago regarding this case, which appears to be an unjust discrimination. The Postmaster General may have an explanation to offer—there are always two sides to every story—and I should like to hear his explanation. The questions were answered on April 30th, and I will give the questions and answers, and then base my case upon that. The first question I asked was, "What is the name of the postmaster at the village of Brigden, Ontario," and the answer was, "William Howard MacDonald." The second question was, "When was he appointed?" and the answer, "15th September, 1927." "Is he a returned soldier?" Answer, "No." "If not, did any returned soldiers apply for this position?" Answer, "Yes." "Was the appointee recommended by the Civil Service Commission as their first choice?" Answer, "No." There is a straight question and a straight answer. On May 3rd I asked two more questions, which I shall read. The first question was:

Regarding the appointment of William MacDonald to the postmastership of Bridgen, Ontario, why was the recommendation of the Civil Service Commission not favoured?

The answer given by Mr. Veniot at that time was:

Because it was considered that the appointment of the applicant first selected by the Civil Service Commission would not be in the best interest of the public service.

The second question was, "Who did the Civil Service Commission recommend for this position?" and the answer was, "First, John William Such; second, William Howard MacDonald." William Howard MacDonald was the appointee, although he was the second recommendation of the Civil Service Commission. According to my information—I am subject to correction, although I do not think my facts are incorrect; the reasons may be different from those which I shall give, but I think the facts are correct—this post office became vacant through the death of the previous holder of the position. Applications were called for, and among the applicants were Mr. Such and Mr. MacDonald.

Mr. J. W. Such was a returned soldier who had been wounded overseas. I think he had a wife and three children, but at least three if not four people were dependent upon him. It is true that he was associated with a creamery business, and was, on the surface, earning good money. He gave reasons in his application why he required this position. He was recommended by the Civil Service Commission as their first choice, and MacDonald, who got the position, was recommended as their second choice. According to my information, MacDonald had not served in the forces. He had a good financial association with his father—all the facts do not come absolutely home to me—or with some company. He had a good position and in every way was pretty much on the same financial basis as was Such. But Such, although recommended by the Civil Service Commission, was thrown aside; the Postmaster General refused to accept him, and the second choice of the Civil Service Commission was then appointed. This is certainly a case for explanation, and I should like to have the minister give his reasons.

Mr. VENIOT: Regarding the Brigden matter, I may say that the statements made by the hon. gentleman who has just taken his seat are about correct. This position was vacant and Such and MacDonald were the applicants. When the matter came before the Civil Service Commission inspectors were sent out to investigate the qualifications of these applicants and they made their report, which was submitted to the department. On examining the report I found that Mr. Such had come to Canada four or five years ago, having served in the British forces overseas. The hon. member for Frontenac-Addington would, I suppose, have agreed with me if for that reason I had turned Mr. Such down. But that was not the reason. Investigation proved that Mr. Such, on arriving in Canada, was sufficiently well-fixed financially to purchase a one-third interest in a cheese and butter factory; that he became manager of it, and that he was drawing a salary of $2,500 and one-third of the dividends. The office that was vacant carried a salary of $960 a year and neither Mr. Such nor anybody else could

make me believe that he would give up a salary of $2,500 a year to take up a position that paid only $960 a year.

I inquired into the matter and I sent for Mr. Such. I had Mr. Such come to my office and in the presence of the president of the soldiers' legion I fully discussed the matter with Mr. Such. Mr. Such asked me whether he would be allowed to carry on the cheese and butter business and at the same time run the post office, and I said no. I asked Mr. Such whether it was not true that he intended to farm out this office and he admitted to me that in anticipation of getting the office he had engaged a young lady at $500 a year and that he would pocket the $460. I then told Mr. Such that under those circumstances he could not get the office and that I would refuse to accept the certificate of the commission. In the presence of the president of the soldiers' legion, who is resident in Ottawa, we discussed the matter fully. I said to Mr. Such: If you leave the business altogether and give up your interest in it as manager and the salary of $2,500, you may retain your interest in the business so far as your capital is concerned, but you will have to give your full time to the post office. Mr. Such told me then that he would do that, and after further consideration and investigation I received a letter from the president of the soldiers' legion asking me how it was that I still refused to accept the certificate on behalf of Mr. Such. I accordingly wrote him this letter dated October 14, 1927:

J. C. G. HERWIG, Esq.,
Canadian Legion of the B.E.S.L.,
Ottawa.

Dear Sir,

I am in receipt of yours of the 30th ultimo re the postmastership at Brigden and note your inquiry touching the refusal by me to accept the Civil Service Commission certificate in favour of Mr. Such.

If I am not mistaken, you were present in my office when this matter was discussed between Mr. Such and myself, and I distinctly told him I would not consent to any certificate in favour of a returned soldier who, in my opinion, was applying for a post office position in order to farm it out to someone else, and make a profit on the same. It is true that Mr. Such stated that he would retire from the position he now holds and which brings him about $2,500 and give his attention to the postmastership which would only bring him $960, and for which he admitted he had to employ an assistant which would cost him $500. It is also true that Mr. Such set forth in a letter which he forwarded to me later that he is prepared to do this. Mr. Such's letter as well as his interview with me did not convince me that he was acting in good faith. It was impossible for me to believe that Mr. Such was in earnest in applying for this position which would only bring him in after he had farmed it out, the meagre sum of some $400. If I mistake not, I have already discussed with you that I consider it to be an abuse of the preference given to returned soldiers and if ever there was an indication of abuse of this preference, I am convinced that it is to be found in the case of Mr. Such.

Those are the facts. That is the reason why I refused to accept the certificate.

Mr. MANION: I have a copy of the letter which the Postmaster General wrote and which he just quoted. The letter is as he read it. I did not think of course that he would do this, but he might have read and I am going to read some of the letters which preceded it. The letter which he read was to Mr. Herwig, of the war veterans, and it was dated October 14, 1927. The letter from which I am going to read is one written to the Postmaster General by Mr. Such, and in that he disposes of all the arguments which the Postmaster General raised against his getting the position. I do not wish to read the whole letter although I could easily do so, because it would only be cluttering up Hansard. Let me read a couple of paragraphs. The letter states:

May I say that, in the event of my appointment, I would sever active connection with the creamery as soon as it is possible to break in a new man to take over my work. I should give personal supervision to the post office devoting sufficient time to the duties. By this I mean such time as might be required by your department.

The reason for applying for this position is that my disability (spinal) has interfered with my present rather strenuous occupation of butter maker to such an extent that I must give it up as soon as conveniently possible and establish myself in some other.

Mr. VENIOT: The report on Mr. Such does not show that he is a disability man, except that he claims himself that he is a disability man, but he has no medical certificate to show that.

Mr. MANION: I have not any evidence on that, although I rather understood from the correspondence that he was a pensioner and, if he is a pensioner, he is a disability man. At any rate the Postmaster General does not dispute the fact that he is a returned man. That is the letter of Mr. Such and it absolutely disposes of the arguments later put forward by the Postmaster General in the letter which he wrote. Some hon. gentlemen over there shake their heads. The objection which the Postmaster General made to Mr. Such in his letter to Mr. Herwig, which he read a moment ago, was that Mr. Such had a position and therefore he should not get this one. But Mr. Such says that he can-

not carry out the duties of that position and he is ready to give it up and to devote as much time to the post office as the department demands.

Mr. EDWARDS (Frontenac): What is the date of Mr. Such's letter?

Mr. MANION: July 13, 1927, or three months before the letter written by the Postmaster General.

Mr. VENIOT: My letter was written after that.

Mr. MANION: Yes, but I am showing by Mr. Such's letter, which was written previously, that he disposes of the arguments advanced by the Postmaster General in his letter to Mr. Herwig.

Mr. DUNNING: My hon. friend forgets that on the occasion of the interview with the Postmaster General, the man expressed his intention of farming out the work of the post office.

Mr. MANION: Mr. Such absolutely denies that, and Mr. Herwig, who was present at the interview, does not agree with the minister. Mr. Herwig writes on September 30, 1927, about two months and a half after the letter which I have just quoted. He signs himself "For Acting Superintendent, Service Bureau, Canadian Legion of the B.E.S.L.", and he writes to the Postmaster General. Perhaps I had better read the whole of this letter, although there is only one fairly long paragraph that deals with the matter. He says:

We have just been informed that a Mr. H. MacDonald has been appointed postmaster at Brigden, Ont., and that the ex-service applicant, J. W. Such, the selection of the Civil Service Commission, has been rejected.

You may remember that Mr. Such and an officer of this organization interviewed you some time ago, when you indicated that you were contemplating his rejection. It was explained to you that Mr. Such was a disabled ex-service man who found it necessary to change his occupation on account of his war disability.

This is not Mr. Such's statement, but Mr. Herwig's statement.

From your demeanour, it was gathered that your objection to his appointment as one already employed and receiving a salary had been satisfactorily met. At your request a letter was sent you indicating what Mr. Such was prepared to do in the event of receiving the appointment.

Mr. VENIOT: That is the letter which he wrote to the Postmaster General and from which I have just quoted.

Mr. MANION: It goes on:

It was believed that every requirement and objection raised by you had been fully covered therein. It is with surprise, therefore, that we learn of the appointment of Mr. MacDonald, non O.A.S.—

I suppose that means overseas service, but I am not sure:

—who is in charge of his father's flourishing general store—

This is Mr. MacDonald who got the appointment:

—and is certainly in receipt of a good income. In view of what has taken place, we are forced to conclude that the objections which you previously raised regarding Mr. Such no longer apply, and that the reason for his rejection must be entirely new. May we be favoured with the precise reason for the rejection of Mr. Such.

Yours truly,

J. C. G. HERWIG.

The Postmaster General was out of the city at the time the letter was received, but a reply was sent through his secretary, and on October 14, two weeks later, the Postmaster General wrote, repeating the reasons why he did not accept from the civil service commission their recommendation of Mr. Such. Another letter which I have here, written by Mr. Herwig to Mr. Such, and dated January 21, 1928, demonstrates conclusively that Mr. Herwig was not satisfied with the reasons given by the Postmaster General for the rejection of the recommendation of Mr. Such by the Civil Service Commission. He says:

Dear Comrade Such:

I have your letter of the 2nd, regarding your rejection to the Postmastership at Brigden.

I am enclosing letters which I think may be of importance to you, and if you believe there are others, I should be glad to forward you copies. It is a pity that you did not advise me before that you had disposed of your business, because it made it very difficult for me to carry the matter any further with the P.M.G. However, it is hoped that we may be able to refer the matter of rejections to a parliamentary committee, which is to be appointed this year and your case will be brought forward as evidence.

That is the last letter of the correspondence which I have. What I have read shows the pity of this case. Mr. Such had actually disposed of his business in the creamery.

Mr. VENIOT: No.

Mr. MANION: I do not know the facts myself, but I do not see how the Postmaster General knows them any better than I do.

Mr. VENIOT: I made inquiries.

Mr. MANION: The minister says he made inquiries. The statement of Mr. Herwig, which I have just quoted, is that Mr. Such

had disposed of his business. Mr. Such also makes some statement to the effect that he had disposed of his business. He still retained some interest in it, but he had disposed of it as his occupation, which he says he was not fit to carry on, and he had become prepared to become postmaster. Not only that, but according to his own statement to me he had gone further and rented a building for the purpose of the post office, and he was very much perturbed about it afterwards. Here is the case of a man who was in no better financial position, according to these letters which I have read, than the man who was given the position. One was a returned soldier, with a wife and children. It says three dependents; I said four; I thought it was the wife and three children, but evidently the three includes the wife. An hon. member suggests that the wife counts for two; I am not sure if that is not correct. He has three dependents at any rate to support, while the other man has none. One is a returned soldier, having fought with the British army, and the other is not a returned soldier at all. One is fairly on in years, getting into middle life, possibly, and the other is a young man with no responsibilities, and good connections, as is stated by Mr. Herwig. Certainly I do not find any justification so far for the action of the Postmaster General for refusing this man the position. When the Postmaster General was replying to the hon. member for Frontenac-Addington he stated positively that he preferred to favour the returned soldier. I am one of those, I do not mind saying so frankly, who believe that other people in this country besides returned soldiers have some rights. I believe that the boys who were too young to go to the war have some rights. I believe that the boys who were too young to go to the war have some rights in our country. A young man of twenty-nine to-day could not ordinarily have gone to the front, nor could any young man who is now between eighteen and twenty-nine years of age, and I say frankly that these young men have some rights in our country. At the same time here is a case where a young man did go to the front, and where the other man could have gone and did not—I do not know that I should state that; possibly he was too young to go, but at all events there is one reference here to the fact that he could have gone and did not. I do not know what his age is. Does the Postmaster General know how old he is?

[Mr Manion.]

Mr. VENIOT: I know that MacDonald enlisted and was put in class C, and was retained in Canada.

Mr. MANION: The other man did go overseas?

Mr. VENIOT: He was there. He was not a Canadian soldier.

Mr. MANION: There were plenty of men overseas who were not Canadian soldiers. But if a young man had served even in the French army, had come back wounded and had been honourably discharged, and another man who was old enough to go had not gone; and if the soldier in the French army had dependents and the other had none, I say that the soldier in the French army should get the preference, in spite of what I said a moment ago. This young man had served in the British army, and been wounded, and he had a family to support. True, he had a position, but so had the other. But this man who had served overseas and was recommended as first choice by the commission was sidetracked, and the other man was given the position. I cannot see that there was any justification for such action, and I am placing such action entirely on political grounds, if you will. Though I do not know, this young man states that he took no part in the last election, that nobody knew how he voted, so I do not think in his case there was politics. I admit that some of the letters in this file were written by Conservatives, but that should not make any difference in a case of this sort. I do not wish to delay the committee any longer, but I repeat that in the statement given so far by the Postmaster General he has not justified the action which he took, and unless he can give some better justification than he has, I do not think he would be supported by any fairminded person in the action which he took in regard to this man Such.

Mr. GARLAND (Carleton): As to what the Postmaster General said before recess with regard to Mr. Hall in the Ottawa post office—

Mr. VENIOT: May I draw the attention of the committee to this fact? I do not want to stop discussion, but the item we are now considering is the inside service of the Post Office department. We have been discussing the outside service all along, and I suggest that there will be plenty of time to discuss the outside service when we reach that item.

Mr. GARLAND (Carleton): Mr. Hall is in the inside service.

Mr. VENIOT: He is in the outside service.

Mr. GARLAND (Carleton): This discussion was proper before recess, and it should be proper now. Mr. Hall has been twenty years in the registration branch of the Ottawa post office. All of a sudden it occurs to someone that a bilinguist is necessary in that position. I have made some inquiries with regard to the length of time this office has been open, and I find that Mr. Wills was principal clerk in that department for fifteen years. He was followed by Mr. Cherry, as principal clerk, for ten years, and then by Mr. Hall, principal clerk, for some nineteen months. In other words, for twenty-six years and seven months that position did not require a bilinguist, and I claim that there is no more need for a bilinguist now than there has been at any time during the last twenty-five years. Mr. Hall is well qualified to hold this position. He got this position in March, 1928, as per Gazette. He has had twenty years service in the registration branch. He was assistant chief clerk to Mr. Cherry for ten years, and has acted for nineteen months as principal clerk. Something was said before recess with regard to a Mr. Larue who should have been appointed to that position. He had no right whatever to it. He was in charge of the letter carriers' branch, and was appointed superintendent over the letter carriers of the city of Ottawa; then he got another promotion as superintendent over incoming mail. His position as superintendent of letter carriers was filled by Mr. Valiquette, who acted as his assistant. My contention is that Mr. Hall was efficient and quite capable of doing the work. He acted as assistant for five years, and as principal clerk for nineteen months. He tried the departmental examination last fall and got 99 per cent, and at another examination in April he got 97 per cent. There is no reason why Mr. Hall should not be left in that position. He has under him an assistant, a French-Canadian by the name of LeBlanc, to whom I have already referred, who was there when he left. There is no justification whatever for Mr. Hall being removed. I want to know from the Postmaster General if Mr. Hall is going to get remuneration as principal clerk for the nineteen months he so acted?

Mr. VENIOT: Mr. Hall will get exactly the salary he is entitled to.

Mr. GARLAND (Carleton): For the months he was acting?

Mr. VENIOT: He cannot be kept out of anything that the law provides for in his case.

Mr. GARLAND (Carleton): Was there any complaint as to his efficiency in those nineteen months?

Mr. VENIOT: No. But since the hon. gentleman has brought the matter up, I may tell him that the Civil Service Commission were asked to make a ruling in December 1926, and they did nothing until March 1928. That is how Mr. Hall reached the position of acting assistant, or acting clerk, whatever it may be, not because he was appointed or kept there by the department, but because we were awaiting the decision of the commission in making the appointment. It was said this afternoon that they had made a thorough investigation. If so, it never was reported to the officials of the Post Office department, where the report should have gone, and for eighteen months the commission delayed action in this matter.

Mr. GARLAND (Carleton): Is there an employee in the registration branch, a bilinguist, who is able to qualify in the departmental examinations as Mr. Hall was?

Mr. VENIOT: Any official now employed in the service has a right to apply for any promotion, and if he can qualify under the terms of the rating board he is entitled to it. An ordinary postal clerk can apply for that promotion.

Mr. GARLAND (Carleton): Are the departmental examinations no good?

Mr. VENIOT: They are carried out by the rating board.

Mr. GARLAND (Carleton): Twice Hall had 99 and 97 per cent.

Mr. VENIOT: There are case examinations every year, and when a promotion is open the rating board examines the case examinations for a period of years and rate their men accordingly, and also give them a verbal examination. At times when the rating is very, very close, and it is difficult to distinguish which is the superior candidate, a rating examination is sometimes held.

Mr. ROWE: Mr. Chairman, a few minutes ago the Postmaster General sent me over the report to which he referred. I have perused it, and it is clear that there was nothing corrupt in the post office at Orangeville; the substance of the report may be stated in the one word, "inefficiency." The deputy was then appointed postmaster. Is not that right?

Mr. VENIOT: I will get the information for my hon. friend.

Mr. ROWE: He was the deputy I believe The late postmaster at Orangeville had filled the position since 1912, and for sixteen years

there was not one word of criticism from any of the post office inspectors. Indeed, on each and every occasion that his office was inspected he had been complimented until he felt that he had the most up-to-date establishment in the province. Nor was there any criticism from the patrons. Then after these long years of service he was given six hours' warning and dismissed. Even the inspector himself expressed regret at Mr. Harshaw's dismissal. To my mind the so-called inefficiency is really another term for "Conservative inclinations." In that district it is very hard to find a Liberal, and I feel satisfied that after this it will be still harder to find any.

Mr. VENIOT: You should not complain if that is the case.

Mr. ROWE: I do not. I thank the Postmaster General for keeping up the good work. So far as the new appointee is concerned, I have reason to believe that he will try to maintain the prestige of the postal department and of the government, but he will find it very difficult work in that district. I may say that the late postmaster had served the town very well; in addition to being postmaster he had rural route No. 1, he had also the work of looking after the letter boxes in Orangeville under separate contracts. These contracts were immediately discontinued when he was relieved of the postmastership. I think he must have been a reasonably good servant, for there was never the slightest dissatisfaction from his patrons or from the department's inspector. I may add that the late postmaster in the 1925 election was alert enought, notwithstanding his age, to assume the duties of his deputy in order to permit him to act as returning officer. He did practically all the work of the returning officer, Mr. Parks, Mr. Hay's father-in-law, in addition to his duties as postmaster. So that if there is any question about political sevices rendered, I think that Mr. Harshaw will probably stand on equal ground with the new appointee. Mr. Harshaw had held three responsible contracts for sixteen years without a word of criticism until he was dimissed, without any explanation, on the ground of inefficiency.

Mr. ADSHEAD: I suggest that the chair bring the discussion down to the question at issue. The details in regard to the various post offices are found on page 65, while the details of the vote under discussion appear on page 96. I think it would be well for the committee to confine itself to the particular vote before the chair.

The CHAIRMAN (Mr. Power): The point is well taken. The hon. member would carry out well the duties of chairman.

Mr. ADSHEAD: I wish to direct the attention of the Postmaster General to page 96, with reference to minimum salaries, which I think are altogether too low. We find an office boy—who I assume must be over sixteen, because the government would not employ anyone who could not work in factories —getting only $40 a month. We find truckmen, doing manual labour, and probably married, receiving $80 a month. Further down we find messengers, most of whom I suppose are married, getting $65 as a minimum, and further on typists, and clerks of grade one drawing the same pay, $65. While I am perfectly satisfied with the salaries that are paid the higher officials—I suppose we must call $40 a month wages—it seems to me that these amounts paid to the class of workers I have mentioned are too small. In view of the fact that the Post Office department has had a surplus, I suggest that the Postmaster General increase these minimum wages by five or ten dollars a month. These employees cannot exist on the wages they receive.

Mr. VENIOT: The Postmaster General is guided entirely by the Civil Service Commission in the matter of salaries.

Mr ADSHEAD: What are they guided by?

Mr. VENIOT: "Office boy" is a new creation; the position is for boys up to eighteen. When they pass their civil service examination they are graded and made permanent, entering another class and getting a higher salary.

Mr. ADSHEAD: Does the minister think that even a boy of eighteen can maintain himself on $1.50 a day?

Mr. VENIOT: It is not what I think; it is what they allow me to do. I agree that it is not enough, but the commission classify them and they have a right under the law to fix the salaries under these classifications.

Mr. ADSHEAD: Cannot you recommend that the salaries be raised?

Mr. VENIOT: I have this year recommended that salaries in the Post Office department be raised, and my recommendations have been turned down by the commission.

Mr. ADSHEAD: Can the minister not recommend that the minimum salaries anyway be raised?

Mr. VENIOT: It is hardly worth my while doing so if they turn me down all the time.

Mr. ADSHEAD: Better turn them down, then.

Mr. McGIBBON: In view of the Postmaster General's last remarks, which drew sympathy and almost tears from some on this side of the house, there is one thing we must admit: the Postmaster General has brought a new atmosphere into that side of the house, and while I personally do not agree with his methods I recognize his frankness and courage. In that way he differs in a respectable degree from the rest of the cabinet. As the discussion of the afternoon and evening has been proceeding along the lines of the outside service, possibly we might continue until we can get some more information. I want to ask the Postmaster General for the particulars of the dismissal of the postmaster at Rathburn, Ontario.

The CHAIRMAN (Mr. Power): I must call the hon. member's attention to the fact that the discussion of the outside service was allowed only until such time as the hon. member for East Calgary (Mr. Adshead) raised a point of order. I then ruled the discussion out of order. I must ask the hon. member to defer consideration of the Rathburn post office until we reach an item under which it may be discussed.

Mr. McGIBBON: I may be technically out of order, but every speaker, both this afternoon and this evening, has done the same. I think the ruling is rather arbitrary. You will not get anywhere with it. I am not blaming the minister—

Mr. VENIOT: I have not the information here.

Item agreed to.

Outside service—salaries and allowances, including amount required to provide for salaries, reclassification, revision, promotions and increases which may be authorized by the Civil Service Commission, $16,955,934.40.

Mail service, including mail service by air, $15,080,000.

Miscellaneous, including Lucien Pacaud, Secretary of the High Commissioner's office, as the representative of the Canadian government on the Pacific Cable Board, at $1,500; and $5,000 for the payment of compassionate allowances to employees injured while in the performance of their duties, or to dependents of employees killed while on duty, such payment to be made only on the specific authority of the governor in council, $1,126,175.

Yukon Territory, $150,000.

Mr. MANION: This is a rather large item and perhaps the minister will explain it. The first vote calls for salaries and allowances including amount required to provide for salaries, reclassification, revision, promotions and increases which may be authorized by the Civil Service Commission. According to the information which I have received, as to one such reclassification at any rate—the reclassification of carriers, I believe—the Civil Service Commission has refused the increase. May I have an explanation as to what reclassifications there have been and what suggestions are accepted?

Mr. VENIOT: There are four principal items included in this vote. The item for salaries shows an increase of $428,940, of which $187,620 is due to statutory increases, approved by the Civil Service Commission, and the balance, $241,320, to additional assistance, chiefly letter carriers and postal clerks, required to handle an increased volume of mail and to provide for improved postal facilities afforded the public. The increased vote will be offset by a corresponding increase in postal revenue. The other item for mail service, under the first vote, shows an increase of $425,000, of which $100,000 is for mail service by railway and $325,000 for mail service by air and land conveyance, including rural mail delivery. The miscellaneous item is the same as last year, as is also that of the Yukon.

Mr. MANION: I did not hear the minister explain what reclassification has been accepted by the Civil Service Commission. This item provides for an increase and I would like to know what reclassification has been accepted by the commission?

Mr. VENIOT: For instance, we are asked at different times to inaugurate carrier delivery in different towns and cities, and we usually accede to such requests. We have done so on several occasions this year, which necessitates the employment of a considerable number of new letter carriers who, of course, come under the regular classification of the Civil Service Commission and are appointed by the commission.

Mr. MANION: But has any entire class been given a reclassification?

Mr. VENIOT: No.

Mr. HEAPS: Under this item I should like to make a plea on behalf of the mail carriers and the other men who handle the mails. At present they receive approximately from $1,000 to $1,500 per year, and I understand that the Civil Service Commission have refused to grant the reclassification which the Postmaster General requested. To-night we heard the Postmaster General say that several employees of the government have been imprisoned for theft and similar crimes, and

while he was making that statement I wondered whether it was not a fact that some of these men were compelled to steal because of the low wages they were receiving. In the postal service we expect men to be of good character, able to meet and handle the public, and we offer such people the magnificent sum of about $90 a month as an incentive to enter the service. It may be all right for the minister to say that the Civil Service Commission have not acceeded to his request, but I think that parliament should in some way express its opinion on this question. I think we all desire to give the men employed in the postal service a salary which will at least guarantee them a decent standard of living. Surely if the Civil Service Commission are not anxious to give these men that to which they are entitled it would be a simple matter to amend the Civil Service Act in order to guarantee them a decent minimum wage. There is nothing to prevent the Postmaster General from doing that, and I think he would have the support of members on all sides of the house. No member of this house, remembering the responsibility which rests on employees of the postal department, can say that they receive adequate remuneration for the services they render. I think even the Civil Service Commission would take cognizance of the opinion of this house if it were supported by all parties. I maintain that these men are entitled to a decent standard of living, but I believe the labourers employed in many of the large cities in Canada receive higher wages than the postal workers employed by the government. I do not see why that should be the case, and I wish the Postmaster General would take this opportunity of expressing his opinion on this question so that the Civil Service Commission might know his feelings in the matter. Then, if the Civil Service Commission will not give these men that which ensure to them the standard of living to which they are entitled, I hope parliament will take such action as is necessary to amend the Civil Service Act by including in it a minimum wage which shall be paid these men who enter the service.

Mr. VENIOT: Would the hon. gentleman give us an idea of what he considers a minimum wage?

Mr. HEAPS: I woull give them the minimum wage which the city of Winnipeg give its permanent labourers, approximately $120 a month.

Mr. CAMPBELL: I should like to ask the Postmaster General if this has anything to do with the Civil Service Act at all. Under that act have the Civil Service Commission the power to set these salaries? Surely that rests with the Postmaster General.

Mr. VENIOT: Parliament delegated that power to the Civil Service Commission, and they are exercising it. If it is desired to alter that provision it will be necessary to change the act.

Mr. CAMPBELL: But the Postmaster General must bring down his estimates to provide the necessary money.

Mr. MANION: May I ask the Postmaster General if it is true that he did recommend an increase in salaries to the Civil Service Commission, who refused his recommendation? The Postmaster General nods his head. Then I would like to endorse the statements made by the hon. member for North Winnipeg, because largely these are trustworthy men, who must do a good deal of confidential work; they carry registered mail and parcels of all kinds and are expected to be honest men. While it is no particular compliment that a man should remain honest, at the same time we should not make that more difficult than is necessary. A man working for $90 a month, with a wife and family to support, has a difficult time. The Postmaster General has stated that he recommended an increase in these salaries; might I ask what increase he recommended?

Mr. VENIOT: I just forget, but I will try to give the answer in this way: The present minimum for letter carriers is $1,080 and the maximum $1,500. In addition to that they are given two uniforms a year.

Mr. BENNETT: And boots and hats.

Mr. VENIOT: Yes. That means about another $100.

Mr. HEAPS: Would the Postmaster General also tell us what is taken off?

Mr. VENIOT: Taken off for what?

Mr. HEAPS: Superannuation.

Mr. VENIOT: Surely they are entitled to pay something for superannuation if they want the benefit of it. I believe 5 per cent of their salary is taken off for that purpose. If I remember correctly we recommended that the maximum be $1,680 and the minimum $1,080. My deputy informs me that we recommended that the minimum of $1,080 be increased by $120, but that request was refused. The minimum for postal clerks is

$1,080 and the maximum $1,680, while the minimum for railway mail clerks is $1,080 and the maximum $1,740. We also recommended that the railway mail clerks be reclassified, increasing their minimum and maximum, but that was not done.

Mr. MANION: The Postmaster General having stated to this house that after proper consideration he has recommended that the salaries of all classes be increased, certainly it would appear to me that it is about time parliament had something to say in the matter. I think parliament would be justified, under the circumstances as pointed out by the Postmaster General, in taking it upon itself to pass some sort of act whereby the government in power, supported by the parliament of Canada, could increase the wages of these men.

Mr. VENIOT: The right of governor in council.

Mr. MANION: Yes, probably the right of governor in council; I have not thought that out. At any rate some means should be taken, subject of course to the approval of parliament, whereby the men who are getting the minimum should be given a better wage. One thousand and eighty dollars is $90 a month, and $90 a month is not sufficient for these men to live decently on and support their families. I know practically every postal carrier in my city. They are a very fine group of young men, many of them returned soldiers, and I know they are above reproach. They are decent, clean chaps who are anxious to make a decent, clean living. The cost of living in the north country is much higher than it is in the east, and for that reason I should like to speak strongly on their behalf. I would ask the minister whether there is any difference between the wages paid in the western country and those paid in the east, such as in Toronto or Ottawa?

Mr. VENIOT: It is the same all over.

Mr. MANION: While I believe that they should all get increases, I submit that living is higher in northern Ontario—I cannot speak with equal knowledge regarding the western prairie provinces, but I believe the same applies—the difference running anywhere from ten to twenty-five and in some cases fifty per cent above the cost of living in the cities of eastern Ontario. In some sections of the east rents are lower, and various other expenses are much less than in our part of the country. I believe all these men should get an increase, and I think the Postmaster General would be well advised, and would get the support of the whole house, if he brought in supplementary estimates to provide for increased salaries for these men.

Mr. YOUNG (Saskatoon): I want to congratulate the Postmaster General on making the recommendation for an increased salary to these officials about whom he has spoken. I have had occasion to learn something of the work done at one point in this country, and I do not think there is a finer class of men working for the government than those in our postal service. In saying that I am not saying one word against those who work in other services. I have been convinced for a long time that the salaries paid to the postal clerks are not sufficient for the work they do. I want to say here, Mr. Chairman, as a member of this house, that if on the suggestion of the Postmaster General, which carries with it the authority of the government, there was a recommendation for an increase in salary to this class of worthy servants and the Civil Service Commission turned it down, something is wrong with our system. The sooner we recognize that fact and change the system, the better for all concerned. Something should be done as soon as possible to remedy that condition of affairs, and to see that these men and women are paid adequate salaries for the services they perform.

Mr. McGIBBON: In the case of employees of the department who have been paying into the superannuation fund for years, and who for one cause or another resign to enter some other business where possibly the prospective remuneration is greater, do they then receive the amount they have paid in?

Mr. VENIOT: If they withdraw voluntarily from the service after being in a certain number of years, they would be entitled to the amount they paid in, but they could not expect to get any more than that.

Mr. McGIBBON: I did not know that was the case.

Mr. FRASER: The Postmaster General has stated definitely that the Civil Service Commission refused his recommendation for an increase in salary. Could he tell us what grounds they submitted for that refusal?

Mr. VENIOT: No reasons were given—simply a notice that they had taken the matter into consideration and had reached that conclusion. I have not the letter here now, but I placed it on the table a week ago.

Mr. LADNER: I happened to be the one who asked the Postmaster General to make a return of the recommendation and the correspondence. I have sent for the correspondence, but I have an idea in my mind—it may be incorrect—that the Postmaster General did make a recommendation for an increase, but that in some way or another in asking for an increase in one way he was pulling it back in another.

Mr. VENIOT: Oh, no.

Mr. LADNER: Will the Postmaster General say that he unqualifiedly and definitely made a specific recommendation to the Civil Service Commission and received a negative reply without any explanation whatsoever?

Mr. VENIOT: I made the recommendation in the only way it could be made, namely, for a reclassification, and the reclassification would bring about the increases that were required.

Mr. BENNETT: That is altogether different.

Mr. LADNER: I have the correspondence now, but I will allow some other member to ask questions while I examine this file.

Mr. ADSHEAD: I should like to ask the minister the weight each letter carrier should have to carry. I have seen postmen in my own city carrying 100 and 120 pounds, and they should not have to carry a weight of that sort. I have taken this matter up with the postmaster in the city and have applied to the department to set some maximum weight above which the postmen should not be asked to carry. I do not know why, but the department seems to be very hesitant about setting a maximum weight. The postmaster in the city told me that he believed that 35 pounds was a very fair weight, beyond which he would not go. In discussing it further, he qualified that remark by saying, "35 pounds on an average." That is a very different thing because a man may carry 5 pounds one day and 100 pounds the next. I submit to the Postmaster General's consideration the setting of a maximum weight beyond which the letter carrier would not have to carry, so that the postal authorities can be absolutely opposed to sending out any man with more than the maximum load. I think you ought to set the weight at 50 pounds.

Mr. VENIOT: The letter distributors are not required to carry anything above 35 or 40 pounds. We have depots and relays in the cities where mail is divided. It is carried by teams to these places, and the carriers can take their proportion for the section in which they are working. It is very difficult to regulate the matter in any other way. I can assure the hon. member that we do not want to overburden our carriers and we make it in every case as easy as possible for them. Where any overburdening is brought to the attention of our officials I know they are always prompt to see that the matter is remedied and additional help provided. I can assure the hon. gentleman that we shall not overload our carriers.

Mr. ADSHEAD: On one occasion I stopped a postman and by actual weight I found that the load he was carrying weighed 120 pounds, and on several occasions where I have stopped postmen I have found the weights they have been carrying to be over 50 pounds.

Mr. VENIOT: A letter carrier has only himself to blame if he is doing that. He is not required to do it, because the very moment the weight would reach anything like that his route would be divided and he would not have to carry any such weight. Any letter carrier who overburdens himself with more than 40 pounds of mail matter has himself to blame for doing it.

Mr. HEAPS: Why?

Mr. VENIOT: Because he has no right to carry it.

Mr. HEAPS: Supposing it is given to him.

Mr. VENIOT: Let him refuse to carry it, and if the official over him does not treat him aright, all he has to do is to report the matter to the department and we will make the official treat him aright.

Mr. THOMPSON: Last year the Postmaster General stated on the floor of the house that if a mail contract price was right and if the mail carrier was doing the work satisfactorily to the department, it was the custom of the department to renew the contract without calling for tenders. I should like to know if that is still the practice of the department?

Mr. VENIOT: We do it in some cases.

Mr. THOMPSON: I should like to call the attention of the Postmaster General to the case of Mr. Hermenegilde Picotte of the town of Penetanguishene, who for thirty years carried the mail to and from the station. The contract price was very low and during the whole thirty years of his service he gave

every satisfaction both to the public and to the department. But being a free citizen he is supposed to have voted for me at the last election.

Mr. VENIOT: That is a sin.

Mr. THOMPSON: That is a sin, yes, and a punishable sin too. When his contract was about to expire this spring, the Liberal executive of the town called a meeting in the office of the defeated candidate, and said that because this man had voted for Thompson, Thompson would have to find him a job. So the defeated candidate called upon the Postmaster General not to renew the contract but to call for tenders. This was done and another man was given the contract at a lower price. I want to call the attention of the Postmaster General to the fact that Picotte, who for thirty years had been a faithful servant, is incapacitated by certain disabilities from doing any other work. I have a medical certificate from his doctor under date of March 12, 1928, which states:

This is to certify that I have this day examined Mr. Herman Picotte, and find him ill from the following: Chronic bronchial asthma; high blood pressure, from hardening of arteries; chronic (marked) varicose veins of both legs.

The Postmaster General smiles, I may say for his further amusement that this man suffers so badly from asthma that he has not been able to sleep in bed for the last twenty years. He cannot do any other work, but with his horse he was able to carry on this service to the satisfaction of the public and of the department. Because, however, in the exercise of his right as a free citizen he voted for me, he must be punished and in his old age thrown out of employment. His condition might not be so pitiable were it not for this fact. When war broke out he had two sons both of whom enlisted voluntarily. One son was rejected as being physically unfit, but the second son, Napoleon, enlisted as a private in the 157th Battalion, giving up a good position in the Grand Trunk or the Canadian National service. He was successively promoted from private to corporal and from corporal to sergeant. He received the meritorious conduct medal for bravery on the field of action, but unfortunately one day he was killed in France. He did not come back to support his aged father and now a grateful country turns this man out into the cold.

Mr. SPENCE: The same discussion took place in the house last year that is taking place to-night. I remember taking part in it and advocating the increasing of the salaries of postal clerks and railway mail carriers by $120. It was stated by the Postmaster General that certain classes of the civil service had previously received increases and he could not see why he should grant them to all. In view of the fact that such an increase would mean a satisfied department in face of the increased cost of living I advocated that the increase of $120 be made general, but at that time the Postmaster General refused to grant or to recommend any increase. He said that he would recommend a reclassification. What difference does it make what classification they are in? What could you call a railway mail clerk, except a railway mail clerk? I could not for the life of me see what other name you could give them; they would still be railway mail clerks. I do not think the Postmaster General is very anxious in the matter, but the government should certainly take some action.

Mr. VENIOT: The fact that there can be a reclassification of railway mail clerks is evidenced by the fact that the Civil Service Commission is now considering, on the recommendation of the Postmaster General, a readjustment and reclassification of railway mail clerks by grading them so as to put them in a class where they will get a greater salary than they are receiving to-day.

Mr. SPENCE: It is not a difficult job to regrade them, but you cannot call them anything except railway mail clerks.

Mr. VENIOT: Yes, you can.

Mr. SPENCE: You cannot call them butchers. You are just passing the buck.

Mr. THOMPSON: Would the Postmaster General be good enough to inform me why the practice of his department was not followed out in the case which I have cited?

Mr. VENIOT: If the hon. gentleman had called my attention to this matter before I would have been in a position to give him the information, but he cannot expect me to carry in my head the reasons for everything that takes place in the post office. I will get the information and give it to him to-morrow.

Mr. LADNER: I have perused the recommendations and correspondence relative to this question of increased salaries for railway mail clerks. The letter of the 2nd May from the secretary of the Civil Service Commission to Mr. Gaboury, Deputy Postmaster General, sums up the situation, but it does not convey the idea which the Postmaster General conveyed to the committee a moment ago. The letter states:

I am directed to advise you that at a meeting of the commissioners this morning the recommendation for increased compensation for

the classes letter carriers, mail porters, postal clerks and railway mail clerks, was given very careful consideration by the commission, and that their decision is that there should be no increase granted in the basic rate for those classes.

I want to ask the Postmaster General two things. Legally and according to the act, is the method of getting an increase that of effecting a reclassification, that is, changing the terminology of the employment, or is it by a straight increase in compensation of the different classes specified here?

Mr. VENIOT: An increase in the minimum and maximum, and therefore carrying with it a yearly increase greater than in the past until they reach that greater maximum.

Mr. LADNER: That would be a reclassification.

Mr. VENIOT: It is both; that is the way I look at it, but perhaps I may not be using the right term. If the hon. gentleman will just read the first part of that letter—

Mr. LADNER: I quote:

I am directed to advise you that at a meeting of the commissioners this morning the recommendation for increased compensation—

Mr. VENIOT: Increased compensation. There is the direct recommendation.

Mr. LADNER: Quite so, but I would judge from that paragraph that there is no authority to grant it, and that you have to do it in some other way. I am asking if there is any other way by which the same result can be achieved.

Mr. VENIOT: No, because if there had been, they would have pointed it out.

Mr. LADNER: They did so.

Mr. VENIOT: Where?

Mr. LADNER: In the next paragraph.

Mr. VENIOT: Read it, please.

Mr. LADNER: I want the Postmaster General to mark carefully the distinction between these paragraphs. The one I have read says that there should be no increase granted in the basic rate for these classes. The next paragraph says:

The commissioners, however, believe there is good reason for considering the suggestion made by your department some time ago that some change should be made in the class of railway mail clerk to provide for increased compensation for the clerks in charge of railway post offices, and would be pleased to receive from the department their views regarding how this provision could best be effected.

That paragraph really indicates that the responsbility is passed back to the minister. What has he done to effect an increase?

[Mr. Ladner.]

Mr. VENIOT: Let us get the record right. The first paragraph refers to mail clerks, postal helpers and letter carriers—

Mr. LADNER: And railway mail clerks.

Mr. VENIOT: One moment, please. They deal specifically with the first three classes, leaving out the railway mail clerks.

Mr. LADNER: They do not. I have read it. I will read it again. It says:

Letter carriers, mail porters, postal clerks, and railway mail clerks.

They are all mentioned in the first paragraph, so how does the ministers' explanation work out?

Mr. VENIOT: It would work out, because they specifically in the next paragraph pick out mail porters, mail clerks, and so forth, and they drop the railway mail clerks and later deal with them specifically and say, "In the case of railway mail clerks, we may reconsider it, because we believe so-and-so, and we would ask you to suggest how it could be done." We have submitted to the Civil Service Commission a proposition of regrading, or grading, if you will, the railway mail clerks. They dismissed the first three entirely.

Mr. LADNER: So far as basic rates are concerned.

Mr. VENIOT: I got in touch with the Civil Service Commission, or my deputy did, and we discussed the interpretation of that clause. The result agrees with what I say now.

Mr. LADNER: What did they say?

Mr. VENIOT: They say they will not recommend any increase.

Mr. LADNER: In what?

Mr. VENIOT: For the mail clerks, mail porters and the other class, just as it is in that letter. The hon. gentleman has the advantage of me; he has the document.

Mr. LADNER: More than that, they say the basic rates.

Mr. VENIOT: A delegation of railway mail clerks went to the Civil Service Commission and discussed the whole matter with them. They came to me and asked my permission, as Postmaster General, to allow them to discuss the matter with the Civil Service Commission. I granted that; there could be no objection. They went. They returned to me, and they told me that the Commission had told them that they were there as the watchdog of the treasury.

Mr. LADNER: When did this take place?

Mr. VENIOT: After the 3rd of May, and they did not care what my recommendations were in that respect, they could not grant the recommendations for increases.

Mr. LADNER: The Postmaster General will note that his suggestion is quite inconsistent with paragraph 2, where they invite him to make recommendations.

Mr. VENIOT: Only in regard to railway mail clerks.

Mr. LADNER: Certainly; that is the subject matter of my comment.

Mr. VENIOT: They refused to consider the first three classes, but in the case of the railway mail clerks they asked us to make a suggestion to them.

Mr. LADNER: The minister knows that they did not refuse increases for the first three classes. They only refused the basic rate.

Mr. VENIOT: The basic rate is the whole thing. The moment you increase the basic rate and raise the maximum, you are giving to the service the right to annual increases greater than they receive to-day. If you do not touch the basic rate it is no use touching anything at all. I am perfectly safe on the ground I am taking. I want the committee to understand that I am not trying to crawl out of anything. I am not trying to make any capital out of the fact that I did make a recommendation to the Civil Service Commission and they did not accept it. I merely wish to state the facts as they are. I may be wrong in my interpretation, but I feel I am not; I have had experience in dealing with this matter for a few years.

Mr. LADNER: I would like to test the bona fides of the minister right here and now With respect to paragraph 2, where the commission invite the minister to make a recommendation for increases in salaries to the railway mail clerks, will the minister make that recommendation as requested?

Mr. VENIOT: That question is very easily answered. I made it eight days ago. Will that satisfy the hon. gentleman? My deputy can give the exact date, but on my instructions he went to the Civil Service Commission and discussed the matter with them. There was a delegation of the railway mail clerks present in my own office; we discussed the matter with them and agreed with the railway mail clerks what their increase or readjustment should be, and we brought that to the attention of the civil service commission. It is now in their hands to act upon it.

Mr. LADNER: As we have gone so exhaustively into the question, will the minister not produce the letter and put it on the record?

Mr. VENIOT: My deputy tells me that he will produce the document. I have not got it here. We have nothing to hide. I will produce anything that I can get in the department.

Mr. LADNER: Do I understand that this letter is a recommendation from the Postmaster General to the Civil Service Commission?

Mr. VENIOT: Not from the Postmaster General—from the deputy under my instructions. It is practically the same.

Mr. LADNER: It is virtually from the Postmaster General recommending to the Civil Service Commission an increase in salaries with respect to the railway mail clerks as indicated in the second paragraph of this letter of the 2nd of May?

Mr. VENIOT: Yes.

Mr. LADNER: Where do the watchdogs of the treasury come in? How are they going to bark?

Mr. VENIOT: I do not know. So far as the watchdogs are concerned, I am simply reporting to you what the delegation reported to me.

Mr. HEAPS: From what the minister has stated, I believe that he is quite anxious that all these postal employees, as well as the railway mail clerks, should get $120 per annum more than they are getting at the present time. There has been a fairly unanimous expression of opinion in this house on that matter this evening, and all parties have indicated a desire that that increase should be given. In view of that expression of opinion, I would ask the Postmaster General again to make this request of the Civil Service Commission for an increase. If he does that, and the Civil Service Commission again turn it down, we will know exactly where we stand. If the Postmaster General does that, I am sure the members of the house will be obliged to him.

Mr. VENIOT: I may say for the information of the committee that the government desires to get another department into supply this evening in order to take up an item or two, and when I have finished answering my hon friends I shall move that the committee rise and report progress.

In answer to the hon. gentleman, as an evidence of good faith of what the department desires to do, I may state that I brought

the matter before council, and after consideration of the increases of the salaries of these classes an item of $350,000 was slated for the supplementary estimates; but when the Civil Service Commission replied as they did on May 2, that item was withdrawn. It will not now appear in the supplementary estimates unless the commission reconsider their decision and accept our recommendation.

Mr. HEAPS: Will you ask the Civil Service Commission to reconsider their decision?

Mr. ARTHURS: The hon. minister has stated in his last few remarks what purports to have occurred in council. We have on many occasions, and probably this afternoon, inquired as to certain facts or alleged facts, and the answer invariably was that anything that occurred in council could not be divulged. How does the hon. gentleman square himself with that position? As a matter of fact he is giving this information ostensibly for the benefit of the suffering public but really for political purposes.

Mr. VENIOT: My parliamentary experience in the commons has not been as lengthy as my hon. friend's, and I may have forgotten myself in that respect. I admit that perhaps it was a breach on my part, but I think I was doing nothing but right in laying the facts before the committee.

Mr. ARTHURS: I have an idea that the hon. gentleman knew perfectly well what he was doing. He was doing it for the purpose of affecting votes in the country.

Mr. CHURCH: The Postmaster General is quite frank. He believes in the spoils system, and makes no pretence about it whatever. The Post Office department is supposed to be operated for the benefit of the country, not for the benefit of this or any other political party, but there has been politics in the department since confederation. I know that in the Toronto post office a man cannot get a temporary position at Christmas unless he joins the Liberal party. I have seen the list. Who is in control regarding appointments; is it the Civil Service Commission? No, the Civil Service Commission has no more to do with it than the man in the moon. The list is presented to the postmaster, and he must act on it. If the returned soldiers do not vote Liberal they are dismissed, and their places are taken by others who will vote Liberal. The whole thing is ridiculous. That is not the way to operate a public utility. I do not say the present Postmaster General is entirely to blame; I think he stood by the men. I wish to put in a word for the low-paid men in the Toronto post office, the post-

[Mr. Veniot.]

men and others. Some of these men were in France for four and a half years. Day after day they have hard beats to walk. They give the maximum of efficiency at the minimum of pay, and there is no public utility using its men in the larger cities the way the low paid men of the Post Office department are used to-day. The Post Office department would have a large surplus were it not for the special rates given to the newspapers, which is equivalent to a cash bonus of seven million dollars. This is given at the expense of the rank and file of the Post Office department, who are getting a miserable pittance of a salary to-day. Some of these men drawing only $700 or $800 are delivering registered mail containing hundreds of thousands of dollars in value. Are we to wait until there is another strike in the post offices throughout the country? The men are long-suffering and patient, and they have put up with a lot from the Civil Service Commission. Last year we had to wait three or four months before we could get this return. I never heard of so much red tape as exists in the Civil Service Commission over the classification of these men. They are a splendid body of men giving excellent service to the public at very low remuneration. I say from the top down they are underpaid. Take the Toronto post office; Mr. Lemon, the very capable head, is paid only about $5,800 a year, although the revenue from that office is six million dollars a year. The rank and file work long hours and are underpaid, and we should do something to relieve the conditions under which they labour to-day.

Item stands.

Mr. MACKENZIE KING: Item number 10.

Mr. STEVENS: That is immigration and colonization. I do not think it is in order to call another department without reporting progress on these estimates, when there would be a motion to go into committee again.

Mr. MACKENZIE KING: We are in committee of supply now and the government is free to call any item.

The CHAIRMAN: The motion was made for the Speaker to leave the chair and the house to go into committee of supply. In supply the government can say what department it desires to take up.

Mr. ROSS (Kingston): Has that procedure ever been followed before?

Mr. MACKENZIE KING: Always.

Mr. STEVENS: With consent.

Mr. MACKENZIE KING: If there is any objection we can take up some other item, but we wish to get the Minister of Immigration (Mr. Forke) into supply to-night.

IMMIGRATION AND COLONIZATION

Immigration and Colonization — salaries, $305,570; contingencies, $45,000.

Mr. GARDINER: Will the minister explain this item?

Hon. ROBERT FORKE (Minister of Immigration and Colonization): Before proceeding with a discussion of the vote I want to offer a word of explanation. Some time ago, discussing the question of immigration, the leader of the opposition requested that we give the estimates in a more detailed form than we have them on page 22. This has been done, and a more detailed statement will be distributed to-morrow. On page 22 of the estimates it will be found that the whole vote is contained in six different items. We have divided it up into a great many items to make it more easily understood by hon. members, and to-morrow the details will be distributed. As regards the vote now before the house, my deputy is not here, but I may say that the total vote this year for civil government, salaries, is $305,570 in comparison with $279,920 for 1927-28. This makes a total increase in the vote of $25,650. The explanation of this increase is the number of employees for the present year. This increase in numbers is accounted for as follows: 1 chief of records; 1 head clerk; 1 principal clerk; 16 clerks, grade four, promoted from grade three. This makes a total of 19, less 4 of a net decrease in lower grades due to adjustments and promotions. The estimated amount for 1928-29 is $305,570 as compared with $265,850, the amount voted for 1927-28, plus a flat increase of $120, which was granted under vote 535, which brought last year's total up to $279,920. This means that the increase for 1928-29 amounts to $25,650.

Mr. GARDINER: What are the duties of a commissioner of immigration?

Mr. FORKE: There are three commissioners, as explained to the committee the other day. There is one in Vancouver, there is one in Winnipeg and another resident in Ottawa. These are called division commissioners. The Commissioner of Immigration is superior to these, having control of the whole Dominion from sea to sea.

Mr. GARDINER: I do not see the three commissioners mentioned in this item. What are the duties of a commissioner of immigration? What does he do to earn his money?

Mr. FORKE: He has the whole question of immigration under his care. Perhaps one of his most important duties is the supervision of the different ports. Any difficulty arising in Quebec or Halifax where immigrants enter the country is immediately attended to by the immigration commissioner. Internal work is under his supervision.

Mr. GARDINER: And what are the duties of a commissioner of colonization?

Mr. FORKE: The Commissioner of Colonization is more particularly associated with the settling of immigrants after landing in Canada. He also has under his control the different agencies in the United States, but as his title implies he is more particularly connected with the settling of immigrants after they have landed in the country, in contradistinction to the Commissioner of Immigration, who deals with them only in so far as their entry is concerned.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, May 22, 1928

The house met at three o'clock.

PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 322, respecting a certain patent of Jean Baptiste Hurteau—Mr. Prevost.

Bill No. 323, for the relief of Violet Claire McCredie.

Bill No. 324, for the relief of Garnet Britten Walton.

Bill No. 325, for the relief of Rebeina Pearl Bolingbroke.

Bill No. 326, for the relief of Manassa Fretz.

Bill No. 327, for the relief of Charles Henry Clifford.

Bill No. 328, for the relief of Joseph James Harold Graham.

Bill No. 329, for the relief of Bernice Alberta Haight.

Bill No. 330, for the relief of Rose Eadie Harris.

Bill No. 331, for the relief of Mildred Florence McGowan.

Bill No. 332, for the relief of Gabrielle Norton.

Bill No. 333, for the relief of Grace Elizabeth Parker.

Bill No. 334, for the relief of Charles St. Clair Parsons.

Bill No. 335, for the relief of Ivy Reader

Bill No. 336, for the relief of James Ramsey Sloan.

Bill No. 337, for the relief of Harold Wilfrid Vivian Vincent Turner.

Bill No. 338, for the relief of Gordon Thomas Wilson.

On division.

RADIO—CANCELLATION OF LICENSE

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

Mr. L. J. LADNER (Vancouver South): Under the heading of motions may I, at the request of certain of my constituents, present a petition signed by 11,577 people of the city of Vancouver in protest against the action of the government in cancelling the radio broadcasting license of the International Bible Students Association?

DECEPTIVE MINING LITERATURE

On the orders of the day:

Hon. R. J. MANION (Fort William): Has the Postmaster General any statement to make in regard to the tipster sheet which I passed across to him the other day? I thought he might make an investigation into it.

Hon. P. J. VENIOT (Postmaster General): I was just writing a note to the hon. gentleman. I have made an investigation. No definite conclusion was reached yesterday as a result of the investigation made, but to-day we have been able to arrive at a definite conclusion and an order of fraud in the mails has been issued and will be enforced against these sheets so that circulation in Canada will be prevented.

Mr. MANION: Just in that regard, a friend of mine in the city of Quebec has sent me another group of the same type of sheets and he states that Quebec is being flooded with them. I am going to send them across to the minister for the same purpose.

Mr. VENIOT: I received half a dozen of them this morning from different parties.

INTERNATIONAL PEACE

MULTILATERAL TREATY PROPOSED BY THE UNITED STATES

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): Some time ago I directed a question to the Prime Minister as to whether Canada had been asked to sign the peace treaty with the United States which Secretary Kellogg has invited the other great powers to sign. May I to-day receive a reply to that question from the Prime Minister?

[Mr. Forke.]

Right Hon. W. L. MACKENZIE KING (Prime Minister): Shortly after noon to-day the minister of the United States called at my office and stated that he had been instructed to extend in the name of the government of the United States a cordial invitation to His Majesty's government in Canada to become one of the original parties to the treaty for the renunciation of war which is now under consideration. It was agreed that the text of the invitation should be made public in the United States, Canada and elsewhere in Friday morning's press. An answer has not yet been sent as there has not been an opportunity to have one prepared, but an answer to the communication will be sent very shortly.

TRADE TREATIES WITH GERMANY AND CUBA

On the orders of the day:

Hon. R. J. MANION (Fort William): Statements have appeared in some of the papers about a trade treaty being negotiated by this government with Germany, and also about the Cuban trade treaty. Has the Minister of Finance any statement to make to the house as to the progress being made with these trade treaties, and are there any particular items of them that he would like to communicate to the house?

Hon. J. A. ROBB (Minister of Finance): We did have certain preliminary negotiations with Germany a little more than a year ago, but we did not make much progress because we concluded that what Germany was offering was not advantageous to Canada as compared with what we would be giving to Germany.

As regards Cuba, as my hon. friend knows, there is an agreement at present in force. I think I advised the house early in the session that we have a most favoured nation agreement with Cuba pending negotiations in connection with a treaty.

Mr. MANION: Do I understand the minister to suggest that the German trade treaty is called off altogether at the present time?

Mr. ROBB: There are no negotiations whatever with Germany at the present time. Certain Canadians who have recently been in Germany have returned to Canada and they have represented to me that Germany is prepared to modify her ideas as regards tariffs, but we have been so busy during the session that we have not had time to consider the matter and we are awaiting the next move from Germany.

SUPPLY—STEEL INDUSTRY

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee of supply.

Mr. FINLAY MacDONALD (Cape Breton South): I desire to move, seconded by Mr. Cantley, the following amendment to the motion of the Minister of Finance:

That all the words after the word "that" be struck out and the following substituted therefor:

This house regrets the refusal of the government to implement in full the recommendations contained in the report of the Duncan commission, particularly the recommendation relating to the steel industry.

Those of us, Mr. Speaker, who come from the maritime provinces, and particularly those of us who represent industrial centres, feel that we would not be doing our duty to our constituents if we allowed this session to pass without registering our protest against the non-fulfillment of the recommendations of the Duncan report. It must not be taken from this that we withhold any credit from the government for what they have already done; we do not. We are prepared to give them credit for the increased subsidies they have given to the maritime provinces, for the reduction in freight rates, for the harbour commissions, and for the coking plants, although the latter may be of very doubtful value to the maritime provinces. At the same time we want it distinctly understood that these things are not in any way concessions to the maritime provinces; they are nothing more or less than somewhat belated instalments of justice to these provinces.

In the Duncan report we have a specific recommendation with regard to the steel industry. It is contained in paragraphs 24, 25 and 26. Paragraph 24 reads:

The manufacture of steel has, for many years, now, been closely associated with the coal enterprise of Nova-Scotia. It is, like coal, a matter of very vital moment to the maritime provinces. The representations which were made to us by provincial government witnesses, as well as by the operators of coal and steel, were related not only to the importance of this industry to the maritimes but also to its importance as a national asset. It was pointed out to us that the Nova Scotia steel industry had been fostered and developed for the purpose af making primary forms of iron and steel, and that "it would be unfortunate for Canada if this original purpose were thwarted because, except as regards Nova Scotia, steel manufacture on a basis of national security does not exist."

It may be true that at its inception the steel enterprise of Nova Scotia looked as much to foreign markets as to the home markets for the merchanting of their products, or even more than to the home market. These foreign markets are not now available because of world economic conditions, but the importance was emphasized to us of ensuring a continuance of the production of steel in Nova Scotia—whether for home or for foreign markets—from the standpoint of the dominion ensuring the continuance of an important national "foundation production," carried on, as in the Nova Scotia iron and steel industry, from native sources of supply.

A calculation was given to us to show that as a result of the operations of the customs tariff—if labour employed in the production of iron and steel and its raw products is taken as the unit for measuring protective value—the protection afforded to Nova Scotia labour is only 28 per cent, whereas elsewhere in Canada the protection to labour is between 85 per cent and 100 per cent.

It was not suggested that in a matter of this kind help should be given without regard to efficiency of manufacture, administration and capitalization; but the steel industry in Nova Scotia has been going through very trying times, and is, in a sense, in course of reconstruction. Independent evidence of an expert character was given to us, that if due regard were paid to the "economic unit" of production in steel, there was no reason why it should not be produced as efficiently and cheaply in Nova Scotia as anywhere else in Canada.

The assistance asked for in respect of the steel industry was:—

(a) Appropriate tariff adjustments; and
(b) Bounty.

Paragraph 25 says:

It was submitted that the tendency of the tariff, as affected by successive alterations, has been to lessen the protection upon the primary products of iron and steel and to encourage their importation from other countries as being the raw materials of iron and steel-fabricating and finishing industries in Canada.

In respect of this matter, we do not conceive it to be our duty to express any opinion, since the question is, as we were informed by the chairman of the tariff advisory board, who met us at our request, at the present moment under the consideration of that board. But we do regard it as our duty to record that the significance of this industry to the maritime provinces was forcibly brought home to us, not only in the manufacturing towns we visited in the maritimes but also throughout the agricultural districts of the martimes. We record this in order to emphasize the need for prompt action.

Then, with regard to bounties, paragraph 26 says:

It was pointed out to us that, at its inception, the Nova Scotia steel industry enjoyed national aid in the form of a bounty. This system of bounties prevailed for many years.

We were asked to recommend that a bounty should be again made avilable. In this connection we have thought it right to give consideration to a point which was emphasized in the course of the evidence, vi.—that a drawback of 99 per cent of the duty is given when imported coal is used for metallurgical purposes, and that this is tantamount to giving a bonus of that amount, since it means that the Dominion is yielding up money which otherwise under its general policy in regard to bituminous coal would accrue to it. While there are, no doubt, other angles from which this concession can

be regarded, it does in its operation have the effect of a bonus, and it is difficult to see how the same bonus can be denied to native coal.

Having regard to the bounty system previously applied, and to this aspect of the application of the drawback—

Then comes their recommendation:

—we recommend that a bonus should be given in respect of steel when Canadian coal is used in its manufacture, and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture.

Here we have a specific recommendation made by this commission, namely, that a bonus should be granted out of the federal treasury to the steel industry, calculated on the amount of coal that it takes to produce a ton of steel.

I read now from the brief supplied to the Duncan commission on which this recommendation was based:

The Steel And Coal Industries

The steady decadence of the steel and coal industries of Nova Scotia in the past four or five years has contributed far more than any other single factor to that general condition of business decline in which the recent movement for maritime rights finds economic sanction. These industries, when operating normally, support wage-earning communities comprising a quarter of the population of the province. Directly vital to six of the eighteen counties of Nova Scotia, they indirectly influence economic conditions in every part of the maritime provinces. The centres of population which have grown up around them have for many years constituted the best and most readily accessible market for the farmers and fishermen of eastern Nova Scotia and Prince Edward Island, for the fruit growers of the Annapolis valley, for the industries and mercantile houses of Halifax, Moncton and Saint John. Depression of the coal and steel industries must inevitably be reflected in disturbed economic conditions in the whole maritime region.

As has been said, tariff protection to Canadian industries is the approved and accepted national policy of the Dominion. It is not the purpose of this review of the situation either to defend or to criticize that policy. All that is relevant to the case is to point out that, while it is maintained, Nova Scotia industries may fairly claim to be entitled to share in its advantages to the same degree as the major industries of Quebec and Ontario. Protection, or free trade, or an exclusively revenue tariff may be advocated with some show of logic, but surely no reasonable defence, no consideration based on equity or sound public policy, can be advanced in support of a system under which Nova Scotians are compelled to buy what they consume in a substantially protected home market, and to sell what they produce in a virtually unprotected one. Before suggesting a remedy for this anomalous condition, it is important to review the stages and retrace the steps by which it has been reached.

[Mr. F. MacDonald.]

About thirty years ago the iron and steel industry was established in Nova Scotia upon a large scale and, because of its essential relation and vital importance to the coal industry, should be considered in conjunction with it. Like coal mining, the manufacture of steel at its inception was given assistance from the national treasury, both in the form of bounties on tonnage output and protective duties against competing products entering Canada. The compelling reason for the establishment in eastern Canada of a large scale steel plant, was that here, and here alone in the whole Dominion, were the conditions to be found which rendered possible the growth of such an industry, with its three roots in British soil. These three roots are Nova Scotia coal, Nova Scotia limestone, and Nova Scotia or Newfoundland iron ore.

The system of bounties to the steel industry was maintained from 1900 to 1911, when it was discontinued. The duties on steel and steel products, established in 1907, were, like the coal duties, specific amounts per ton. When these duties were imposed, steel prices were such that the industry then enjoyed a tariff protection ranging from 20 to 35 per cent on its various products. To-day those products have a market value of from twice to three times what it was in 1907, but there has been no upward revision of the duties from then till now. The consequence is that the average duty on the output of the Nova Scotia steel industry is to-day less than 10 per cent, while many of its most important products have been placed on the free list in order to assist Ontario industries using steel as a basic material to meet American competition in central Canada.

As is pointed out in this brief, there has been a great decline in the steel industry of Nova Scotia; of that there can be no question. One of the greatest authorities probably in Canada on the steel and coal question is Mr. F. W. Gray, and in Iron and Steel of Canada for January, 1928, there appears an article by him pointing out this fatal decline in the steel industry, and naming the various industries that have declined in production or gone out of business entirely. Let me quote from this article:

In 1913 there were in Canada twenty-two blast-furnaces, of which five had for some years been idle. In the autumn of 1927 there were in blast only four furnaces.

Following is the number and operating condition of Canadian blast-furnaces in 1913—as given by the director of the Mines branch at Ottawa—and the present conditions, as nearly as can be ascertained, viz.—

Dominion Iron & Steel Company, Sydney, Cape Breton. Six completed furnaces, two operated throughout 1913, four for 344, 334, 222 and 140 days, respectively. Condition at end of October, 1927, was one furnace in operation, and prospect of second furnace being blown in during November.

Nova Scotia Steel & Coal Co. Ltd. In 1913, one furnace at Sydney Mines, Cape Breton, operated 365 days. An additional stack was erected in 1918, but was never blown in. Both furnaces have been continuously idle since some time in 1920.

Londonderry Iron & Mining Company, Londonderry, Nova Scotia. In 1913, one furnace, idle throughout that year, and since abandoned.

Canada Iron Corporation Ltd. Two small furnaces at Drummondville, Que., and one at Radnor Forges, Que., all idle throughout 1913. Two furnaces at Midland, Ont., operated for 226 and 172 days respectively during 1913. One of the Midland furnaces was in 1917 sold to the Algoma Steel Corporation, and was re-erected at Sault Ste. Marie. In 1927, all the smaller furnaces have been continuously idle since 1913 and are therefore abandoned. The single stack remaining at Midland, Ont., has been idle for years.

Standard Iron Company of Canada, Deseronto, Ont. One furnace at Deseronto, operated for 220 days during 1913, and one furnace at Parry Sound, operated 92 days in 1913. In 1927 these furnaces stand in an abandoned condition, having been idle for years.

The Steel Company of Canada, Ltd., Hamilton, Ont. In 1913 two furnaces operated, one for 259 days and the other for 309 days. In 1927 these blast furnaces remain without addition to producing capacity, and one furnace only was in operation in October.

The Canadian Furnace Co., Ltd., Port Colborne, Ont. One furnace, operated 95 days. This furnace has been idle since November, 1924.

Algoma Steel Company, Ltd., Sault Ste. Marie, Ont. Three furnaces operated for 361, 365 and 322 days respectively in 1913. In 1927 this company has four furnaces, including the one moved from Midland in 1917. One furnace only was in operation in October, 1927.

Atikokan Iron Company, Ltd., Port Arthur, Ont. One furnace of 100 tons capacity idle since 1911, and now presumably abandoned.

That tells the story of the decline of the steel-making industry in Canada during the last few years. What causes have contributed to this decline? As to this, we are also in possession of the opinion of a leading authority, Mr. Ross H. McMaster, the president of The Steel Company of Canada. In the May issue of Industrial Canada, he writes:

Our adopted form of federal taxation derives the largest share of its proceeds from organized business, so it seems abundantly evident that industry, in manufacturing and other lines, should be preserved in a healthy state.

It should be equally recognized that, when products manufactured in Canada yield almost twenty-five cents in taxes for every dollar of added value produced, it is a poor bargain for this country to admit commodities similar to those produced at home without payment of any contribution to our federal or other exchequers.

A contrary policy, however, has been followed, as an examination of our tariff reveals that there are 55 items which admit steel and iron of various descriptions duty free, or provide a drawback of substantially the entire duty when intended for particular purposes.

I want to put on record the items in the customs tariff relating to the duties on iron and steel. Item 1002 reads:

Rolled iron, rolled steel and pig iron: when used in the manufacture of mowing machines, reapers, harvesters, binders and attachments for binders.

Item 1005 reads:

Steel under one-half inch in diameter or under one-half inch square: when used in the manufacture of locks and knobs.

I would refer the house to the foregoing items and also to items 1006, 1007, 1009, 1015, 1019, 1021, 1026, 1028, 1036, 1045, 1046, 1047, 1048 and 1049. Anyone who cares to look up these items will find out for himself that the steel industry of Nova Scotia has been discriminated against.

In addition to its function of producing revenue, the customs tariff is expected to give equal protection or assistance to working people in the matter of wages and continuity of employment. It is submitted that a ton of steel produced in Nova Scotia, at a cost of $40, represents about twice as much directly in Canadian labour and, indirectly in Canadian material produced by Canadian labour, as a ton of similar steel produced elsewhere in Canada. So much for the decline of this industry, and so much for the cause of it.

For some years the industry fought a losing fight in Nova Scotia and the effect was not confined to the industry itself; it extended particularly to the great coal mining industry with which it is allied. But it was felt also, as is pointed out in one of the articles from which I have quoted, throughout all the industries and all the commerce of eastern Canada. The maritime provinces, as had been frequently stated, had been going behind and for many years had been losing their population. The people, young and old, had been leaving the country; farms were being abandoned; banks were going out of business; and their trust companies and financial institutions were gradually leaving them and going to the larger centres. Then last, but not least, came the threatened collapse of their great industry. It was this prospect that caused many thoughtful people throughout the maritime provinces to get together some few years ago to look into the reasons for this decline with a view to suggesting the remedy to be applied. Out of this welter came the movement which afterwards was known as "maritime rights", a movement which at its inception was more or less an object of ridicule. Many people appeared to affect a sort of laughing attitude when considering this question of maritime rights, and the poor political prophets did not see in that movement a cloud which, while no larger than a man's

hand when it first appeared on the political horizon, gradually grew in extent. They did not then recognize it. In 1921 the Liberals swept the province of Nova Scotia from end to end; not a solitary Conservative was elected to this house from that province. In the local election an almost similar result obtained, for in a house of forty-three members there were only three Conservatives. Surely, they thought, under such circumstances they could afford to ignore this movement, which some of their members designated pure propaganda. And they tried to ascribe it to the desperate efforts of some Tories to rehabilitate themselves in political life. But it went a little deeper than that. It was not a political movement at all at its inception, nor did it become so later. But the first indication, or the first sign that should have been an indication, of the growth of this movement came in 1923 when the solid block from Nova Scotia was broken by the election of my hon. friend from Halifax (Mr. Black). Then followed the local elections in 1925. Here, of course, they felt on very firm ground. They had been in power in Nova Scotia for such a length of time that the memory of man runneth not to the contrary. For over forty years the Liberals had controlled the destinies of that province, and they got so at last that they could not distinguish between their own money and the people's—with somewhat disastrous results to some of them after the Conservatives came in. However, they went into the election of 1925 with banners flying and with a very confident air of victory. But they came back with the figures reversed: there were forty Conservatives elected and three Liberals. That surely should have been some indication that the movement was gaining ground. Followed elections in the provinces of New Brunswick and Prince Edward Island. It should, I say, have been a lesson to those people who were paying no attention at all to this demand of the maritime provinces for recognition of their rights. But they continued to ignore the growth of that movement, and even the right hon. the Prime Minister himself (Mr. Mackenzie King), when touring the province in 1925, affected a sort of jocular attitude and asked, "What are these maritime rights?" The right hon. gentleman got his answer in the election that followed, because of that solid bloc, elected to support him in 1921 only two returned as a result of the 1925 conflict. But whatever may be said of the right hon. gentleman, no one can discount his resourcefulness; and at the opening of parliament in 1926 he inserted in the speech from the throne the following paragraph which he thought would certainly have some effect in placating those who came from the maritime provinces:

> With a view to affording such remedies as may appear to be practical and appropriate, the government also propose to appoint a royal commission to inquire fully into the claims that the rights of the maritime provinces in regard to the operation of the Intercolonial railway have not been observed, and that in regard to transportation, immigration, and other economic factors these provinces have suffered prejudically, in their position under confederation.

That idea did not commend itself to members from the maritime provinces; the history of previous investigations by commissions of this kind showed them only too well the danger which might result if that course were followed. We did oppose the appointment of any commission. In that we may have been wrong; I am not going to say now that we were not wrong, as it has turned out, but we thought at the time that before a committee of this house we could bring all the evidence of the conditions in the maritime provinces which would justify the house in believing there was something wrong with economic conditions in that part of Canada, and we thought we could suggest remedies for those conditions. The house will remember that during the session of 1926 all those who were opposed to the idea of maritime rights rose in their places and said how sympathetic they were and how much they desired to help us if only someone would tell them what maritime rights were. We thought we could tell them if we had a committee of the house, but the government thought otherwise and appointed Sir Andrew Rae Duncan, Professor Macmillan and Judge Wallace as a commission.

As soon as that commission was appointed our whole attitude changed; we loyally accepted the commission and appeared before it. Our three local governments prepared briefs in which they submitted their case to the commission; those gentlemen went into every aspect of the situation and followed up every clue which they thought might be of benefit. Let me here refer to a remark made by the hon. member for Cartier (Mr. Jacobs) in discussing the findings of this commission. He said this was an ex-parte commission, and I want to correct that impression; it was not an ex-parte commission in any sense of the term. The commission did not confine itself to the evidence laid before it by the interested parties; it went all over the country calling witnesses and seeking in every manner to obtain information which would permit of an honest and just

finding. It concluded its work and filed its report with the government in September of 1926.

That report came as a great surprise to many people, who had been led to believe that there was nothing in this cry of maritime rights, that it was nothing more or less than the groans of a number of disgruntled politicians who were looking for office. These people found from the report that there was something very wrong with conditions in the maritime provinces, so we looked with considerable anxiety to the attitude the government would take in connection with the report. On March 18, 1927, the Prime Minister made his statement with regard to maritime claims and the Duncan report. I do not propose to read it all but I will quote that paragraph which is germane to the point now under discussion. He said:

> The recommendation of the commission that the tariff advisory board should be asked to give immediate consideration to the customs tariff in its relation to coal, anthracite and coke has been met. The matter is now before the tariff advisory board. It would appear desirable at this point to recall that at the session of 1925, as a means of assisting coal production in the maritimes, the customs duty on slack coal was raised from 13 cents to 50 cents. The question of protection on the primary products of iron and steel was, as stated in the report, under the consideration of the tariff advisory board at the time of the commission's investigation. Owing to the existing uncertainty of conditions surrounding the iron and steel industry in the maritimes, the government does not feel in a position to make at present any pronouncement with respect to the commission's recommendation of a renewal of the system of granting bounties with respect to steel when Canadian coal is used in its manufacture.

Then the Prime Minister concluded his statement in the following words:

> In concluding this statement, may I say that the government hopes that, by accepting as we have, the recommendations of the Royal Commission on Maritime Claims, virtually in their entirety, parliament and the country will recognize in the attitude of the government a wish to remove this great question as largely as possible from the arena of sectional discord and party strife, and a desire to give to our Dominion in the sixtieth anniversary of its founding, a renewed expression of the spirit which animated the fathers of confederation in their efforts to construct out of British North America a federal union under a system of government devised "to protect the diversified interests of the several provinces and secure efficiency, harmony and permanency in the working of the union."

That eloquent peroration on the part of the Prime Minister appealed to many of us; we thought the government had dealt fairly generously with us. I am free to confess, however, that there was a difference of opinion among the maritimers on that point; some of us believed that we should give the government credit for what they had done, and also make it clear to them that they were simply carrying out an instalment of the recommendations rather than virtually complying with all of them. Some others, and probably time has proved the wisdom of their prophecy, felt that the government did not intend to implement the Duncan report in its entirety, and they thought it just as well to say so frankly at the time. That difference of opinion continued until the fall of 1927, when the genial and gentlemanly Postmaster General (Mr. Veniot) appeared before a meeting at St. John and announced what we considered at the time and what we still consider to be the policy of the government. There he said that when the budget came down there would be good news for the people of the maritime provinces, that everybody would be glad, that the government had already implemented the Duncan report with the exception of the recommendations touching the Valley railways and the steel bounties, and now when the budget came down the people of the maritime provinces would see that this great paternal government here had dealt with these matters in such a way that the people of the maritimes would be glad. I am happy to see that the Postmaster General has just taken his seat. This matter has been brought to the attention of the house several times and his remarks have been quoted here. When the budget debate took place we expected him to make a clear-cut pronouncement as to what he meant at that time, when he gave that news to the people of the maritime provinces. We do hope that he was not speaking entirely without authority, and that he had something up his sleeve. We hope that the hon. gentleman is going to carry out his promises to the maritime provinces before this session closes.

Such is the position at the present time. Those of us who put confidence in the government's promises one year ago were led to expect that when the time came they would fulfil all the recommendations, not only virtually but substantially in their entirety. Here is one clearcut recomendation: a bounty of 50 cents a ton on native mined coal, used in the production of iron and steel.

What is the attitude of the government? I presume we can take that attitude to be defined by our representative in the cabinet, the Minister of National Defence (Mr. Ralston). On March 5, when the minister spoke on the budget, regarding this question of the Duncan report, he said:

But there still remain certain things to be done. It seems to me that it is in the interest of this industry and in the interest of the Dominion that—first, there should be unity between the coal and steel businesses. Secondly, there should be a shrinkage of the capital so that the industry will have an opportunity of earning a dividend on some reasonable investment. Thirdly, the unwieldy organization should be simplified. It now consists of some fourteen companies. Fourthly, there ought to be co-operation by the provincial and municipal authorities in the work of building up this great industry. With the litigation ended and these conditions met, the way will be open for serious consideration by the federal government of the presentation of the real and legitimate needs of the industry.

That is very far from implementing the Duncan report with regard to the bounty on steel. The Duncan report calls for a bounty, it does not call for any unity of industry, because they are all united. It does not call for any simplification, because they are all one concern now. The co-operation that the minister asks for has already been accomplished. The city has given the concern a five-year lease at a nominal rental and all these conditions were fulfilled before the minister made his speech. But if they were never fulfilled, they are conditions that should never be imposed on this industry. The Duncan commission made certain specific recommendations, and they should be carried out, or the government will have to take the responsibility.

The Minister of Finance (Mr. Robb), speaking on April 16, 1928, referring to the hon. member for Vancouver Centre (Mr. Stevens), said:

All he has done recently has been to tell the people of Canada who sometimes complain that this government have not reduced duties to the extent expected—and I am talking more particularly of the people who support this government—that by our trade agreements with other countries we have materially reduced the customs duties on goods coming into this country. I am not backing away from that point. We have materially reduced the duties. When our friends quote the general tariff as the measure of protection, they are all wrong. The duties on most of the items imported are based on the British preference or on the trade agreements which we have made with other countries, and we have exposed our own industries—I admit it frankly—to keen competition with other countries throughout the world. That is the policy of the government and the policy of the Canadian people as determined at the polls. Just as soon as they decide for a higher tariff they will elect by hon. friends opposite to office.

The customs returns for March, 1928, show that over $260,000,000 worth of iron and steel and their products were imported into the Dominion. These goods should have been manufactured here and every dollar of that money kept in the country. I received a telegram which I read in the house before showing the feelings of the men employed in this great industry. This telegram, dated February 19, 1927, is addressed to me and I will read it again:

Elected representatives of three thousand steel workers in conference this date urge that immediate action be taken by your government to adopt the recommendations of the Duncan Royal Commission on Maritime Rights.

J. J. HOLMES,
Secretary
General Works Committee,
Dominion Iron and Steel Co. Ltd.

Our case for remedial legislation with respect to the steel industry is not based on a demand for any particular fiscal policy, but on a claim for equal treatment with other important Canadian industries under any general federal policy approved by parliament. It is repugnant to the federal idea that any province should be compelled to buy in a protected market and sell in an unprotected one. Steel and coal represent to the people of Nova Scotia what the vast chain of industries established throughout Ontario and Quebec mean to the people of central Canada. This industry should be encouraged and conserved for the following reasons:

1. All its raw materials are derived from British sources.

2. It is essential to winter employment in the coal fields of Nova Scotia.

3. Linked up with the coal industry as it is, it is by far the most important enterprise, in an economic sense, in the maritime provinces, where all classes and occupation are directly concerned in its prosperity.

4. There can be no assured, independent industrial future for Canada, unless the basic products of iron and steel, which constitute the raw materials for so large a range of other industries, can be furnished from Canadian sources. No single case can be cited of a great manufacturing country which is dependent for its supplies of iron, steel and coal on the resources of its foreign industrial rivals.

5. It would be difficult to over-estimate the future economic value to Canada of a well established iron and steel industry, deriving its raw materials from native sources, and capable of expansion from time to time to meet the requirements of the home market. In the fiscal year ended March 31, 1928, upwards of $260,000,000 worth of iron and steel and their products were imported into the Dominion. Canada is to-day the best outside market the United States has for such products, and it is a market which is increas-

ing in capacity year after year. That the Canadian steel industry should be allowed to languish and decline under such circumstances; that Canadian plants should slow down their production below 50 per cent of their capacity at the very peak of the home market demand, is surely notice to the whole country of the urgent need of some revision of the public policy, under which such conditions are possible.

In view of these circumstances, Mr. Speaker, I beg to move, seconded by Mr. Cantley, the amendment now in your hands.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, a year ago or a little more I called the attention of the house to this same subject. I did so at that time with the full concurrence and support of my then chief, the then leader of the Conservative party on this side of the house. As the hon. member for South Cape Breton (Mr. MacDonald) has stated; some of my friends differed with me in regard to the wisdom of acting as I did. Some of them then had a little more faith in the government than I then had; as a matter of fact I had very little then and I have very little still.

In dealing with the matter a year ago I referred to the various provisions of the report of the Duncan commission and I stated that they might be reduced to eighteen. There has been some little change in regard to some of these as they have to a certain extent been further implemented than they were a year ago, but in the main there is very little difference. The twenty per cent freight reduction in part, has been applied. I say in part because it has been applied only in part. What important feature of the twenty per cent freight reduction has not been implemented? I refer to the international traffic, traffic originating in Canada and destined for points in the United States. So far as that is concerned we are not getting what the Duncan commission suggested we should get, with the result that a large portion of the freight originating in Price Edward Island and the great majority in value and tonnage of the freight originating in New Brunswick and to some extent in Nova Scotia are denied the twenty per cent reduction. I am referring to potatoes and lumber. Another recommendation of the Duncan commission was the enlargement of the scope and power of the railway commission. That has not been implemented. The recommendation in regard to the horizontal war freight increases has not been implemented.

I now come to the Prince Edward Island car ferry and I will refer to what the commission stated in regard to that; they dealt at considerable length with and made some recommendations in regard to the question of transportation for Prince Edward Island Some of those recommendations have been carried out and some have not. A portion of the island railway is still a narrow gauge road and on that portion it is impossible to-day to operate the modern refrigerator or frost-proof railway cars, so that the people in that section of the country are not able during the winter months to take advantage of railway facilities as are their brethren in other portions of the island. That portion of the Duncan commission's report has not been implemented. The commission dealt at length with the question of the car ferry. They said that they had taken the matter up with the railway people and that it was admitted that the boat service was unsatisfactory. They went on to state:

> The railway administration admitted that there was need for supplemental provision being made in the form either of a second ferry boat or a special freight boat. We recommend that the matter be gone into from the point of view of placing at the disposal of the island such satisfactory means of communication as will ensure as regular and complete a service as can reasonably be made. We further recommend that, so far as the ferry boat service is concerned, it should not be run as part of the railway operations—

And so on. That last recommendation is a matter in which I am not particularly interested, but much can be said in regard to the car ferry. I find that some time ago the matter was taken up and a memorial was presented to the Railway department by the producers, merchants and exporters of the province of Prince Edward Island. Among other requests which they made was one that there should at once be built and put upon the connecting route a powerful, icebreaking car-ferry steamer equal in strength, power and capacity to the steamer Prince Edward Island now used as the connecting link, thereby affording better facilities and minimizing the risk of a dislocation of traffic by accidents of navigation. That was some time ago. Then I find that the Prince Edward Island Associated Boards of Trade in August, 1927, went on record and passed a resolution in regard to the need of a second car ferry on the Borden-Cape Tormentine route as recognized by the maritime royal commission.

I find that another resolution was passed on January 18, last, as follows:

> Resolved that the representatives of this county, in the House of Commons, and also the representatives of Prince and Kings counties, and the four Prince Edward Island senators be

urged to exert every effort to impress upon the government and parliament of Canada the necessity and urgency that provision be made for the immediate construction of a new steamer for the Prince Edward Island car ferry service

The hon. member for Queens (Mr. Sinclair) was present and agreed with the sentiments expressed in the resolution. Resolutions asking for a second car-ferry steamer have been passed by boards of trade on numerous occasions and sent to Ottawa. In September, 1920, the Maritime board of trade at its annual meeting in Amherst unanimously passed a resolution asking that another car-ferry steamer be provided.

I have under my hand a letter received from a gentleman who is a native of Prince Edward Island, a citizen of Charlottetown, with interests in other sections of the island and intimately connected with business and farming interests throughout the island, a man whose word would be accepted by anybody in the island who knows him. He writes as follows:

Several prominent citizens here have suggested a public meeting to urge on the government the fulfilment of the Duncan report for the island. They seem of the opinion it is better to wait until the estimates are brought down. Then we shall know if the government is serious about a second ferry boat. The Island Farmers' Association—a very large and influential organization here—passed strong resolutions recently requesting, even demanding better transportation. The Associated Boards of Trade have left no stone unterned.

Then he goes on and says further:

Here is an illustration of our need: You know that potatoes are our great commodity. Within the last year or two winter marketing of them has greatly increased because the southern traders who supply the American farmers with our seed stock do not want to keep them in warehouses there. They want them delivered only as the southern farmers need them. Go any day when the thermometer registers 20 or over, one may see hundreds of teams on our country roads. But the great difficulty is a famine for cars. The ferry cannot bring in empties—refrigerators—fast enough nor export loaded cars fast enough. At the present time the shippers are three hundred cars short, and they are half crazy to get their supply away for they fear a slump in prices and some of them would be ruined. Then the southeast section of the island which is served by a narrow gauge line are still worse off. There are no frost proof cars for narrow gauge tracks. They have to ship in ordinary cars and many carloads have been ruined by freezing. Those farmers are moreover discriminated against by the expense of an extra handling of their shipments into broad gauge cars. And yet, John E. Sinclair will say the farmers are satisfied.

I have a further letter, dated May 5, which deals with the same subject, but I shall not burden the house with that, though it is even stronger than the other one.

[Mr. Cantley.]

I have also a resolution which was passed unanimously by the government of Prince Edward Island on the 26th of April last, as follows:

Whereas in this province the production of potatoes for both seed and table stock is becoming annually of greater volume and value;

And whereas there is evidence that the acreage planted with potatoes in 1928 will exceed by 20 per cent the acreage of 1927;

And whereas the transportation facilities as provided were not sufficient to move the 1927 crop of potatoes at a time when they should be marketed.

Then follow a number of other "whereas" clauses, and the resolution concludes:

Resolved that this legislature now assembled hereby strongly urge the federal authorities to take immediate action for the construction of a new and suitable car ferry to be placed on the Borden-Tormentine route at the earliest possible date.

Moved by Horace Wright and P. A. Scully.

I am sorry the Minister of Railways (Mr. Dunning) is not in his place, because I would like to get some information from him in regard to the position and the condition of the three ferry boats—the Prince Edward, and the Scotia No. 1 and the Scotia No. 2. I think the house is now familiar with the situation so far as the ferry service between Tormentine and the island is concerned, and the necessity for that service. I will now refer to the character of the steam ferry boats operated by the railway department. The steamer Prince Edward Island is a boat thirteen years old. She is off that route just now, and will be off it for a month. She has been off the route every year for about the same length of time, due to the fact that she has to dry dock at Halifax and pass her annual survey. It will be within the knowledge of all my friends in the house who are familiar with shipping that all steel vessels, on obtaining the age of ten years, have to pass what is known as their No. 3 survey, and after that undergo an annual survey and overhaul. Some of these surveys are more exacting and take a longer time than others, and in the case of a boat as old as the Prince Edward Island about one month is required to complete the inspection and overhaul. This boat is one of very considerable power. She has three sets of triple engines, two sets aft, and one set forward. She has considerable water ballast, although not as much as she should have in view of the conditions under which she has to work, the total water ballast being 689 tons. This vessel was built under special survey at Lloyd's, so far as her machinery and boilers were concerned, but so far as I can find from Lloyd's register, and I

have looked up the last volume available, which is that for the present year, nothing has been done to maintain this vessel's classification. There is no indication on the book that her classification is being maintained. I do not say that it is not; I do not know whether it is or not, but there is no information on Lloyd's register that such is the case.

Now I want to contrast the treatment given this boat, and contrast her record in Lloyd's with the record of the three boats on the Pacific coast—the Prince George, the Prince John and the Prince Rupert, which were built for and operated in connection with the Grand Trunk Pacific, now the Canadian National. The record shows that the boilers of all these three boats were inspected, one in January, one in February, and one in March of last year, 1927, but there is no such record so far as the Prince Edward Island is concerned. While this boat is away from the Prince Edward Island service, her place is taken by one of the two boats which are on station at Mulgrave to maintain the traffic between the mainland and the island of Cape Breton. I do not know which of these boats is to-day relieving the Prince Edward. I have not been able to get that information; I have asked for it, but have not been supplied with it. The Scotia I is the older boat of the two; she is twenty-seven years old. She was built at Newcastle by Armstrong, Whitworth and Company. This boat has no classification in Lloyd's. The other boat was built in 1915, the same year as the Prince Edward Island; she is thirteen years old. She is a considerably larger boat than the Scotia No. 1, which I think is the boat relieving the Prince Edward Island at the present time, but her power is less than one-half that of the Prince Edward Island while the oldest Scotia, which is twenty-seven years old, has about one-quarter the power of the Prince Edward Island. One or other of these boats is now attempting to do what the Prince Edward Island, a much larger and much more powerful boat, cannot do, that is to give an efficient service to the province of Prince Edward Island.

The question was asked the Minister of Railways at a meeting of the special committee on railways and shipping, as to whether any arrangements had been made for building this year an additional boat for this service, and I was told by the president of the road, and also I think by the Minister of Railways, whom I now see coming into the chamber, that no provision was being made this year in that respect, and that no amount would be provided in the estimates for this service. Now that the Minister of Railways has come into the chamber I would ask him, will any provision be made in the railway estimates this year for a new island ferry boat to supplement the work that is being done by the Prince Edward?

Mr. DUNNING: Perhaps my hon. friend would give me a chance to get into supply, and then we can deal with such matters as are in the estimates.

Mr. CANTLEY: Pardon me, but that is not a straight answer. I will give you all the time you want to answer my question now.

Mr. DUNNING: You are preventing me from answering it.

Mr. CANTLEY: I beg your pardon; I am waiting for an answer now.

Mr. DUNNING: I should be pleased to deal with the railway estimates when my hon. friend permits me to get them before the house, but if it will help him at all, I can assure him that the people of Prince Edward Island are likely to be pleased with the estimates of my department relating to that province.

Mr. CANTLEY: I am glad to know that. I asked a similar question at a meeting of the railways and shipping committee, and received the answer that nothing was going to be done this year in regard to that matter.

Mr. DUNNING: From whom?

Mr. CANTLEY: From yourself, I think, and also from the president of the road. Am I reporting correctly what occurred at that time?

Mr. DUNNING: I do not think so.

Mr. CANTLEY: Will the minister be good enough to tell me what answer was given me?

Mr. DUNNING: I shall be very glad to look it up in the proceedings of the committee.

Mr. CANTLEY: I have given the answer that was given to me, and I think it is correct.

Mr. DUNNING: If my hon. friend will quote from the proceedings of the committee in relation to that matter, then neither of us will have to rely on our memory.

Mr. CANTLEY: I think I am usually able to rely fairly satisfactorily on my memory.

Perhaps the house would like to have some idea of how the Island people themselves

regard the matter. I have here a copy of the Charlottetown Guardian of February 11, 1928, in which reference is made to the Canadian Press report from Ottawa of February 8, and it credits the Postmaster General with the following:

Mr. Veniot declared that the recommendations of the Duncan report had been fully implemented with respect to Prince Edward Island, and this fact had already been pointed out by one of the members from that province.

The article continues:

Hon. Mr. Veniot is evidently acting on the previous statement and assurance given in the house by Hon. John E. Sinclair, that he was entirely satisfied with the way the government had carried out the Duncan report recommendations in so far as it was possible to do.

Such an admission as this sent broadcast throughout the Dominion leaves a false impression and will do the case of Prince Edward Island incalculable injury. As an instance, look at the interpretation the Hon. Mr. Veniot has placed on Mr. Sinclair's statement when he announces "that the recommendations of the Duncan report had been fully implemented with respect to Prince Edward Island."

Is Mr. Sinclair advancing the interests of Prince Edward Island by permitting such unjustifiable statements to be sent broadcast absolutely contrary to the facts? Will any prominent shipper, business man, or farmer in this province endorse Mr. Sinclair's statement?

I will not detain the house by reading the remainder of the article. The matter is again taken up on March 11, when reference is made to the second car ferry and information requested. In the main it follows along the same lines as the preceding article from which I have quoted. I find a third article in which the members for Prince Edward Island on the government side are referred to as "rubber stamps." I will not weary the house by quoting it. It is in short a bitter complaint in regard to the way in which the island has been treated with respect to a second car ferry and the further extension of the standard gauge to the island railway.

Now, I cannot get the minister even to suggest that this year the department will provide an additional boat. Perhaps he will remember at this stage that two additional ferries are proposed for lake Michigan in connection with the western Grand Trunk division of the Canadian National Railways. Perhaps he will inform the house if those boats will be built this year, and if he thinks the interests of our American friends which would be served by those boats are more important than the interests of the people of Prince Edward Island.

One of the observations made by the Duncan commission is:

The outstanding fact, it seems to us, is that the maritime provinces have not prospered and developed, either in population, or in commercial, industrial and rural enterprise, as fully as other portions of Canada.

I propose to give hon. members some figures in regard to the increase in the population of the maritime provinces since confederation. I am going to contrast, in this respect, the three maritime provinces with Newfoundland. It is often said, particularly to our people of Nova Scotia: Had you not come into confederation, what would have become of you; what could you have done outside of confederation? Well, I desire to draw the attention of the house to the facts. In 1861, the year of the last census enumeration before confederation, Newfoundland had a population of 124,288; Prince Edward Island, 80,857; Nova Scotia, 330,857; New Brunswick, 252,047. The three maritime provinces combined at that time had an aggregate population of 663,751. In 1868, the year after confederation, it was estimated to be 771,799, and in 1921, 900,000. Now let me contrast with these figures the population of Newfoundland. In 1861, it was, as I have said, 124,288; in 1868, 131,000; and in 1921, 263,038. In other words, the percentage of increase over the same period in the case of Newfoundland was 112 per cent, while in the case of Nova Scotia it was under 60 per cent, and of New Brunswick under 54 per cent. Prince Edward Island actually lost population to the extent of 5 per cent as against Newfoundland more than doubling their population. The aggregate increase of the three maritime provinces was 36 per cent, contrasted with the 112 per cent increase of Newfoundland. Don't you think we could have got along had we of Nova Scotia remained without the Dominion of Canada? I make the assertion that the Dominion could not have been possible without the province of Nova Scotia; but Nova Scotia could have got along and done very well without confederation, measured by the experience of Newfoundland, where their resources are in no way comparable with those of my native province. Sir Andrew Rae Duncan refers to the fact that the people of Nova Scotia were able to take their place in regard to intelligence, energy and ability with the people of any of the other provinces. Reference has been made to the number of leading statesmen and professional men which Nova Scotia has supplied to the Dominion.

Now, a few weeks ago the Minister of the Interior (Mr. Stewart) made a considerable hullabaloo with reference to what one of his departments was doing in scientific research in the use of powdered fuels. I then

called his attention to the fact that that was an old story in Nova Scotia, where we had been using powdered fuel commercially and in an ordinary manufacturing way for at least fifteen years. Apparently in some directions about all that the minister's department does is to follow up, fifteen years later, work which has been successfully done by commercial companies and manufacturing institutions in other parts of the country. That is notably so with regard to the mining department of this government. A little later some reference was made in this house to a steamer which had made a round voyage from the United States to the old country under powdered fuel. That boat was the first boat in the world to be equipped with boilers fitted to burn powdered fuel. She is owned by the United States Shipping Board, but is operated by a private corporation. Now I hold in my hand a copy of the Morning Chronicle, of Halifax, the Nova Scotia organ of my good friends opposite, in which there appears a report of the trial trip of the steamer Lingan, owned in Nova Scotia by one of the coal companies, and recently equipped with a powdered fuel boiler installation. She is the first boat in the British Empire to have been so equipped, and the second in the world. The first boat so equipped, and to which I have already referred, was equipped by J. F. Page, the manager of the company operating the vessel. J. F. Page was the former superintendent of the Halifax shipyards, and is a son of Captain Page, a well known former shipmaster of River John, Pictou county and at one time in the employ of the Scotia Steel Company, New Glasgow. As I say, he is the man responsible for the first successful operation in the world of such an installation. The outcome of this venture, I have not the shadow of a doubt, will be that the cost of operating these coal boats will be considerably reduced, with this further advantage, that they will be operated entirely on slack coal which, as everyone knows, is today a more or less undesirable product. We use it of course in coking, but for powdered fuel it must be specially treated in exhaust-tube mills and reduced to a very fine powder about the consistency of talcum, with which some of my friends are perhaps familiar. I refer to this matter simply to show that we in Nova Scotia are not backward in any walk of life, and it is not to be suggested that for that cause the maritime provinces have occupied the position which they have unfortunately held for a considerable time.

The Duncan commission made a recommendation in regard to an additional payment, by way of subsidy, of the sum of $870,000. This, they recommended, should be paid forthwith. The Prime Minister (Mr. Mackenzie King) last year told the house that he accepted that recommendation. The house rose in the latter days of April but the Minister of Finance (Mr. Robb), with his Scotch caution, did not pay the amount forthwith; he paid one-half in July and the other half he paid only after some of those participating in the interprovincial conference, which met in the city of Ottawa, had protested against the non-payments of the money. And then, instead of paying the balance which was overdue, he wrongfully, in my judgment, withheld $130,000, being an amount in dispute in regard to a claim which then was and still is sub judice. Are we not justified in Nova Scotia in feeling that we are not fairly treated? I put it to the house, I put it to the minister himself: if he were in our place would he not complain? I take it he would.

My hon. friend from Cape Breton South (Mr. MacDonald) has referred to the iron and steel industry; he has also made some reference to coal and coking plants. I told the house a year ago that the government's proposal in regard to a coking plant was of no use whatever to us. I repeat that statement, and I now wish to point out to hon. members what is taking place in Montreal. A large coking plant is being built there. Now, if the builders of that plant had had any intention of using domestic coal in connection with that installation they would have built the plant in or adjacent to the harbour of Montreal. But what have they done? They have built it on the canal bank where American coal can go directly to the plant, but where it is impossible to bring a ton of maritime coal except by transshipment by barges or railway cars. There is no possible doubt as to what their intention was; they located the plant in a place where it is practically impossible, due to transport charges, to use Nova Scotia coal. And that is all that this legislation will do in the way of assisting the coal industry of Nova Scotia. I pointed that out at the time, and my remarks in that regard have been amply justified by the evidence as stated.

So far as the iron and steel output of the country is concerned, it is unfortunately dwindling. Our March output was about 4 per cent below the output of the previous month. Our entire production of pig iron was only 74,000 tons, and of basic iron only 52,000 tons. In basic iron the amount was 22 per cent less than that of the previous month. The point to be noted is this: foundry iron is used simply for castings of various kinds—machinery castings,

stoves and goods of that sort. The progress of the steel industry is measured by the production of basic pig iron, which is used entirely for the production of steel; and the reduction in output of basic pig iron is, as I have stated, 22 per cent. It has been gradually falling off, while the importations of steel from the United States are increasing year by year and month by month.

I wish to make another appeal to the Minister of Finance to remedy the idiotic customs tariff schedule to which I called attention fifteen months ago. We have seventy items on the free list or with a 99 per cent rebate. Now what is the tariff board doing?—this precious tariff board appointed on the same day as the Duncan commission. What have they reported? If they have made a report the minister has not translated it into legislation. Let me point this out. The minister when appointing the Duncan commission told them that they might consider any extraneous related matter, that the door was wide open so fas as their investigation was concerned; they were not to regard it in any narrow or restricted way. They proceeded with the investigation and after it had been carried on for some time in Nova Scotia they came to Ottawa and were told by the then chairman of the tariff board that, so far as tariff matters were concerned, his board had charge of that feature and that the Duncan commission were not to be allowed to investigate anything touching the fiscal phase of the maritime question. I am disappointed that Sir Andrew Rae Duncan submitted to that attitude and to the curtailment of the scope of the inquiry; he should not have done so in view of the terms of his commission. However, he did, with the result that so far we have had no statement of any kind as to how tariff matters have affected the maritimes. We have no report, so far as we know, from the tariff commission to the minister. If they have reported, the minister has not so intimated to the house; and although the Duncan commission's report has been in the hands of the government since September, 1927, we still have no action as regards the iron and steel tariff or bounties as suggested by the Duncan commission. The hon. member for Cape Breton South (Mr. MacDonald) made reference to the question of the tariff and the bounty called for by the Duncan commission, which would be equivalent to the rebate of the duty on American fuel used in iron and steel making. Why has not that recommendation been implemented? A great deal has been said about the unrest in Nova Scotia.

[Mr. Cantley.]

Mr. DEPUTY SPEAKER: I must inform the hon. member that his time is up.

Mr. CANTLEY: Then I want to say that the incident of a couple of days ago—

Some hon. MEMBERS: Order.

Mr. CANTLEY: —is further evidence that there is no intention on the part of this government to treat Nova Scotia as it should be treated.

Mr. T. E. SIMPSON (West Algoma): The amendment proposed by the hon. member for Cape Breton South (Mr. MacDonald) deals particularly with the implementing of the Duncan report and refers especially to the maritime provinces, but one part of that amendment deals with the iron and steel industry and has a much wider application than the remainder of the amendment. It is that particular section of the amendment to which I desire to refer. I do not intend to detain the house at any length, because I spoke on this question in the early part of the session and placed my views as fairly and as clearly as I could before the government. However, I feel that I would not be properly representing my constituency if I did not take advantage of this opportunity to express my regret that the government have not seen fit to bring in legislation at this session to improve the condition of the iron and steel industry in this country.

Some time ago I directed a question to the Minister of Finance in this connection, and his reply was that the matter was still under investigation by the tariff board. If that is the case it appears to me that it shows an amazing lack of interest on the part of someone in not dealing with this matter more speedily, because it is more than two years since the question of iron and steel was submitted to the tariff board and surely in that period they have had ample time to conduct an investigation and make a report if they propose to do so.

In my opinion, Mr. Speaker, there are aspects of this question with which the government should be able to deal without waiting for any report from the tariff board. I referred to some of these points when I spoke on the matter earlier in the session. For instance, the question of spring and axle steel is one which could be so considered; that steel is used in the manufacture of automobiles in this country and is being imported in very large quantities. We make spring and axle steel in Canada equal to that made in any

other country in the world, but the automobile manufacturers are allowed a drawback of 99 per cent of the duty paid on importations of that article, notwithstanding the fact that they enjoy a protection of from 20 per cent to 27½ per cent on their finished product. Surely it is not necessary to await the report of the tariff board to determine that that situation should be remedied. The minister has already admitted the principle, in speaking on the budget resolutions. The question of a certain grade of cotton yarn was under consideration; it had been free formerly but this year had a duty imposed upon it, and the minister was asked the reason for putting a duty on this article. His answer was that this was the finished product of a certain factory and that finished product was the raw material of another factory in Canada which was enjoying protection, so his point was that this concern manufacturing the yarn should be entitled to a proportion of the protection. Why not apply the same principle to the spring and axle steel which is used in the manufacture of automobiles? That is all we are asking.

Another point which I brought to his attention at that time was the question of structural steel. At present structural steel weighing over 35 pounds to the yard is subject to a duty of 15 cents per hundred pounds, while structural steel weighing under 35 pounds to the yard is subject to a duty of 35 cents per hundred pounds. The steel weighing over 35 pounds is the larger shapes, and at the time that tariff item was framed none of those larger shapes were made in Canada, so we can readily understand the reason for the difference in the duty. To-day, however, several of these larger shapes are made in Canada, and some of our steel plants are prepared to manufacture practically all the larger shapes required in Canada if given reasonable protection. If the same degree of protection is afforded the larger structural shapes that now applies to those under 35 pounds to the yard I think we would speedily see activity in some of our steel manufacturing centres.

Mr. RALSTON: My hon. friend is referring now to the Algoma Steel Company, is he not?

Mr. SIMPSON: Yes, for some time they have been making preparations along those lines. I do not think it is necessary to wait for a report from the tariff board in order to determine a matter of this kind. Then there is another question which has been brought to the attention of the government on several occasions in the last few years, action in regard to which would be of material assistance to the steel industry of Canada; I refer to a bounty on iron ore. The tariff board have nothing to do with that; they have not been asked to investigate that matter, but it has been looked into by a commission appointed by the Ontario government, a commission composed of competent and experienced men, who have made their report. I am not going into details at the moment; that matter has been placed before the government on several occasions in the past.

Mr. RALSTON: Would my hon. friend permit a question just there? Some time ago another hon. member mentioned that commission, and I then asked if he could tell us how much had been paid by the Ontario government in bounties under the legislation or under whatever action was taken following that report. That hon. member could not tell me; does my hon. friend know?

Mr. SIMPSON: The legislation was made subject to the Dominion government making provision for one-half the bounty.

Mr. RALSTON: Then no bounty has been paid by the Ontario government?

Mr. SIMPSON: No. Until the Dominion government makes provision for one-half of the bounty I understand that the Ontario legislation does not become effective.

These are some of the conditions under which the steel industry is labouring to-day. One particular instance comes to my mind, that of Baldwin's Limited, one of the largest steel manufacturing concerns in the British Empire, who built a factory at Toronto for manufacturing certain classes of steel. Although they presented their case to the government at different times they received no assistance, and as a result closed their factory. A little later on I will tell you where they are operating to-day.

Let us see what one of our sister dominions is doing in this regard. The Commercial Intelligence Journal of January 7, 1928, has the following article:

Australian Duties on Iron and Steel Products

In Commercial Intelligence Journal No. 1235 appeared a review of the principal Australian iron and steel industries down to a comparatively recent date. These companies have, for some time, contended that competition, particularly from the continent and to a lesser extent from the United Kingdom, was causing it to be unprofitable—under existing labour and wages conditions—to produce iron and steel products on the basis of a fair return for the capital invested.

The companies stressed that at least some of their processes of manufacture must perforce be discontinued, and many operatives thus thrown out of employment at a time when the country was experiencing the utmost difficulty in finding work for large numbers of men at

present unemployed. Apparently the claims of the companies have caused the government to impose the very high protective duties as enumerated in the appended schedule. These duties, combined with ocean freights, insurance and landing charges, are—with the exception of some lines and products from Great Britain—considered by importers to be practically prohibitive if Australian industries are sufficiently developed to take care of the orders which must necessarily be placed with them for execution.

On the basis of per ton of 2,240 pounds, or at ad valorem rates (as the case may be), the following Australian customs duties became operative on November 25.—

	British Preferential	Intermediate	General
Bar, rod, angle, tee, in state they leave the rolls	£3 10s	£5 0s	£6 0s
Wire rod in coils	£2 4s	£3 5s	£4 0s
Wire, 15 gauge or finer	20 p.c.	35 p.c.	45 p.c.
Wire, fencing 8 to 14 gauge	free	£5 0s	£6 0s
Iron and steel tubes not over 3 in diameter. ad val.	free	5 p.c.	10 p.c.
On January 1, 1929 ad val.	40 p.c.	55 p.c.	60 p.c.
Steel boiler tubes ad val.	free	5 p.c.	10 p.c.
Steel rails, 50 pounds and over per yard	£2 10s	£4 5s	£5 0s

This means $25 per ton duty, under the general tariff, whereas the duty in Canada is $7 per ton.

	British Preferential	Intermediate	General
Steel rails less than 50 pounds per yard	£2 5s	£5 0s	£6 5s
Rolled iron or steel beams, girders, joists, channels and bridge iron or steel	£3 10s	£5 0s	£6 5s

Or $31.50 per ton, whereas the duty on structural steel entering Canada, weighing over 35 pounds per yard is $3 per ton.

As a result of that increase in the tariff, we find an article in the Commercial Intelligence Journal of May 12, 1928, as follows:

Subject to certain formalities now being completed, Dorman Long and Company Limited and Baldwins Limited, England, two of the largest manufacturers of iron and steel in the British Empire, whose products cover every class of iron and steel, also Howard Smith Limited, of Melbourne, who with associated companies have a very large industrial interest in Australia, have decided to join with Hoskins Iron and Steel Company Limited (the proprietors for the past twenty years of pipe and engineering works in Sydney and Brisbane and of iron and steel works at Lithgow) to establish and develop an iron and steel industry at Port Kembla, New South Wales, sixty miles south of Sydney.

It is proposed to call the company the Australian Iron and Steel Company Limited. It will have a nominal capital of £5,000,000 and take over the whole of the undertakings of the Hoskins Iron and Steel Company and the Australian business of Dorman Long & Company, as structural steel engineers and fabricators (exclusive of the Sydney harbour bridge contract). Baldwins and Howard Smith Limited will have substantial holdings.

As a result of the fiscal policy of the government, we find Baldwins, notwithstanding the fact they had built a factory here and had started operations, have closed their factory and removed their activities to Australia where they were given protection on their product.

The conditions obtaining here are such that imports of iron and steel are increasing at an alarming rate. For the year ending March 31, 1925, the importations of iron and steel and their products amounted to $134,684,441; for the year ending March 31, 1926, they had increased to $181,196,800; for the year ending March 13, 1927, $229,429,485; and for the year ending March 31, 1928, $259,573,668. Take March of this year, as compared with March, 1927. In March, 1927, we imported $4,530,527, under the heading of free; and in 1928, $6,360,751, an increase of almost 50 per cent. In 1927, under the heading of dutiable, we imported $24,042,752, and in 1928, $28,694,721. I have no doubt that a considerable portion of the amount shown under the heading of dutiable has been subject to a drawback.

This is a condition, Mr. Speaker, that will have a very serious effect on the steel industry if permitted to continue. This is a basic industry which a country must consider and encourage if it has hopes of developing industrially.

I would urge upon the government the necessity of taking quick action with respect

to relief for the iron and steel industry. So far as structural steel is concerned, I do not think it is necessary to await legislation. My impression is that the government have the power by order in council to apply a duty to structural steel over 35 pounds per yard, the same as is now applicable to steel under 35 pounds per yard. I hope the Minister of Finance will give this matter his serious consideration.

Hon. J. A. ROBB (Minister of Finance): Last evening at the adjournment of the house the Prime Minister (Mr. Mackenzie King) announced that to-day we would go into supply and that among other departments we would take up the consideration of the estimates of the Department of Railways and Canals. I need not remind hon. gentlemen that the estimates of the Department of Railways and Canals contain some items that are of great importance to the maritime provinces. My hon. friend (Mr. Cantley) who seconded the resolution this afternoon devoted considerable time to finding fault with us for what we had not done and he desired certain information from the Minister of Railways and Canals. In so doing he himself contributed for almost an hour to delaying the securing of the information, because the Minister of Railways and Canals when he comes down with his estimates will be prepared to give the house information that I am sure will not be opposed by the people of the maritime provinces. My hon. friends the mover and the seconder of the resolution laboured long and hard to convince themselves that they really have a grievance. They know better than that; they know that the people in the maritime provinces are not in sympathy with all these continual whinings for something more to be done in addition to what has already been done. I do not think they are helping their position very much with the electors of Canada, if we bear in mind all that we have already done in implementing the Duncan report, to delay continually the proceedings of parliament by harping upon this particular question.

The resolution presented to-day is in striking contrast—and I will come to that later—with the resolution on fiscal policy of the Tory party as presented at the Winnipeg convention. They are bolder to-day than they were when they were out on the prairies and I fancy they are bolder to-day even than they would be when they get down to the maritime provinces. The resolution centres about two particular items. One is an increased tariff, a higher duty on steel. I do not think I am misrepresenting their position when I say that. The other is a bounty on steel and a bounty on coal. I am not very sure whether the hon. member for West Algoma (Mr. Simpson), who presented, very fairly I am bound to say, the position of the great industry in his part of the country, is altogether in sympathy with the speeches delivered by my hon. friends from Nova Scotia. I am not sure that he is in favour of a bounty on coal going into the manufacture of steel. I should like the hon. gentleman, or someone else speaking for him to come out now and say whether he is in favour of a bounty on Canadian coal going into the manufacture of steel. I should like to have that point cleared up because it might help me later on to reach a conclusion when representatives of the different industries come before the Minister of Finance and the tariff board, as they came before. What did Sir Andrew Rae Duncan say in regard to the tariff on steel and the tariff on coal? Sir Andrew Rae Duncan knew his position; he knew that he was not the tariff commissioner for Canada, and he was very careful to state his position regarding the question of tariffs. I have under my hand the statement made by Sir Andrew Rae Duncan's board and in it I note the following:

> Several features of the customs tariff in its relation to coal were brought to our attention, both by the government of Nova Scotia and by the operators of the coal mines.

Keep in mind that it was the government of Nova Scotia and the operators of the coal mines who brought this to their attention.

> These we feel ourselves precluded from dealing with, since they are a matter properly to be considered by the tariff advisory board; but we may be permitted to say that we are impressed with the need for reconsideration of the customs tariff in its relation to coal, anthracite and coke, and we recommend that the tariff advisory board should be asked to give immediate consideration to the subject.

That is as far as Sir Andrew Rae Duncan went in his report. He recommended that the tariff advisory board should give immediate attention to the question.

Mr. CANTLEY: Have they done so?

Mr. ROBB: I will come to that in a moment. Sir Andrew Duncan stated further:

> It was submitted that the tendency of the tariff, as affected by successive alterations, has been to lessen the protection upon the primary products of iron and steel and to encourage their importation from other countries as being the raw materials of iron and steel-fabricating and finishing industries in Canada.

What did Sir Andrew Duncan say about that? He said:

> In respect of this matter, we do not conceive it to be our duty to express any opinion, since the question is, as we were informed by the chairman of the tariff advisory board, who met us at our request, at the present moment under the consideration of that board.

Mr. HANSON: How long ago was that?

Mr. ROBB: This is from the Duncan report.

Mr. HANSON: That is two years ago.

Mr. ROBB: Two applications were made to the Minister of Finance to consider the iron and steel duties and the coal duties. One was made by that great corporation of the maritime provinces known as Besco, the British Empire Steel Corporation. The other was made by that company in the riding of the hon. member for West Algoma, the Algoma Steel Corporation. Those applications were made to the Minister of Finance in May, 1926, and at that time the first hearing was had on the applications. At the first public hearing the applicants appeared before the tariff board and they represented that they were under severe competition, particularly from overseas countries. Representatives of the tariff board were sent out to inquire into the allegations made before the board by these two great steel companies, the British Empire Steel Corporation and the Algoma Steel Corporation; but what happened? It was not very long after that until the British Empire Steel Corporation got into litigation; they became involved in a lawsuit, and the tariff board realized, from the attitude of the companies, the division of opinion that existed between the different parts of the companies, that they could not get very far and that no good purpose could be served by continuing the inquiry until after the question was settled. The question was prolonged for some time in the courts and eventually it was settled. The British Empire Steel Corporation was put into the hands of a receiver and under the receiver the management of the company has been so much better that the company is making greater progress than it did under the old management. I am not prepared to say that this is all due to the more efficient management because, as operators of the plant in Nova Scotia, they had pretty efficient management; but the receiver employed good salesmen who went out after business, and I am going to be able to show in a few moments that they secured more business. The tariff board has been waiting until this question was settled to have a further inquiry before it on the applications of the two great companies, the British Empire Steel Corporation and the Algoma Steel Corporation.

But they started something larger than they had imagined. When their application for a higher tariff on iron and steel and coal came before the tariff advisory board for a first hearing, then all the other industries throughout Canada that were interested in that question began to send in requests to the Minister of Finance for a hearing before the board, and the result is that there are now throughout Canada 350 firms interested in this application which originated in May, 1926, and they all want to get a hearing before the tariff board. I can quite understand how my hon. friends argue this afternoon that they would like to have this question settled here in parliament, rather than have to go before the tariff advisory board. I think they ars speaking by the book. I think they are speaking perhaps for some of these big corporations, because no later than April 19 of this year the chairman of the tariff advisory board was advised by the receiver for Besco that they were not interested very much in pushing this tariff application at the present moment. That is why the delay is taking place. The tariff advisory board is anxious to go on with the inquiry, and the government are anxious for the inquiry to go on because we want to get this question cleaned up, but the original applicant, the Besco, I say to my hon. friends who come from that part of the country, have declared that they are not just ready to go on with the inquiry, and they are not pressing the application before the board at this moment. That is why the board has not yet reported.

My hon. friend from West Algoma this afternoon presented the situation as it exists in Australia, with regard to the tariffs which they have recently introduced on iron and steel. But Australia has had a high tariff on iron and steel for some years, and the industry of Australia to-day is suffocated because of the high tariff they have on iron and steel and on other products, and the great mining industry of Australia has been practically standing idle for some time. I observe that my hon. friends hope that by higher and higher tariffs they are going to resuscitate this great industry in Australia, but if I read the press of Australia correctly, the Australians are beginning to think that they are top-heavy with tariff, and that their industries are suffering more from high tariff than from anything else.

Mr. SIMPSON: Then can the minister explain why Baldwin's, Limited, have closed their factory in Canada and gone to Australia, if high tariff is a deterring factor?

Mr. ROBB: Baldwin's got hold of a plant in Canada that was used for making munitions; they got it at a bargain. They had made a lot of money out of it during the war, but I do not think they ever opened that plant since. They had bought it for a song, thinking that they might operate it, but after looking into the matter, they decided not.

Mr. WHITE (London): They operated for a year on sheets.

Mr. ROBB: My hon. friend knows, and I will accept his statement.

The Duncan commission in its survey of the iron and steel industry of the maritime provinces had before them the statistics of that industry for the year 1925, because the commission was sitting during the summer of 1926, and it was only reasonable to suppose that when they were inquiring into that industry they would look up the general statistics of the iron and steel industry of Canada, because my hon. friends must remember that there are other provinces in Canada that are interested in the iron and steel industry besides the province of Nova Scotia. Now, what were the conditions in 1925? I find from the reports of the Bureau of Statistics for the year 1927 that the number of employees in the iron and steel industry increased from 1925 by 15,600; in other words, there are 15,000 more employees in the iron and steel industry throughout all Canada than there were in 1925.

Mr. CANTLEY: Will the minister allow me to correct him? I am quite sure he does not intend to mislead the house, but the figures that he is giving take in all the subsidiary industries that use iron and steel. They do not deal simply with the primary products.

Mr. ROBB: Certainly, and the government has to do with all the iron and steel industries throughout this great Dominion. We cannot legislate for one industry alone.

Mr. MACDONALD (Richmond): You have done it in the past.

Mr. ROBB: Well, we are not doing it now In 1925 the total number of employees in the iron and steel industry, as given by the Bureau of Statistics, was 90,125.

Mr. CANTLEY: That includes all subsidiary iron and steel working and fabricating shops small and large through Canada.

Mr. ROBB: Taking in all the industries, and in 1927 the number was 105,782. The selling value of the products of the iron and steel industry in 1925 was $411,378,640, and in 1927, $515,971,445.

My hon. friend a few moments ago complained of conditions in the coal industry in Nova Scotia. Well, in 1926, when the Duncan commission were considering the coal industry, they had before them the statistics for 1925, and I find that there were engaged in the coal industry of Nova Scotia—I am quoting now the sort of figures that will please my hon. friend from Pictou (Mr. Cantley)—8,333 employees and in 1927, there were 13,975 employees in that great industry.

Mr. MACDONALD (Richmond): There was a strike in 1925.

Mr. CANTLEY: Quote a normal year.

Mr. ROBB: I am quoting the year which the Duncan commission had before them But I will take another year. The number of employees in that great industry in 1926 was 12,100, and in 1927, 13,975.

Mr. MANION: While my hon. friend is quoting statistics, will he give the importations of iron and steel into this country?

Mr. ROBB: I have not that before me. but my hon. friend will find it on the record; it was quoted a moment ago.

Mr. MANION: I know it quite well. It was $250,000,000 in one year.

Mr. LAPOINTE: Then why ask the question?

Mr. MANION: The minister is putting on the record figures that suit him, and I would like the other side put on the record at the same time.

Mr. ROBB: There are more people engaged in the iron and steel industry throughout Canada to-day than there were in 1925.

Mr. MANION: And more people engaged in foreign countries producing the same kind of products.

Mr. ROBB: As I said a moment ago, you are getting pretty far away from the Winnipeg convention. You had at the Winnipeg convention a few sane men who were determined not to get the great Conservative party into a position where they would be strangling the industries of this country, and they framed a resolution. I think I know who framed this particular resolution. I did not sit op-

posite that gentleman for a few years without being able to recognize his style. Here is the resolution:

> This convention desires to record its feeling of pride in the growth and progress and prosperity of Canada, under the historic fiscal policy of the Liberal-Conservative party.
>
> It affirms its adherence to the principles of that policy in its declared objects of stimulating the development of the natural resources of the Dominion; preserving and enlarging the market for Canadian farm products; building up the industries of Canada, and thus creating employment for our workmen, promoting interprovincial trade, and generally providing a diversified economic life which will be effectual in retaining Canada's sons and daughters within our own boundaries.

As to tariff revisions the convention declared:

> In such revisions regard should be had not only to the objects of fiscal policy herein enumerated, but to the welfare of the consumer, and it is desirable in the national interest that in such revisions the cost of living and the cost of the implements used in production, of whatever nature, should be given special and attentive study with a view to the reduction of such costs to the extent practicable.

That is a pretty sound position. Now my hon. friend a moment ago advocated bounties. He said: We want higher duty and bounties, but if we cannot get both we want bounties. I recall the attitude of the Conservative party on bounties. I have before me a speech made by a pretty good minister of finance, Sir Thomas White. In his budget speech of 1914 he said:

> My own view is that bounties are justifiable to call into being new industries where capital, which is always timid as to experimental ventures, requires special inducement to enter upon their development, but after such enterprises have been called into being and firmly established, it is difficult to justify further aid of a direct character.

That was the view of Sir Thomas White when he was Minister of Finance.

Mr. MANION: What was Mr. Fielding's view?

Mr. ROBB: Mr. Fielding introduced bounties for this parent industry to get it started, but as the years progressed he allowed them to lapse, and he had exactly the same view as Sir Thomas White, that when an industry got going it should be able to stand on its own feet.

My hon. friends have referred to the question of reciprocal trade, and although they have not emphasized it very much to-day, I observed from some of the preceding speeches that they were very strong on doing something for the maritime provinces by way of getting larger and better markets for their natural products. I wonder what their policy is to-day. I know the voters in the maritimes are sound on this; they have learned a lesson. But what is the attitude of the Tory party? Is it the same attitude as the party had in 1911? I think it is important that before this debate closes we should know just exactly where the Tory party stand on this question.

Mr. SPOTTON: Mr. Speaker, I rise to a question of privilege. I belong to the Liberal-Conservative party.

Mr. ROBB: There were a good many people in the constituency of my hon. friend who were not just sure where he belonged during the election.

Mr. MANION: They know now.

Mr. ROBB: I am not going over the various votes that have been put through to implement the recommendations of the Duncan report, but I observe that the supply bill is practically padded with votes for the maritime provinces.

Mr. HANSON: Not in my county.

Mr. ROBB: I do not know what county my hon. friend comes from; but notwithstanding the complaints made this afternoon regarding certain warehouses down in Prince Edward Island, I observe that for Georgetown we voted $54,000 odd for the reconstruction of a wharf and frostproof warehouse; for dredging $16,448, and for additional dredging $7,650. With respect to Summerside there has been voted for reconstruction of wharf, $58,497, for dredging $4,972, and for additional dredging $5,400. For Charlottetown there has been voted for the reconstruction of wharf, contract now awarded, $136,000 and for dredging $63,000 odd. So I submit to my hon. friends that the little province of Prince Edward Island has not been badly treated by this government. We have gone a long way, as my hon. friend the Minister of Railways (Mr. Dunning) will prove in a few moments, to implement the recommendations of the Duncan report.

What about the recommendations in that report with regard to the ports in Nova Scotia and New Brunswick? Surely hon. gentlemen opposite have not forgotten their own obstruction when my colleague the Minister of Marine and Fisheries (Mr. Cardin) was trying to put through the different bills for harbours.

Mr. HANSON: There was no obstruction.

Mr. ROBB. There was obstruction in dealing with the Quebec harbour bill which delayed us getting down to the bills relating to St. John and Halifax harbours.

Mr. MACDONALD (Richmond): No, no.

Mr. ROBB: Eventually we got down to the ports of the maritime provinces, and there we advanced $500,000 to one and $5,000,000 to the other.

Mr. SPEAKER: May I remind the hon. minister that I have upheld the ruling made by those who have preceded me in the chair, that an hon. member cannot accuse another hon. member of obstructing.

Mr. ROBB: I bow to your ruling, Mr. Speaker, I shall have to use the word "delay". Now, a moment ago my hon. friend complained regarding the additional vote for subsidies to the maritime provinces. As hon. gentlemen will recall, in the estimates last session there were provided additional votes of $875,000 to Nova Scotia, $600,000 to New Brunswick and $125,000 to Prince Edward Island. Similar amounts are in the estimates this year to be again voted. My hon. friend complains because the Department of Finance did not go directly contrary to the statute and pay out these votes in a lump sum. We paid out these subsidies as we always do, semi-annually. We made the first payment regularly, and when the representatives of the interprovincial conference met here in Ottawa I think two of them made this representation to us: Our annual year ends the last of November: We wonder if you could let us have that money before the first of January. They recognized that it was not due until that date. They were reasonable men. We said: Yes, we have the money and we will make the payments a few days in advance to help you out. But those gentlemen recognized that the Dominion treasury was under no obligation to make the payments earlier than we had made the preceding payments.

Mr. MACDOUGALL: What was the wording of the Duncan report in that regard; was it not that an immediate interim lump sum should be paid?

Mr. ROBB: No, the word "immediate" was not there. Another point hon. members from the maritimes might very well keep in mind. At the interprovincial conference to which I have referred not one of the representatives of the larger provinces made any objection to giving this additional grant to the maritime provinces.

Mr. SHORT: Because they had no right to.

An hon. MEMBER: Why should they?

Mr. ROBB: Not one had any objection.

An hon. MEMBER. Why should they?

Mr. ROBB: The government intend to reconsider these subsidies and place them on a proper basis. What more need I say? My hon. friend finds fault because the tariff advisory board have not yet reported. The fact of the matter is that the main industry in his own province is delaying the inquiry by the board. No one could be more anxious to go on with the inquiry and clean up the matter before next session than the members of the government and of the tariff advisory board.

Mr. EVANS: May I ask the minister a question on the steel industry? The Financial Post of April 20 contains a news item that the government had given a promise to the steel industry that if they could get past the gauntlet of western criticism the government would give them something next year on which the industry could be built up.

Mr. ROBB: I read that article, and if my recollection is correct the article did not state it in the words my hon. friend has indicated. It was a "feeler", put out as an ordinary news item; it was a feeler, I admit. But they did not say specifically that the government had made any promise to them, and if they made that statement they are wrong; the government has made no promise to them. The government has referred this steel inquiry to the tariff advisory board. Some 350 other firms throughout Canada have said, "We want to be heard on this; we are interested. We employ more labour in the steel and iron industry than do the two large steel industries, and we want to be heard". As a matter of fact, in the steel and iron industry of Canada, but 4 per cent are employed in the province of Nova Scotia. I ask, has the government to give no consideration to the other 96 per cent? Have we not some interest in doing what we can, what is reasonable, what the country will support, to keep these other industries throughout Canada employing labour, paying good wages, and thus keeping them as prosperous as they are now?

In conclusion, all I have to say is this. The government are sympathetic to the great iron and steel industry of Canada. We have shown that sympathy, having due regard to all other industries in Canada. And the steel

industry themselves having elected to go before the tariff board, we say to them, "Gentlemen, you must appear before that board and have this inquiry made before next session".

Mr. ADSHEAD: Is my hon. friend aware that the Halifax Herald advertised and asked us to visit the prosperous province of Nova Scotia?

Mr. R. K. SMITH (Cumberland): It is not my purpose to detain the house very long in the few remarks I wish to make. May I say, first, that I associate myself with the mover and seconder of this amendment.

Before taking up what I had in mind discussing in this connection, may I refer for a minute or two to some observations made by the Minister of Finance (Mr. Robb), who has just taken his seat. Towards the end of his address he was asked by the hon. member for Inverness (Mr. Macdougall) whether the word "immediate" was not in the Duncan report in reference to the lump sum payments recommended to be paid the maritime provinces; and the Minister of Finance said that the word "immediate" was not in the report. I have in my hand a copy of the report and at page 19 I find this:

> And accordingly we recommend that immediate interim lump-sum increases—

The Minister of Finance said the word "immediate" was not there.

Mr. ROBB: Read the whole thing.

Mr. DUNNING: Immediate increases.

Mr. SMITH (Cumberland): Exactly; but the Minister of Finance said that the word "immediate" was not there.

Mr. DUNNING: He said "immediate payment" was not there.

Mr. SMITH (Cumberland): That is a rare variety of quibbling with which I am not acquainted. The report states:

> We recommend that immediate interim lump-sum increases should be made in the payments to the three maritime provinces as follows:

Mr. LAPOINTE: That was done.

Mr. SMITH (Cumberland): Not only that, but the Minister of Finance misled the house with reference to what the Interprovincial conference did with regard to the non-payment of these subsidies. My information is that the Minister of Finance was called before the conference, because those who were there, from all over the Dominion, resented the fact that these subsidies had not been paid in full.

[Mr. Robb.]

Mr. ROBB: Will my hon. friend let me nail that right now. It is but fair to the ministers from Nova Scotia and New Brunswick to say that there was nothing of the kind. They came to me quietly and wanted to know whether we were in funds and could let them have the money, so that their books would make a beter showing at the end of the year.

Mr. SMITH (Cumberland): I accept the minister's word immediately. My information was to the contrary.

Mr. DUNNING: Where from?

Mr. SMITH (Cumberland): From those who came representing the province of Nova Scotia.

Mr. DUNNING: From the ministers concerned?

Mr. SMITH (Cumberland): You look at the records, as you said to someone else this afternoon, and you will find the names of those representing Nova Scotia at the Interprovincial conference.

Mr. ROBB: Does my hon. friend say that either Premier Rhodes or Mr. Harrington made that statement?

Mr. SMITH (Cumberland): I have made the statement and I leave it to the Minister of Finance to put whatever interpretation he likes on it. The statement stands.

Now, the Minister of Finance seemed to be annoyed and agitated at the fact that we were holding up the house for a few hours to discuss the question of steel and coal in the province of Nova Scotia. We have been waiting since confederation for fair play in Nova Scotia, and neither the Minister of Finance nor any other member on the other side of the house has any right to get up and complain because we occupy a few hours in order to put our claims before this honourable body. Another point the Minister of Finance made was that we were whining with regard to what had not been done. If we are whining—

Some hon. MEMBERS: Hear, hear.

Mr. SMITH (Cumberland): Someone on the other side say "hear, hear". If we are whining, the boards of trade all over Nova Scotia are whining. They have sent resolutions to every member from Nova Scotia complaining that the Duncan report had not been implemented in full; and I am sure the house will be surprised to know that one of these resolutions was signed by the president of the Liberal association of Nova Scotia.

If we are doing a little whining in connection with the matter, whining has been done by others in Nova Scotia as well.

The Minister of Finance also went into the question of the high tariff wall on iron and steel in the commonwealth of Australia and stated that they were ready to abandon that high tariff because they thought it was interfering with their business in that country; and he made some odious comparisons between Australia and Canada. If you want to get at the basis of the development of the steel industry in any country, the most glowing example is the United States. When they established their steel industry they put their tariff high enough to shut out all competition. And what are we up against in Canada? A few days ago I saw in the newspaper that we imported $300,000,000 of iron and steel products in the last year, while our own steel industry, one of the primary industries in this country, is idle—the foundries in Sydney and other places in Nova Scotia, for instance. It does not seem to me that the policy of this government is one that is of much benefit to the steel and iron industry or to the Dominion of Canada, when we have to send three hundred millions of our good dollars annually over to the United States, importing steel and iron products into this country.

There is another point in connection with this steel industry. The primary steel industry of Canada enjoys a protection of less than 10 per cent, while the other steel industries—the finished product—enjoy a protection of around 30 per cent. We are trying to struggle along with a protection of under 10 per cent; and the way we are struggling is tragic, sending $300,000,000 a year to other countries for iron and steel products.

Mr. ADSHEAD: Are the dollars there?

Mr. SMITH (Cumberland): I suppose they are there; they were sent there. I think they usually keep what they get.

Mr. ADSHEAD: That is more than all Canadian currency.

Mr. SMITH (Cumberland): You can suit yourself if you can get comfort out of that. Now, we in supporting this amendment are not merely speaking our own minds when we advocate the implementing of the Duncan report in toto; we are voicing the sentiments of the people of the maritime provinces. We are not at all ashamed to come forward and say that we were promised that this report would be implemented in full, and we certainly know in the maritimes that it has not been implemented in full. The Prime Minister (Mr. Mackenzie King), making a statement in the house last year, implied that the report, with regard to steel and coal, would be implemented in full as soon as the big steel and coal company question was decided and the litagation settled. These things have all taken place, yet we are nearing the end of another session of parliament with no legislation brought down and nothing done to implement the Duncan report in that particular. The Postmaster General (Mr. Veniot), speaking in the city of St. John last fall, said that what the government was going to do for the steel industry in the province of Nova Scotia during the coming sesssion would make every citizen of the maritime provinces proud. Well, we have waited to see what was to be done, but up to the present nothing has been done and from the remarks of the Minister of Finance I judge that nothing will be done, because I rather took it from his remarks that he considered we were getting more than we were entitled to at present.

Mr. QUINN: They will recommend it to the Civil Service Commission.

Mr. SMITH (Cumberland): Yes, or perhaps to the tariff board. Now, Mr. Speaker, I have to refer to only one other matter, and that is the question of coal. During the present session I placed a question on the order paper asking if the Canadian National Railways owned a coal company in the United States. The answer was that they did, that it was taken over when the assets of the Grand Trunk Railway were taken over by the Canadian National Railway. In that same answer I found that this company supply coal to Canada to the extent of about 300,000 tons annually. It seems to me that this government has not grasped the true national spirit with respect to coal and steel in Canada. I have given the figures with respect to the money sent to the United States to bring steel to this country, and it is well known that a tremendous sum of money, over $100,000,000 yearly, is sent to that country to bring coal to Canada. It is also a well known fact that many of our coal miners and steel workers are out of employment but still the Canadian National Railways, which is a branch of this government, owned by the Dominion of Canada, operates a coal mine in the United States and sells coal back to our Canadian people; probably it is used on the Canadian National railway. I believe that in justice to the people of this country the Canadian National Railways should be instructed by this government to dispose of property of that kind in the United States, which is being operated in direct competition with our own coal mines and to the detriment of our coal miners in Canada.

Hon. J. A. MACDONALD (Kings): Lest the remarks of the Minister of Finance leave the impression that all the grievances of the maritime provinces have been settled, I feel it necessary to say a few words in connection with the failure of the government to implement the Duncan report particularly as it affects the province of Prince Edward Island. First, however, I wish to express appreciation for what has been done, and to say that in connection with certain important recommendations the government have done very well. However, having in mind the remarks of the Prime Minister when he dealt with this matter a year ago, in which he said that the government were accepting the recomendations of the Duncan commission practically in their entirety, I want to call attention to some very important matters which have not been dealt with.

In connection with the transportation system of Prince Edward Island the Duncan commission reported:

> There are two features of transportation as it affects Prince Edward Island that call for special mention...
>
> The railway administration admitted that there was substantial foundation for much of the complaint we heard in Prince Edward Island with regard to the railway service there. It appears that in view of the character of the roadbed and the succession of heavy curves and heavy grades, the difficulties which railway operations incur, and the inconvenience which the public suffers, cannot be quickly and substantially lessened without a measure of capital expenditure.

Further on they say:

> Such improvements as the railway administration could effect, if they had to be undertaken out of the revenues appropriated to the Atlantic division each year for maintenance, would take a long time to complete.
>
> We recommend that the railway administration should be asked to make a survey of what is required in this connection, and that the department should make capital provision for the improvements to be undertaken within the shortest possible time.

A year ago I placed a question on the order paper in this regard, and the answer I received stated that the question of capital expenditure on the Prince Edward Island railway was dealt with by the Duncan commission, which recommended a survey, and that the situation in this regard was under investigation. More than a year has passed since then, yet we come to parliament again and find not a dollar in the estimates to provide for this work which was recommended to this government almost two years ago.

I would like to call the attention of the minister to some of the handicaps under which we are suffering there, not only with regard to that part of the system which is still on narrow gauge but also to those sections which have been given a so-called standarization For instance, on some of the standardized sections last year the roadbed was in such a condition that even minimum carloads could not be shipped; less than a minimum carload had to be shipped on account of the condition of the roadbed, and the result was that in many cases of which I have personal knowledge shippers were obliged to pay the minimum carload rate for less than a minimum carload of produce. That is one feature in connection with the roadbed, and there are others; traffic necessarily moves slowly and it takes many more cars to carry these small loads than would be the case if the roadbed were put in good condition.

Then consider the part which has not been standardized. The people who have to use the Murray Harbour branch of the railway, which is still on narrow gauge, are handicapped to a very large extent, and certainly they will not agree with the Minister of Finance when he says that redress has been made for all the grievances. Consider the conditions with which these people have to contend. First we find that since a large proportion of the shipments consist of perishable articles such as potatoes and turnips, these people are up against frost conditions early in November. They have practically no protection against that and the result is that when the market becomes really active, in the latter part of November and December, which is the best time of the year for them, as a rule they are unable to ship at all. Then these products have to be transferred to standard gauge cars at Charlottetown, even under the best conditions, which involves delay and extra labour as well as injury to the produce by reason of this extra handling. This is a grievance for which nothing has been done; nothing is provided in the estimates to remedy this condition.

A very serious matter, and one which affects the whole of the island more than anything else, is the car ferry. In this connection the Duncan commission reported that the ferry boat service was unsatisfactory, and they recommended that a second car ferry be placed in the service. They also said:

> We further recommend that, so far as the ferry boat service is concerned, it should not be run as part of the railway operations, but should be run by the railway administration under separate account for the department.

With regard to the need for improved service I would like to give a few figures to show the great increase in traffic which has taken place recently. In 1922 the car ferry carried 11,452 loaded cars; in 1926 that number increased to 15,925 and in 1927 to 19,827, or an increase of about 25 per cent from 1926

to 1927. In addition, it was necessary to ferry over 5,000 empty cars, because as everyone knows, with a seasonable product such as potatoes, you must ferry over empty cars in order to bring them back loaded, as there is no demand for perishable products in Prince Edward Island which would bring the refrigerator cars loaded. The average is about 70 cars per day, and one boat has been obliged to handle this. If the traffic was spread over the whole year, so that there would be only an average of 70 cars per day, the boat would be able to handle them, but the traffic is seasonable and a great bulk of it has to be moved in the months of November and December. The boat operating with a double crew, twenty-four hours per day, every day of the week, including Sundays, has not been able to handle the traffic. The railway management has done everything possible in that regard, and last year there were no complaints with regard to the shortage of refrigerator cars during the fall months, until the middle of February when a shortage occurred.

Mr. DUNNING: And they handled more business than ever.

Mr. MACDONALD (Kings): Yes, I would like to quote from a report given out on April 3 by W. U. Appleton, general manager of the Atlantic region:

From the date of the opening of the shipping season in October last to the 31st of March, this year, the Canadian National Railways car ferry has moved from Prince Edward Island to the mainland over 1,000 more carloads of potatoes than were carried across in the season of 1926-27. Up to March 31st, inclusive, there were 3,832 carloads of potatoes ferried from the island province; for the same period last season there were 2,781, thus an increase of 1,051 carloads. Before the shipments of this season are completed the total will have reached 4,000, if not exceeding that number.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

PORT HURON AND SARNIA BRIDGE COMPANY

On the order:

Second reading of Bill No. 42, to incorporate the Port Huron and Sarnia Bridge Company.—Mr. Odette.

Mr. SPEAKER: I have been informed by the hon. member that this bill is to be dropped.

Mr. E. G. ODETTE (East Essex) moved:

That the order for the second reading of Bill No. 42, to incorporate the Port Huron and Sarnia Bridge Company, be discharged and the bill be withdrawn, and that the fees and charges paid thereon be refunded less the cost of printing and translating the said bill.

Motion agreed to and bill withdrawn.

CANADIAN-AMERICAN INTERNATIONAL BRIDGE COMPANY

On the order:

Second reading of Bill No. 47, to incorporate Canadian American International Bridge Company.—Mr. Edwards (Ottawa).

Mr. SPEAKER: I have also been informed that this bill is to be dropped.

Mr. A. J. MACDONALD (Glengarry): moved:

That Bill No. 47, to incorporate Canadian American International Bridge Company, be discharged and the bill be withdrawn, and that the fees and charges paid thereon be refunded less the cost of printing and translating the said bill.

Motion agreed to and bill withdrrawn.

ST. CLAIR TRANSIT COMPANY

The house resumed from Friday, April 13, consideration of the motion of Mr. Goodison for the third reading of Bill No. 23, to incorporate the St. Clair Transit Company.

Motion agreed to and bill read the third time and passed.

SUN LIFE ASSURANCE COMPANY OF CANADA

The house resumed from Tuesday, April 17, consideration in committee of Bill No. 56, respecting the Sun Life Assurance Company of Canada—Sir Eugene Fiset—Mr. Johnston in the chair.

On section 1—Increase of capital.

Mr. LADNER: This bill has been thoroughly considered by the banking and commerce committee, whose function it is to go into the details of all the sections. Certain compromises were arrived at and the vote resulted in an overwhelming majority for the passing of the bill. The bill was likewise considered in committee of the house on one occasion for nearly an hour and in view of the general knowledge of the bill and its purpose I move that it be now reported. An opportunity for discussion can no doubt take place on the third reading.

Mr. CHURCH: The other night when the bill was in committee I had the floor and I had not concluded my remarks.

The CHAIRMAN: The motion is not debatable.

Mr. SPENCER: I rise to a point of order. This Bill has never been reprinted as it came from the committee and therefore I do not see that we are in a position to discuss it.

The CHAIRMAN: The point raised by my hon. friend is not well taken. There has been no order issued that the bill should be reprinted. The motion for reporting the bill is carried.

Motion agreed to and bill reported.

Sir EUGENE FISET moved the third reading of the bill.

Mr. SPENCER: Next sitting.

Some hon. MEMBERS: Carried.

Mr. T. L. CHURCH (Toronto Northwest): When the house was in committee the other night I spoke for about five minutes in opposition to the bill. This bill has been a football in parliament for some years. When the bill was reported back to the house, we had quite a debate on it. This particular company has been coming to parliament for many years seeking favours. In my opinion this bill is a sample of the way in which insurance companies have been playing fast and loose with the legislation of the country and the sooner we have a new insurance act making it compulsory for all these companies to be under sound public control, the better. This particular company came to parliament first away back in 1865 and got a charter under chapter 43 of the statutes of that year. It came back in 1870 and got another act passed, chapter 58, along the same lines. Not satisfied with that it came back again in 1871 and got another act passed, chapter 53. It came back again in 1882, when chapter 100 of the statutes was passed and again in 1897 when chapter 82 of the statutes was passed. Now it comes along with this bill No. 56, section 1 of which reads:

> The capital of the company shall be five million dollars, and the unissued portion thereof may be issued from time to time by the directors in such amounts as they may deem in the interests of the company.

Clause 2 of the bill provides:

> Except as hereinafter provided no sums in excess of twenty-five per cent of the amount subscribed thereon shall be called by the directors or received by the company as payment on account of any shares of the capital stock which may be hereafter issued, except under the authority of and in accordance with the terms of such general enactment, if any, as may be passed by the parliament of Canada dealing with all life insurance companies which have a capital stock and derive their powers from the said parliament of Canada, unless the capital of the said company should at any time become impaired, as defined in subsection two of section seventy of the Insurance Act, or the company should in any year fail to declare dividends to the holders of its participating policies.

In the explanatory note on the opposite page of the bill it is pointed out that subsection 2 of section 70 of the Insurance Act reads as follows:

> The capital of a company shall be deemed to be impaired when its assets, exclusive of its paid-up capital, are less than its liabilities calculated according to the requirements of this act.

I would point out, Mr. Speaker, that the Superintendent of Insurance was opposed to this bill. Then by clause 3 it is provided that the par value of the shares shall be $10. We all know what an increase that will mean.

Then clause 4 distinguishes between different classes of shares, and provides for the approval of the transfer of the shares.

Clause 5 deals with the surrender or exchange of the shares, and the underlined portion of clause 5 reads:

> as many fully paid shares of "Class B" stock as may be by said by-law provided, but the paid-up value of the shares of "Class B" stock which may be so given as payment or in exchange shall not exceed by more than twenty-five per cent the paid up value of the shares surrendered. The shares thus surrendered shall ipso facto become "Class B" stock and may be reissued as such by the company.

So by legislation they are going to change one class of security for another, and we are being asked to interfere with the ordinary commercial transactions of the sales of the shares of this company.

Clause 6 deals with the sale of shares to employees and policyholders, and according to an explanatory note in the bill as reprinted the words "but not more than one hundred of such shares may be so sold to any one person," at the end of section 6 are omitted, at the expense, no doubt, of the policyholders, as has been done before, and for the benefit of the shareholders.

Clause 7 provides that the stock qualification of a director shall be twenty-five shares of the capital stock.

I wish to protest, Mr. Speaker, against the passing of this bill. I do not think it is in the public interest that this house should lend itself to passing this class of legislation. I have a motion of which I have given notice already for the six months' hoist. Canada has been a very happy hunting ground for the Sun Life Company. Talk about what the Sun Life has done for Canada; what has Canada done for the Sun Life? The com-

pany has taken away the premiums paid in by those policyholders who have allowed their policies to lapse. If a soldier who has come back from the war finds himself out of work and unable to pay his premiums, then the company, if his policy has not run for three years, keep all the money he has paid in, and what this and other life companies receive in this way runs into hundreds of thousands of dollars. The Sun Life is not investing its money to develop Canada alone, but it has investments all over the civilized world. The company is a law unto itself. It comes to parliament and gets amendments to its charter which are not within the four corners of the general Insurance Act or sound insurance. There should be a national policy evolved with respect to insurance and for the regulation of insurance companies. A resolution was introduced into this house two years ago with regard to the way in which not only this company but many other insurance companies are able to evade the law not only with regard to lapsed policies, but in regard to their general business policy all along the line we need a national insurance policy. More restrictions should be placed in the Insurance Act, or the act will be more effective than the Bank Act was some years ago. I do not suggest that this particular company is to blame, because it is in a good financial position and I believe it is well managed, but I do object to this parliament passing legislation of this kind for the benefit of a company which utilizes its money, not for the development of Canada alone particularly, but for investment purposes all over the world to suit its own purposes.

Mr. H. E. SPENCER (Battle River): I had little idea that this bill would come up so soon this evening, and little idea that it would come up in the way it has. I did expect to see a reasonable discussion upon it, because it is not only an important bill but a very contentious one. The hon. member who moved that the bill be reported knew perfectly well not only that the bill was a contentious one, but that amendments have been proposed against it, and therefore I wish to protest vigorously against this sort of procedure.

We all admit that the Sun Life is a very large company, and that it has done well for its policyholders, but I do not know that it has done more for its policyholders than many other companies; in fact, I do not think it has done quite so much.

We are also told that this company is a great asset to this country. I would like to ask, what makes a company of any description a great asset to any country? I would think that it was because of one of three things. I would say that this company was a great asset to this country if it insured a large number of our citizens at a reasonable rate. Or it might be a great asset if it distributed profits to a large number of shareholders. Or it might be a great asset to this country if it invested a large amount of its money in Canadian industry. If any of these three things were true with regard to the Sun Life, I would say that it was a great asset to this country, but what do we find? With regard to issuing insurance at reasonable rates, I am informed on the best of authority that its terms are no better than those of the average life insurance company, and not as good as some. Furthermore, instead of insuring the Canadian public in large numbers, I find that only a very small percentage of this company's business is done in Canada. According to a statement of my hon. friend who sits near me, the hon. member for St. Lawrence-St. George (Mr. Cahan), which will be found at page 2412 of Hansard of 1927, sixty-three per cent of the business of this company was at that time done outside of Canada, and possibly seventy-five per cent of its business will be done outside this country within a year's time. According to correspondence now made public between the president of this company and the Insurance department, an even greater percentage of the business of this company is done outside Canada.

With regard to distributing its profits to its shareholders, here again we find a weakness, because the shareholders are not so very many after all. Out of 20,000 shareholders, we find that 51 shareholders control no less than 13,926 shares, while 524 shareholders control only 6,074 shares. So on that ground the company falls down in being a great asset to this country. In the third place, how much of this company's money is invested in Canada? This is a very important point, because we are everlastingly hearing of the need of bringing capital into this country. With regard to the capital of this company and its investments, I was surprised to find that although it claims to be such an asset to Canada it has invested its funds very largely in other countries. Now, if the company has so much at heart the interests of Canada, why does it not invest its capital in Canadian industries? Instead of doing this, we find that in the United States alone the company is interested in no less than 233 American concerns, and its foreign investments total over two hundred million dollars.

Mr. HAY: May I ask the hon. member how much of the company's insurance is written in Canada and how much in other countries?

Mr. SPENCER: According to the president of the company, not more than 15 per cent of its insurance is written in Canada.

Mr. YOUNG (Saskatoon): How much of the company's capital is invested in this country?

Mr. SPENCER: I have informed the house how much the company has invested outside —two hundred million dollars. I have not under my hand the total of its Canadian investments. I understand the main purpose of this bill is to enable the company to increase its capital. Why is this desired? Because, say those who represent the company, the directors are afraid of Americans buying up sufficient of the stock to secure control. But the directors are not at all timid of investing millions and millions of dollars in American concerns. As to the bogey of Americans getting control, I would remind the house that out of twenty thousand shares of stock Americans hold only 2,058 shares. So there does not appear to be much danger of control of the company passing into the hands of United States interests.

Mr. McGIBBON: Where does my hon. friend get his figures?

Mr. SPENCER: From blue books, from the evidence taken by the banking and commerce committee, and from the department of insurance.

Mr. McGIBBON: Of what date?

Mr. SPENCER: I cannot give the exact date, but they are the latest figures that I could secure. With regard to the capital of the company, there is a difference of opinion among the legal lights. In the early days the company had a life branch and a general branch, and two million dollars capital was allocated to each. In the course of time one of these branches was dropped and the company carried on with just two million dollars capital. This was ample, for as with all good insurance companies, the capital eventually became infinitesimal as compared with the total assets. As to whether the capital is actually two million dollars or four million dollars, I have seen a copy of a letter from the Justice department stating that the correct figure is two million dollars. It is interesting to note how the capital of two million dollars was paid up. To the end of last year cash payments were made to the amount of

$305,000, plus stock bonuses of $845,000, plus premiums of $120,000. As against this they have built up from the premiums paid by the policyholders a huge investment of nearly $500,000,000. I understand that the original charter of the company gave the directors complete control over the transfer of shares unless they were fully paid up.

Mr. IRVINE: Mr. Speaker, I rise to a point of order. On April 13, during the hour devoted to private bills, Bill No. 23, to incorporate the St. Clair Transit Company was before the house, and I moved an amendment to the bill—

Mr. SPEAKER: The hon. gentleman will be in order in raising his point after the debate on this bill is concluded.

Mr. SPENCER: I understand that up till January 1 this year the shares were not fully paid up, with the result that the directors had it entirely in their own power to prevent control of the company passing into the hands of Americans. But about that time it is said the directors invited the shareholders to pay up the balance owing on their stock. The stock being now fully paid up, the directors have lost, voluntarily, the only means they had of retaining the shares absolutely in the hands of Canadians. That seems to me to be a complete answer to their expressed fear of control of the company passing into American hands unless this increase of capital is granted.

I am opposed to the bill being passed in its present form because the proposed increase of capital would be a decided hardship on the policyholders. To-day the company is paying to its shareholders 25 per cent. An increase of capital is not needed. If authority is granted for the proposed increase, the proceeds will have to be reinvested, and even if the directors succeed in finding securities to return as high as 6 per cent, the policyholders will have to make good the balance of 19 per cent to continue the dividend at 25 per cent. Naturally the shares of the Sun Life Company have become very valuable. To-day I understand they are over the two thousand dollar mark. Therefore it looks very much as though this were another of those beautiful companies who largely water their stock, buying new stock at par and making a very good rake-off for the present shareholders—to the loss, of course, of policyholders. One shareholder alone, I understand, controls 2,441 shares.

An hon. member when in committee claimed that the company needed to increase its capital because, without increased capital, it would

not be able to sell insurance. I have a splendid answer to that argument. I have before me a statement in regard to ten of the largest American insurance companies, eight of which are mutual companies. For the benefit of the house I am going to give the totals of these insurance companies, and I will give the mutual companies first. The total assets of these companies are, respectively:

Equitable, New York	$ 966,825,151
Mutual Benefit	483,871,975
Mutual Life, New York	861,924,534
New York Life	1,401,076,822
Northwestern Mutual	781,604,915
John Hancock	451,006,878
Metropolitan	2,388,647,636
Prudential	1,789,266,620

I have given the mutual companies. The next two, both stock companies, are:

Aetna Life	298,071,087
Travelers	393,630,498

You will observe that the two last concerns, stock companies, are smaller than any of the other eight I have given, which are all mutual. I contend therefore that it is no argument to say that the Sun Life needs this extra capital to enable it to sell life insurance.

As I understand that some hon. members wish to speak on the bill I will not take up further the time of the house except to move an amendment. Before submitting this amendment, however, I notice that the Minister of Finance, speaking in the house a year ago, in reply to some criticism that had been made against the Superintendent of Insurance of the Dominion, made the following statement:

Mr. Chairman, I do not rise to offer any defence of the Superintendent of Insurance. That gentleman requires no defence from any person in the insurance field of Canada. He is recognized as a fearless official who is afraid neither of the wealthy company nor of the company on the verge of bankruptcy.

Later on he said:

We will take care of the policyholders, for after all it is their money that provides the capital. I want to say that the policyholders' investigations into the Sun Life Company have been well managed and I am proud of the company. At the same time I believe that 15 per cent is not an ungenerous interest on the investments.

I am very keen on opposing this bill for another reason. In my seven years' experience in this house and in the banking and commerce committee we have found the members of that committee always very ready to listen to the Superintendent of Insurance. They look upon him as a man on the top of the tree of insurance, a man thoroughly to be relied on, a man whom the government of any country can be proud to have in the civil service. His opinion has always been taken, except in this one instance; he has always been listened to with deference by the committee. But what do we find with regard to the Sun Life bill? After watching the committee for seven years I find now, that notwithstanding that the Superintendent of Insurance—a man, I say, at the top of his profession—has warned us against this bill and shown us its weakness, giving the various reasons why it should not be passed, he has been ridden over roughshod. I say therefore that we have a just right on these grounds to oppose the bill being rushed through the house, and I move, seconded by the hon. member for Peace River (Mr. Kennedy):

That the said bill be not now read the third time but that it be referred back to the committee of the whole for the purpose of amending it:

That section 2 be deleted and the following substituted therefor:

(1) The shares of the capital stock hereafter issued shall, to the extent of at least ninety per cent thereof, be allotted fully paid to the policyholders' directors of the company, to be held by them in trust for the participating policyholders of the company, and an amount equal to the par value of the shares so allotted shall be charged to the participating fund of the company.

(2) The said shares hereafter issued shall rank equally as to dividends and otherwise with the shares of the capital stock heretofore issued, and dividends payable on the shares allotted in trust as aforesaid shall be credited to the participating fund of the company.

(3) At any annual or special general meeting of the company the shares so allotted in trust may be voted by the policyholders' directors of the company.

Sir EUGENE FISET: Is not the amendment which my hon. friend has just read exactly the same amendment he proposed in committee and which was refused by the committee?

Mr. SPENCER: What on earth has that to do with it?

The house divided on the amendment (Mr. Spencer), which was negatived on the following division:

YEAS

Messrs:

Allan,	Descoteaux,
Arthurs,	Dunning,
Bancroft,	Evans,
Bettez,	Fafard,
Bird,	Fansher (Last Mountain),
Boucher,	Fansher (Lambton East),
Boulanger,	Gardiner,
Bourassa,	Garland (Bow River),
Bradette,	Gershaw,
Carmichael,	Glen,
Church,	Hepburn,
Coote,	Irvine,
Denis (St. Denis),	
Desaulniers,	

Jelliff,
Kennedy,
Luchkovich,
Macdonald (Glengarry),
Macphail (Miss),
Mercier (St. Henri),
Milne,
Morrissy,
Neill,
Robb,
St-Père,
Speakman,
Spencer,
Tobin,
Ward,
Woodsworth.—42.

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Auger,
Barber,
Bell (St. John-Albert),
Bennett,
Benoit,
Blatchford,
Bock,
Bouchard,
Bourgeois,
Bowen,
Boys,
Brown,
Cahan,
Cannon,
Cantley,
Casgrain,
Chaplin,
Charters,
Clark,
Cowan,
Delisle,
Denis (Joliette),
Deslauriers,
Dickie,
Duff,
Edwards (Waterloo South),
Elliott,
Ernst,
Esling,
Euler,
Fiset (Sir Eugene),
Foster,
Garland (Carleton),
Girouard,
Goodison,
Grimmer,
Guthrie,
Hanson,
Hay,
Jenkins,
Johnston (Long Lake),
Jones,
Kaiser,
King (Kootenay East),
Ladner,
Laflamme,
Lang,
Lapointe,
Letellier,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLean (Prince),
McLean (Melfort),
McGibbon,
McGregor,
McIntosh,
McKenzie,
McPhee,
McQuarrie,
Manion,
Matthews,
Maybee,
Motherwell,
Odette,
Parent,
Perras,
Pettit,
Power,
Quinn,
Ralston,
Raymond,
Rennie,
Roberge,
Robinson,
Robitaille,
Ross (Kingston City),
Ross (Moose Jaw),
Ryckman,
Sanderson,
Séguin,
Senn,
Short,
Sinclair (Queens),
Smith (Cumberland),
Smith (Stormont),
Spence,
Spotton,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stinson,
Stirling,
Sylvestre,
Telford,
Totzke,
Vallance,
Veniot,
White (London),
Wilson (Wentworth),
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—106.

PAIRS

Mr. ADSHEAD: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted I would have voted for the amendment.

[Mr. Spencer.]

Mr. SPEAKER: The question is now on the third reading of the bill.

Sir EUGENE FISET: Next sitting of the house.

Mr. GARDINER: I would call attention to the fact that it is after nine o'clock.

BUSINESS OF THE HOUSE

ST. CLAIR TRANSIT COMPANY—RESCISSION OF ORDER FOR THIRD READING

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I rise to a point of order. I wish to direct your attention to the fact that on April 13 I moved an amendment to Bill No. 23, to incorporate the St. Clair Transit Company, which was then up for discussion during the hour devoted to private bills. My amendment was discussed and when the hour for private bills expired it was still under discussion, and no vote had been taken. Tonight this bill came up again and was passed through the house without the amendment having been put. I therefore move, seconded by Mr. Jelliff:

> That the order for the third reading of Bill No. 23 and act to incorporate the St. Clair Transit Company, be rescinded, and that the said bill be placed on the order paper together with the amendment thereto by Mr. Irvine for consideration at the next sitting of the house.

Mr. SPEAKER: I must explain to the house that when I took the chair at eight o'clock the first three private bills on the orders of the day were called and then the house proceeded to consider Bill No. 23, to incorporate the St. Clair Transit Company. There was nothing on the order paper to indicate that there was an amendment to the bill; I looked around the chamber at the time because I had a vague recollection that an amendment had been moved to this bill some weeks ago by the hon. member for Wetaskiwin. The hon. member was not in his seat, however, and as I have already said the amendment was not indicated on the order paper. I have ascertained since that the hon. member did move an amendment, and the question should have been put on that amendment first. Therefore, in fairness to the hon. member, I may say that his motion is in order, and the order for the third reading of Bill No. 23 should be rescinded. Mr. Irvine moves that the order for the third reading of Bill No. 23, an act to incorporate the St. Clair Transit Company, be rescinded, and that the said bill be placed on the order paper, together with the amendment thereto by Mr. Irvine, for consideration at the next sitting of the house. The house will under-

stand that there is a place where one must apply fairness, and there is evidence of a mistake due to an error made by the clerk who prepares the orders of the day.

Mr. LAPOINTE: In order to be fair to the promoter of the bill, I suggest that this bill be put first on the order paper.

Mr. SPEAKER: The bill should be restored to first place on the order paper, and I will give the necessary instruction. The clerk who prepared the order paper did not mention the amendment, and therefore we were all induced to error. Strictly speaking, notice of motion should be given, but I think both sides of the house will understand that in fairness to the hon. member for Wetaskiwin this motion should carry.

Sir EUGENE FISET: I would call attention to the fact that when the hon. member rose to a point of order during the discussion on the Sun Life bill, I lost about two minutes of the time left for the discussion of that bill. I ask you, Mr. Speaker, to report the bill at the next sitting of the house, and I think in fairness to the Sun Life bill that the hon. gentleman's bill should come first and that the Sun Life bill should keep its place on the order paper and come second on the list of private bills.

Mr. SPEAKER: As I have stated, it was due to a mistake by the clerk who prepares the orders of the day, that the bill was read a third time, and that bill must be put exactly where it was. Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Motion agreed to on division.

PRIVILEGE—MR. KAY

Mr. W. F. KAY (Brome-Missisquoi): I rise to a question of privilege. In to-night's Ottawa Journal I find the following report of what occurred this morning in the committee on immigration and colonization. The headlines read:

McMurray "Astounded and Stunned" by the Coldwell Charges. Not Sworn in Giving Evidence.

Further down is another headline: "Not Under Oath," and then follows:

Mr. McMurray did not give his evidence under oath. This fact was pointed out by Hon. J. W. Edwards.

I wish to state, Mr. Speaker, as chairman of that committee, that Mr. McMurray was sworn by myself in the same manner as every other witness is usually sworn. The hon. member for Frontenac-Addington (Mr. Edwards) asked if Mr. McMurray had been sworn, and I informed him that he had. I trust the Ottawa Journal will publish this denial and give it as much prominence as was given to the statement to which I have just referred.

Mr. EDWARDS (Frontenac): I may say, Mr. Speaker, that the statement made by the hon. gentleman is absolutely correct.

SUPPLY—STEEL INDUSTRY

The house resumed consideration of the motion of the Minister of Finance (Mr. Robb) for committee of supply, and the proposed amendment thereto of Mr. MacDonald (South Cape Breton).

Hon. J. A. MACDONALD (Kings): When the house rose at six o'clock I was discussing the royal commission's report. I was showing how the transportation recommendations in connection with Prince Edward Island had not been carried out, particularly in regard to the standardization of the roadbed, and the ferry steamer. I was arriving at the point where I was endeavouring to show the increased traffic which had taken place during the past few years, and emphasizing the fact that the need for a second car ferry had arisen on account of the increase in traffic itself, regardless of any other condition.

Prince Edward Island was induced to go into confederation by the promise of a continuous and efficient steam service—mark the word "efficient"—being established and maintained between the island and the mainland winter and summer, thus placing the island in continuous communication with the railway systems of the Dominion. Until this car ferry went into service about the year 1915 no reasonable attempts had been made by the various governments to implement this promise. For five, six, seven and eight weeks we had been isolated from the mainland, without any connection whatever by steam, as promised under the terms of confederation. The car ferry did very well for a time, and gave what might fairly be regarded as efficient service. After all, "efficient" is a comparative term, and what might be efficient to-day might not be efficient to-morrow. That is what has happened to the car ferry; she was efficient when she undertook this service, but the traffic has increased to such an extent that it is physically impossible for one boat to handle it. Consequently the need for a second car ferry, as recommended by the Duncan commission, has become acute.

In addition to the fact that the need is quite apparent from the standpoint of increased traffic, there is another aspect of it which is perhaps even more important. This matter was referred to by the hon. member for Pictou (Mr. Cantley) this afternoon, and I will not attempt to cover the ground he did in connection with the danger to a single boat. This boat has to fight heavy ice day and night for months at a time, and every person will realize the great strain which that causes. The boat is now thirteen years old, and is liable to accident at any time.

This is the only channel of communication with the island, and the matter, therefore, is vital. Should anything happen in the winter time which would result in the interruption of communication we might reach the point where we would have to face cold and hunger on Prince Edward Island. Before this car ferry was put into operation the merchants all over the province stocked up big sheds full of coal and warehouses full of foodstuffs of all kinds to carry through the winter, in anticipation of being tied up from six to eight weeks. That system is now a thing of the past. We no longer stock up for winter needs; we depend on having a steady stream of coal cars, flour cars, feed cars for our stock, and all other necessities coming through day by day on this car ferry. It an accident happened to that boat we would be faced with cold and hunger. I do not think I need go any further along this line; but in view of the large expenditures which are being made by the government in various directions, some of which are not at all necessary or at all events not nearly so necessary as this, the government should at this session of parliament have inserted in the supplementary estimates an item which will take care of the needs of Prince Edward Island in this regard.

The car ferry steamer cannot be built in a month or a year. Supposing an item is inserted in the estimates this session, the earliest date at which we could expect to have a second boat would be probably the fall of 1929. I am not speaking in any critical or political sense; I have already expressed my appreciation of the work that the railway management has done, and before closing I wish to finish a quotation, which I had started to read before six o'clock, from a statement made by Mr. Appleton, general manager of the Atlantic region, in connection with the difficulty of serving the province under present conditions. Mr. Appleton said:

> Everything that is at all possible is being done to facilitate the movements of potatoes from Prince Edward Island and the shipments by the car ferry of the Canadian National this year are greater than at any time in the history of the road.

He went on to say:

> Whatever shortage of cars there may have been at times they were caused by such circumstances that were quite beyond our control.

He said further that during the present season more than 4,000 empty refrigerator cars had to be ferried across in order to carry away potatoes from Prince Edward Island. He said further:

> While providing this service for Prince Edward Island we were also endeavouring to meet demands for refrigerator cars from Nova Scotia, New Brunswick and Quebec which demands in the aggregate are equal to the requirements of Prince Edward Island.

That will give hon. members some idea of the situation with which a single car ferry has to cope. According to Mr. Appleton, as many refrigerator cars are required in Prince Edward Island as in the three large provinces of Nova Scotia, New Brunswick and Quebec combined.

Mr. SPEAKER: Perhaps the hon. gentleman will explain what relevancy his remarks have to the amendment before the chair. I should think they would be more relevant in a debate that might take place on the items in the estimates when considered by the committee of the whole house. I do not just at present see the relevancy of his remarks.

Mr. MACDONALD (Kings): The Duncan commission which was under discussion this afternoon gives as one of its recommendations:

> Prince Edward Island car ferry.—The terms and conditions upon which Prince Edward Island was admitted into confederation in 1873 contained the following provisions:—
>
> "Efficient steam service for the conveyance of mails and passengers to be established and maintained between the island and the mainland of the Dominion, winter and summer, thus placing the island in continuous communication with the Intercolonial railway and the railway system of the Dominion".

It goes on to say:

> The present car ferry affords a much improved service as compared with that which the island formerly enjoyed, but in recent years traffic and freight have considerably increased, and will continue to increase, particularly at certain seasons of the year.

An so on. I was discussing the car ferry service.

Mr. SPEAKER: Of course the main argument was about the steel industry. The hon. gentleman was discussing the Duncan report generally. That explains the relevancy of his remarks.

Mr. MACDONALD (Kings): I understood that the amendment referred to the report

of the Duncan commission. I was discussing the demands on the car ferry. Mr. Appleton further stated that at one time there were 400 unfilled requisitions for refrigerator cars for potatoes. Hon. members will realize that when there is a ready and good market for perishable products, if you cannot get them moved the chances are that you will lose heavily, and that is what has happened.

As I said a moment ago, I am not speaking in a critical or political sense; I am speaking for the purpose of making as sincere, honest and earnest a request as I can to the Minister of Railways and to the government to provide those much needed facilities and, as regards the car ferry, a vital need for the people of Prince Edward Island, not only because of the recommendations of the Duncan commission but because the honour of the parliament of Canada in regard to the terms of confederation is at a stake. If there had never been a Duncan commission, we would have had a right to insist on account of the terms of confederation itself.

Mr. T. L. CHURCH (Toronto Northwest): The resolution of the hon. member for South Cape Breton (Mr. MacDonald) calls upon the government to implement in full the recommendations contained in the Duncan report, particularly the recommendation relating to the steel industry. That hon. gentleman in my opinion is correct in the statements that he has made. This is not the first time that we have had a recommendation from a commission or a committee of this house; we had commissions or coal committees appointed in 1923, 1924, 1925 and 1926 to consider the industries of steel and coal in the maritime provinces. Those industries in the maritime provinces are in a precarious and withering state. The coal and steel industries all over the whole world are in a precarious state to-day owing to the disturbance of the industrial equilibrium after the war and owing to economic conditions. The maritime provinces have been suffering for many years on this account and hon. members on this side have been for five or six years bringing this coal and steel matter to the attention of parliament. Recommendations have been made but not one of them has been implemented.

You cannot deal with the steel industry in the maritimes without considering the allied coal industry; they are one. The amendment calls for implementing in full the recommendations of the Duncan report, particularly in regard to the steel industry. There is only one way in which to solve the ills of those two basic industries in this country and that is the way in which they solved them in England after the war. When England found that she was losing to the Hamburg yards the steel, coal and ship building orders, what did the Baldwin government do? They adopted exactly what those on this side of the house have been arguing for in season and out of season, namely, a safeguarding of industries act in the way of subsidies, bonuses and subventions, so as to give proper protection for those two industries. That is a system of subventions, subsidies and bonuses, which is the backbone of the Duncan report for the relief of the maritime provinces. Coming from Ontario I may say that central Ontario is clamouring for steel and coal from the maritime provinces, but owing to the difficulty of transportation and the high freight rates on the water and rail or all-rail routes for the cartage of coal and steel to central Canada, the maritime provinces are losing hundreds of thousands of dollars' worth of tenders. In the city from which I come they found in some cases that these commodities in parts could be brought in duty paid cheaper than they could be brought from the maritime provinces owing to the heavy freight rate, both by all-rail or water and rail routes.

When this report was before the house last year I understood that the house was unanimous in regard to it. It was not looked upon as a party matter; everybody felt that some degree of protection should be given to these industries to put them on their feet. So far as the maritime provinces are concerned they are basic industries and we should adopt a principle of protection, of subventions, subsidies and bonuses to put those industries on their feet and let them weather the storm once and for all time. Is it not better to do that than to have the men in these industries go to the United States? It is the same with the shipbuilding industry. We have had information recently with regard to a shipbuilding firm in Collingwood and the maritimes. The men in the shipbuilding industry in this country have had to go to the United States to earn a living, and that is a condition of affairs that should not be. We entered into a contract with the maritime provinces at confederation, and no matter what the cost may be, no matter whether it be borne wholly or in part by this country, I say that we should go to the help of the steel industry, just as Stanley Baldwin did in England. In England they spent $100,000,000 a year to put one of these industries on its feet—the coal industry—rather than have strikes and labour difficulties, and have the industry go to the wall. I urge upon the government to do

something for these two particular industries. We have had committees of the house inquiring into the coal question and into the steel question, and they recommended the encouragement of the movement of coal from the maritime provinces by rail and water during the season of navigation of central Canada. The committee adopted the principle, and the house accepted it, and voted $150,000 in subventions to help in the movement of coal from the maritime provinces to central Canada, but the navigation season ended before all that money was spent. But I repeat, the house had adopted the principle of that form of assistance for the coal industry. I say to the people of the maritime provinces that the people in the central provinces of Canada are just as much interested in putting the steel and coal industries on their feet as are the people of the maritime provinces, and are just as much interested in solving the problems of those industries as in solving those of central Canada. I do hope that all parties in this house will get together and give to the maritime provinces what is long overdue, something in the way of a safeguarding of industries act, to place these native industries on their feet for all time to come.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I think it ia great pity, Mr. Speaker, that the opposition members from the maritime provinces should paint such a picture of blue ruin as relating to that part of Canada. I appreciate, of course, the fact that they are in this house largely through the clever exploitation of the legitimate grievances of the people of that part of Canada, and through the invention by hon. members opposite of grievances that had no foundation in fact, and their great fear to-day is that in consequence of the manner in which the present government has implemented the recommendations of the Duncan commission they will lose that political grievance which has hitherto been so fruitful to them. I offer in evidence against their contention of ruin in the maritime provinces a wrapper, covering the chief Tory paper in the province of Nova Scotia, and in large type, for everyone to read, at the top of the wrapper appear these words: "Halifax the capital city of the prosperous province of Nova Scotia." I wonder whether the newspaper published in the interest of hon. gentlemen opposite is more to be relied upon than some of the statements to which we have been listening this afternoon and this evening in relation to that part of Canada? As a matter of fact, looking back, my hon. friends opposite were not always as fond of the Duncan commission as they appear to be now. I well remember that when it was proposed to appoint a commission to look into the grievances of the maritime provinces, my hon. friends opposite condemned the proposal utterly, and would have none of it; in fact, they talked very plainly about refusing to have anything to do with the commission when it was appointed. But to-day on every occasion when a maritime province Tory gets up to address the house, he uses the Duncan commission report as if it were holy writ. They want now every inch of it in every particular.

Mr. CANTLEY: Why not?

Mr. McGIBBON: It was a stolen Conservative policy.

Mr. DUNNING: Well, if my hon. friend thinks that one of the Conservative policies has been stolen by this government, that is at least evidence that something very substantial has been done in carrying out the provisions of the Duncan report; otherwise, the policy could scarcely be a stolen policy.

This afternoon my hon. friend from Pictou (Mr. Cantley) was labouring hard to inflate this grievance again and give it force in the maritime provinces, and in order to do so, he very dramatically asked me a question and sat down on his chair to wait for my reply. It was a question which he knew perfectly well would be a proper one for me to deal with when the estimates of the Department of Railways and Canals were before the committee, and he was in fact, by taking up the time of the house, preventing the Department of Railways and Canals getting its estimates before the committee of supply for consideration. With regard to the matter to which my hon. friend referred, he stated that during the proceedings of the special committee on railways and shipping owned and controlled by the government of Canada he had asked me a question, and had asked the president of the road a question, with regard to a new ferry for Prince Edward Island. My hon. friend stated that the answer he received on that occasion was that nothing would be done this year. He plainly stated that this afternoon. I have in my hand the stenographic printed report of the proceedings of the special committee on railways and shipping, and I am sure that what I am about to read as an extract from those proceedings can be confirmed by the hon. member for Queens (Mr. Jenkins), who is a member of that committee. I read from page 47 of the report of the proceedings of that committee:

Mr. Cantley: What are you doing about a new ferry for Prince Edward Island?

Sir Henry Thornton: These ferries are owned by the government, but we have the strengthening of our ferry service under consideration, but we have not determined definitely with the government what to do. There has been a good deal of talk, and with some merit, that there should be an additional ferry, not only to take care of the increased business, but to provide a more positive service in the event of one ferry going out of service for some unanticipated reason.

Mr. Cantley: I would like to know what you are doing about it. Have you ordered another boat, or are you going to?

Sir Henry Thornton: I do not know whether we are going to order one or not; that is under consideration.

Mr. Cantley: Who will know, the minister?

Sir Henry Thornton: The minister and I will probably talk about it, and decide what we had better do.

Mr. Cantley: Have you talked about it?

Sir Henry Thornton: Oh, yes.

Mr. Cantley: What has been done?

Sir Henry Thornton: Nothing as yet. May I round up the situation by saying this; the traffic to and from Prince Edward Island is increasing.

Mr. Cantley: This ferry boat is 13 or 14 years old and she may break down at any time, and the island is dependent on one boat.

Sir Henry Thornton: It is not quite as bad as that, but there is a measure of truth in what you say. The situation is receiving serious consideration, and is not going to be overlooked.

Mr. Cantley: But nothing was done this year?

Sir Henry Thornton: Nothing this year.

"Nothing this year"—referring to the year that has passed.

Mr. CANTLEY: No, no.

Mr. DUNNING: The whole matter under discussion before the committee that day was with reference to the work done by the Canadian National during the past year. As a matter of fact, my hon. friend well knows, and the members from Prince Edward Island on this side of the house are in the best position to confirm it, that the question of a second car ferry for Prince Edward Island has been receiving the attention both of the Canadian National Railways and of the department for more than one year past. The members who sit on this side from the Island have on several occasions waited upon myself, and have waited upon the management and officials of the Canadian National Railways, in connection with that matter, and were always given to understand that determination with respect to the matter would be reached by the goverment before the supplementary estimates were presented to the house. That was the information given on every occasion when representations were made to me with regard to the matter.

Mr. CANTLEY: Will the minister allow me a question?

Mr. SPEAKER: Order.

Mr. DUNNING: My hon. friend made his speech this afternoon.

Mr. McGIBBON: Surely the minister is not going to refuse to answer a question?

Mr. DUNNING: Oh, is it a question?

Mr. CANTLEY: Yes.

Mr. DUNNING: If it is a question, all right.

Mr. CANTLEY: Does the minister not know that my question referred to this year, not last? I was not foolish enough to ask whether the government were going to provide a boat last year when I knew they had not.

Mr. DUNNING: I leave my hon. friend's language to the judgment of the house. This is his language:

Mr. Cantley: But nothing was done this year?

"Was done this year."

Mr. CANTLEY: Exactly; you made—

Mr. SPEAKER: Order.

Mr. DUNNING: My hon. friend can explain that as much as he likes, but he well knows, as other members from the maritime provinces know, the matter of the second car ferry has been under consideration by the government during the whole period.

Mr. CANTLEY: I am perfectly able to correct your answer.

Mr. SPEAKER: Order.

Mr. DUNNING: I will let my hon. friend make another speech.

Mr. CANTLEY: I will make another speech when I wish to.

Mr. DUNNING: I was about to say that Sir Henry Thornton on that occasion could not make a more definite reply than he then made.

Mr. CANTLEY: Not so ambiguous as your own.

Mr. SPEAKER: Order.

Mr. DUNNING: Sir Henry Thornton could not on that occasion make a more definite reply than he had made, because the decision of the government in regard to the matter had not then been reached. And I can tell my hon. friend that the tactics followed by him and his associates do not in general tend to induce a government to do the things they ask for.

Their manner of proceeding is not that which usually produces the result desired. We are giving consideration not to the request of my hon. friend—

Mr. CANTLEY: I am not going to be lectured.

Mr. SPEAKER: Order.

Mr. DUNNING: —but to the representations which have been continuously and courteously made by the hon. members who sit on this side of the house representing three-fourths of the seats in that province.

Mr. BENNETT: Shame.

Mr. SPEAKER: Order.

Mr. DUNNING: I may say quite frankly that I have, as Minister of Railways and Canals, recommended to my colleagues a provision in the supplementary estimates for the sum of one million dollars for a new car ferry for the Prince Edward Island—mainland service.

Mr. BENNETT: Mr. Speaker, it is not customary to disclose discussions between a minister and his colleagues antecedent to the estimates being introduced in this house.

Mr. DUNNING: My hon. friend is quite correct; but I may tell him that the cabinet to-day decided I should make the statement that I have just made.

Mr. BENNETT: They cannot do it. It is against the oath of office which the minister takes.

Mr. CANNON: Why did they ask you this afternoon?

Mr. DUNNING: I am surprised at my hon. friend's attitude in view of the fact that hon. members opposite were asking me to answer the question all the afternoon; now I am wrong because I have answered it.

Mr. McGIBBON: You are wrong because you have violated your oath of office.

Mr. SPEAKER: Order.

Mr. CANTLEY: It is good news anyway.

Mr. DUNNING: They object for one very good reason: it removes one more of the political grievances to which they owe their seats in this house. As I said at the outset, they hold their seats by virtue of the exploitation and the exaggeration of grievances,—

Some hon. MEMBERS: Oh no.

[Mr. Dunning.]

Mr. DUNNING: —and they are fearful lest those grievances will be removed to an extent which will prevent them ever coming back here again.

Now with respect to the coal matter. This afternoon my hon. friend from Cumberland (Mr. Smith) introduced the question of the ownership by the Canadian National Railways of a coal company in the United States —which ownership, by the way, was not acquired by the Canadian National Railways as such, but by the old Grand Trunk during the period of private ownership, and the property came to the Canadian National Railways with the rest of the assets of the Grand Trunk system. My hon. friend complains because the Canadian National Railway retains that property and so obtains coal from its own subsidiary in the United States. If his argument means anything, it means that he believes that it would be good business for the Canadian National Railways to take coal from Nova Scotia even further west than it does now for railway use. That is what his argument means if it means anything. As a matter of fact, the retention of the ownership of this coal company by the Canadian National Railways is fully justified if only for the purpose of supplying coal to the United States lines of the system.

Mr. SMITH (Cumberland): If the minister will permit me; Is there not more coal supplied by that company to the Canadian side than to the American side?

Mr. DUNNING: I have not the figures in my mind.

Mr. SMITH (Cumberland): There is, according to the return.

Mr. DUNNING: According to the return there well may be. But I would point out—this is a matter of good business as well as justice to the maritime provinces—that the Canadian National Railways to-day uses Nova Scotia coal as far west as Belleville in Ontario and as far west as Cochrane in northern Ontario. If the Canadian National Railways was a privately owned concern, most certainly that would not be done. And it is a very grave question, Mr. Speaker, as to how far we should insist on discharging our national obligations through the medium of a publicly owned business institution instead of through this parliament. If we have national obligations toward the maritime provinces—and I for one have always admitted that we have national obligations of a peculiar and distinctive character—then I say those obligations should be discharged by this parliament through the medium of the government, and

we should not load those obligations upon an institution like the Canadian National Railways, which we are trying to have conducted in a businesslike manner to enable it to compete with other institutions doing a similar business in a similar way.

Mr. McGIBBON: When did you change your mind?

Mr. SPEAKER: Order.

Mr. DUNNING: I have not changed my mind, Mr. Speaker. That is the view I have held of Canadian National Railway operation, and the best proof of this is found in the Maritime Rates Act of last session, introduced by me on behalf of the government, which contains that principle very plainly.

Mr. McGIBBON: May I ask the minister a question?

Mr. DUNNING: Yes.

Mr. McGIBBON: Will he deny that he did not condemn that very thing in his campaign speeches during the last two elections?

Mr. DUNNING: No.

Mr. McGIBBON: I will produce the proof in parliament.

Mr. DUNNING: I shall be very glad to have the proof produced, that I at any time advocated a different principle.

Mr. McGIBBON: I will produce it in parliament.

Mr. DUNNING: I should like my hon. friend to produce it now if he is so sure.

Mr. McGIBBON: Your leader did the same thing.

Mr. SPEAKER: Order, please.

Mr. LAPOINTE: What is he talking about?

An hon. MEMBER: He doesn't know what he is talking about.

Mr. DUNNING: It is always easy to tell when an argument is getting home to my hon. friends; they interrupt with a question which is not a question, but designed to throw one off the track, to upset the tenor of one's discourse. I will enunciate the principle again. It does not much matter whether I ever advocated anything different; I have no recollection that I ever did. The principle is sound: If this country has obligations towards the maritime provinces, those obligations should be discharged through the medium of this parliament and this government, and should not be laid on the Canadian National Railways. That is the principle in brief.

The Duncan report in the matter of railways makes a recommendation with respect to the St. John and Quebec railway in the province of New Brunswick, and also another recommendation that negotiations be reopened in connection with the Kent Northern railway in that province. When the Dominion-provincial conference was held last year a number of the provinces had problems to present having to do with the ownership of railways by the provinces—railways which had proven to be a burden to their owners, and which they desired should be taken over by the federal government and made a part of the Canadian National Railway system. It was then understood that the Dominion government would give consideration to the needs of the provinces in connection with this particular matter. It is interesting to note that no one of the provincial railway problems is exactly like any other one of them. There are great diversities in the nature of the problems presented. As a result of consideration by the government, Sir Henry Thornton, the president of the Canadian National Railway system, was authorized to negotiate with the governments of the various provinces affected, and also with respect to some privately owned railways which, in the opinion of the governments of some of the provinces, it would be in public interest for the Canadian National system to take over. These negotiations, in the nature of things, are complex; they cannot be concluded in a moment. Very naturally each province wants to make the best possible deal that it can; and, on the other hand, the president of the Canadian National system is concerned to have in mind always the interests of that system in dealing with the provinces or with anyone else in a matter of this sort. The negotiations are not yet completed with respect to any one of these properties, but I am hopeful that they will be completed and that the government will be able to give consideration, during the recess, to these particular railway acquisition problems, with a view to some action being taken at the next session of parliament. It may even be possible that under existing legislation something may be done during the recess with respect to some of these properties.

Now, with regard to the Maritime Rates Act, I desire to give the house some information touching the operation of that legislation. A few weeks ago supplementary estimates were presented to the house for the fiscal year 1927-1928, which ended on the 31st day of March last. The supplementary estimates

which passed this house prior to the end of last fiscal year had to do with the operation of the Maritime Rates Act for a period of only six months. It will be remembered that the Maritime Rates Act became operative on Dominion Day last year, so that there were exactly six months, from July 1 to December 31, to be provided for during the last fiscal year. The supplementary estimates were set out exactly in accordance with the terms of the Maritime Rates Act, and provided for $421,654.56 to be paid to eleven different railways other than the Canadian National, and $931,809.89 to be paid to the Canadian National on account of the 20 per cent reduction which had been in effect for six months. In other words, the Dominion government paid to the railways, for the first six months' operation of the Maritime Rates Act, on account of the 20 per cent reduction alone, a total sum of $1,353,464.45. What does that mean? It means that the people of the maritime provinces paid $1,353,000 less freight rates during that six months than they would have paid had the Maritime Rates Act not been passed. That is exactly what it means. It means that the people of Canada paid, on account of freight charges due in the maritime provinces under the normal rate, a contribution of $1,353,464.45 during that period of six months.

Now, I do not want anyone to accuse me of regarding this as charity. I have stated in this house, and publicly outside, that I do recognize, that the government recognizes, that the Maritime Rates Act was based upon a principle of fundamental right; and this amount paid by the Dominion government on account of maritime province freight bills is paid, not a a matter of charity, but as a matter of right, having regard to the national and strategic considerations surrounding confederation, mentioned and dealt with so fully in the report of the Duncan commission.

Mr. MacDONALD (South Cape Breton): If it is a matter of right, does the minister not think that the government should extend it some years back?

Mr. DUNNING: I do not know how it would be possible to get the advantages of the 20 per cent cut on the individual freight bills of the people of the maritime provinces during the past number of years. That question never was raised, either last year or at any other time, with respect to any retroactive feature of the freight rates legislation; nor did the Duncan report recommend any retroactive consideration in connection with it. So much, then, for the Maritime Rates Act as relating to the first six months of its operation.

With respect to the present calendar year, we have to deal with the matter on the basis of the calendar year for the reason that the railways affected use the calendar year in their accounting. In the main estimates now before the house, the separate sheet dealing with the Canadian National Railways contains also, on the back of it,—page 4—provision for the anticipated expenditure by the Department of Railways and Canals, under the Maritime Rates Act, for the calendar year 1928; and that amounts to the following sums: To railways other than the Canadian National, $1,050,000; to the Canadian National on account of the 20 per cent reduction alone, $1,930,000. This means that the 20 per cent reduction is estimated to cost the treasury of Canada in 1928 $2,980,000. That will be the contribution by the treasury of this country to the freight bills of the maritime provinces during the year 1928. In addition to that, I enunciated a little while ago the principle that a national obligation should be discharged nationally and not through the medium of a business organization such as the Canadian National Railways. For that reason the Maritime Rates Act last year provided that, in addition to voting the 20 per cent provided for in the act, the whole of the deficit on the Atlantic region of the Canadian National, as defined in that act, should be separately voted to the Canadian National. Why? Because of the very fundamental of the Duncan report in that particular: because of what is mentionad there on page 21:

> That to the extent that commercial considerations were subordinate to national, imperial and strategic considerations, the cost would be borne by the Dominion and not by the traffic that might pass over the line.

With respect to this region, without taking any account of the 20 per cent, it is well known that there is a deficit in operation—a deficit in operation which, according to the Duncan report, is created by reason of national, imperial and strategic considerations. Sir Sandford Fleming sets out the considerations: greater length of line and other uneconomic factors in connection with the building of the railway but which were important national, imperial and strategic considerations. We have taken the ground therefore that the Canadian National is not the body which should be charged with the cost of these national, imperial and strategic considerations, but that the treasury of Canada should be charged with such costs and should pay to the Canadian National annually the amounts

involved. And that is the reason the estimates are presented in this manner; that is the reason why the Maritime Rates Act contains the provision to which I have referred. It was discussed in the house a year ago when the act went through and the principle of it was conceded at that time. May I also say regarding it that it has this additional merit of presenting to the people of the maritime provinces and to the people of the rest of Canada an accurate picture year by year of the result not only of the operation of the 20 per cent reduction in freight rates but also of the general operation of the Atlantic region of the Canadian National Railways, which is affected by traffic conditions in the maritime provinces. Year by year it will be possible for us to gauge whether or not the 20 per cent reduction has produced and is producing an increase in traffic which is having an effect in reducing the general deficit of the region. That is one result which I am anticipating as a consequence of the greater prosperity which my hon. friends opposite deny but which the Halifax Herald affirms is taking place in the maritime provinces. I should therefore include the whole vote in my statement: For the year 1928, including the amount be voted for the general deficit on the Atlantic region and also including the amount chargeable to the 20 per cent reduction, we are asking the house to vote in the main estimates the sum of $7,398,644.50 on account of the Maritime Freight Rates Act, to be paid to the Canadian National Railways to the extent of $4,418,000 and to other railways to the extent of $1,050,000.

Now I shall come back to Prince Edward Island. My hon. friend from Kings (Mr. Macdonald) this afternoon said that nothing was being done on the Island in connection with the Island railway, and that the Duncan report recommended large expenditures and great improvements there. It is only fair to the Canadian National system and to the government to point out that the Island railway was originally a narrow gauge line, that it has been gradually brought up to standard gauge and that in bringing it up to standard gauge very large expenditures are necessary first on terminal facilities, to provide properly for the accommodation of standard gauge equipment. In that connection I may say that while my hon. friend complained that no expenditures were being made and that nothing was being done, in the railway estimates for this year appears an amount of $110,000 to be expended on the new terminal at Charlottetown and another amount of $47,000 to be expended on the new engine terminal at Summerside. Yet my hon. friends talk about nothing being done. As a matter of fact there is a steady improvement by the railway authorities of the railway facilities of Prince Edward Island, and that is well known to hon members who come from that province. Of course the people down there, like people everywhere, would like to see everything done at once; they would like to see it all done in one year, but we must look after the interests of this whole country. We are providing in the supplementary estimates for a new car ferry, which was admitted by my hon. friend to be the most serious problem affecting the island, remembering the possibility of the existing ferry going out of business and also considering the very great increase in traffic resulting from the increased prosperity of the island and the increased production as well. If we deal with that problem during the coming year and also proceed to deal with the terminal question at Charlottetown and Summerside, I am quite willing to leave the record of the government in regard to the Duncan report as it affects Prince Edward Island in the hands of the good people of that province, to let them judge whether or not we have done our duty in that regard.

I do not think there is anything further to say with reference to this matter as it affects the railways, and I would simply say in conclusion that my hon. friends opposite had better start on some constructive work, because I can assure them that they will have mighty little in the way of grievances to capitalize politically in the future in the maritime provinces.

Mr. I. D. MACDOUGALL (Inverness): Mr. Speaker, I do not intend to follow the Minister of Railways (Mr. Dunning) in all his mental contortions and acrobatics, at which I will admit he is very adept. However, I feel that I am voicing the sentiments of the people of the maritime provinces when I publicly congratulate the hon. gentleman upon having experienced a most remarkable change of heart, of mind, and of disposition, in reference to the maritime provinces. Not very long ago we heard from the mouth of the hon. gentleman words concerning the maritime provinces which do not very well fit in with his pious professions to-night. Not many months ago, in the city of Regina, as quoted by one of his own newspapers, he publicly declared that the only rights the people of the maritime provinces possessed were the rights to be born, to have a free ride on the Intercolonial Railway, to be married and to die. I congratulate my hon. friend, for whom I have the highest regard—

Mr. DUNNING: On a point of order, Mr. Speaker, I must again insist on the opportunity to deny the statement just attributed to me by my hon. friend.

Mr. MACDOUGALL: I shall certainly accept the word of my hon. friend, because there are very few gentlemen in this house for whom I have an equally high regard. But I must tell him that he should carry that correction to that newspaper in Regina which is supposed to be one of his best supporters.

Mr. DUNNING: I did.

Mr. MACDOUGALL: However, my hon. friend has said that we who come from the province of Nova Scotia owe our positions in this house to the fact that we have exploited maritime grievances. I wish to disagree slightly with the phraseology employed by my hon. friend. We owe our positions in this house to the fact that we stood up for maritime rights and condemned the conditions under which the maritime provinces laboured, while the hon. gentleman and his party were ridiculing and abusing us for saying that the maritime provinces had any rights at all under confederation. It is to that we owe our positions in this house, and that is why we will hold those positions for many long years to come.

Now, sir, before coming directly to the resolution before the house I wish to deal, and perhaps with some feeling, with the remarks made by the Minister of Finance (Mr. Robb) in the very spavined intellectual performance to which he treated this house before dinner. In the course of that belaboured speech, which for some years to come will be the very best campaign material we on this side of the house could desire, he declared that we from the maritime provinces who press for one hundred per cent fulfilment of the Duncan commission report are whining. Let me tell my hon. friend—and I do not make this a party issue—that every man and every woman in the maritime provinces, irrespective of creed or political belief, Liberal, Conservative, Progressive and Labour alike, demand and expect to-day that the Duncan report will be implemented to the extent of one hundred per cent. When he declares that we who voice the sentiments of these people, Liberal and Conservative alike, are whining, he indirectly says that the people of the maritime provinces are whiners. Let me say, Mr. Speaker, that I fling that insult back in his teeth. Let me say that we who come from the province of Nova Scotia come here representing a province which has honourably performed an honourable part. We come from a province which has the distinction of being the first province on British North American soil to introduce the principle of responsible government. We come from a province which in the days that have gone made vast sacrifices to act as the buffer between Upper and Lower Canada on which was to be broken racial and religious prejudices. We come from a province which by dint of self-sacrifice made possible the consummation of Canadian confederation.

I want to say to the Minister of Finance, and I am glad that he is now in his seat, that when we come asking for a one hundred per cent implementation of the recommendations made by a tribunal appointed by this very government, an impartial tribunal which adjudicated upon our claims and brought in a report in our favour, we do not come to this parliament as mendicants or beggars. We do not come to this parliament begging the crumbs that may fall from your legislative table; we come as self-respecting people spurning your charity and your pity. We come asking for justice.

Mr. SPEAKER: I do not wish to interrupt the hon. member, but he has used an expression which is unparliamentary, and imputed an insult to the Minister of Finance. Bourinot says that no hon. member is allowed to attribute to other hon. members the intention of insult.

Mr. MACDOUGALL: Ever since I came into the parliament of Canada, whatever distinctions I may have had in other regards, I have always attempted to be amenable to the rules of parliament. I certainly shall submit to your Honour's ruling in this matter, but when the Minister of Finance (Mr. Robb) refers to the people of the maritime provinces as whiners, in my judgment it is an insult to those people who have played an honourable part in confederation.

Mr. ROBB: I said I was sure the electors of the maritime provinces did not share the views advanced by the hon. gentleman.

Mr. MACDOUGALL: I shall leave my hon. friend in the judgment of Hansard to-morrow morning.

I agree with your ruling, Mr. Speaker, and I submit to it. I feel that at the next election the people of the maritime provinces will vindicate the position I have taken.

In reference to the resolution introduced by the hon. member for South Cape Breton (Mr. Macdonald), I rise to give it my support. I believe it has behind it one hundred per cent of the public sentiment of the maritime prov-

inces. It deals with the fact that this government appointed a commission to investigate maritime claims; that they promised one hundred per cent implementation of the recommendations of that commission, and that they have failed to implement to the extent of one hundred per cent the recommendations of the commission. It deals specifically with the question of the Nova Scotia iron and steel industry. That question is one of vital importance, and one which must be considered not only on provincial grounds but also on national grounds, and on the ground of empire considerations as well. On provincial grounds it is of very great importance to Nova Scotia, because around and about that industry there have grown up many of the most populous centres in that province. The city of Sydney, and the towns of North Sydney, Sydney Mines, New Glasgow, Trenton and Stellarton, with very substantial populations, are all entirely dependent for their very existence on the success or failure of the Nova Scotia steel industry. They furnish the principal home market for the agricultural products of the farmers for many miles surrounding these towns.

May I point out also that there is an interdependence between the Nova Scotia steel industry and the Nova Scotia coal industry. When working at full capacity the Nova Scotia steel industry is capable of consuming, and does consume, over a million tons of Nova Scotia coal per year. You can see, Mr. Speaker, how very important to the province of Nova Scotia is the welfare of this industry in respect of which we are asking the government for assistance. We are asking not for any special assistance but for that assistance which was recommended by a tribunal of their own creation.

This is a question which should appeal to every hon. member of this house on national grounds. If you will look into the industrial history of those nations which are to-day pre-eminent in wealth, in power and in population, you will find that every one of them owes that pre-eminent position to a careful fostering of its coal and steel industries. We in this country in the years that are to come, no matter what government may be in power —although the continuation in power of my hon. friends opposite may somewhat retard industrial progress—are bound to achieve a great industrial expansion. In not so many years we will have a highly industrialized country. We will have opportunities for employment, not for ten million but probably for one hundred million people. We will have myriads of opportunities for employment for our own sons and daughters, and for many others who come from foreign lands. We must be careful, therefore, to foster and protect those industries which are of national and basic importance, which are wrapped up with the industrial future of this country.

We who sit in these seats to-night are not legislating merely for our own generation, nor for this year; we must not look through the eyes of years or of decades. In dealing with national problems we must look through the eyes of centuries; we must follow those policies which, while at present involving perhaps some sacrifice, in the course of years will redound to the industrial and political advantage of our country. No nation which has attained a pre-eminent position in respect of population or wealth or power has done so by ignoring its coal and steel industries. This question is one not only of national but of empire importance. I do not know whether some hon. gentlemen opposite take much stock in that statement or not. Amid all this din and clatter and idle chatter about a new status being achieved, about Canada being at last a sovereign state, about our having wrested, as it were, a Magna Charta of Canadian liberties as if from some foreign and tyrannical power; amid all the signs and portents which indicate that this country is slowly and surely but blindly drifting towards independence from the motherland, there be those of us in this country who, yclept old-fashioned if you will, still think that there is something of value and virtue not only in strengthening the bonds that bind this great young nation to this great old empire, but in attempting also to foster and develop industries which are of empire importance. The Nova Scotia steel industry is an industry of that character. It is the only steel industry which has its roots in British soil, whose roots are indigenous to the British Empire. We have no other of the same nature in the empire. Should we not from empire considerations do what is fair, reasonable and just to see to it that this industry, so vitally important to Nova Scotia, to our nation, and to that great empire to which it is our priceless privilege to belong, should not be allowed to deteriorate and to die?

There is more than that concerned in this matter. We have had a commission investigating maritime claims, a commission which was appointed by the sheer force of public opinion, a public opinion created by members on this side of the house and by the Conservative party in the maritime provinces. We had that commission go down to the mari-

time provinces where it held many hearings and I greatly regret the fact that the eloquent voice and the great intellectual gifts of the Minister of National Defence (Mr. Ralston), who represents Nova Scotia in the cabinet, were not used before that commission. I greatly regret the fact that the hon. member for Hants-Kings (Mr. Ilsley) did not appear before the commission and I still more deeply regret the fact that no outstanding Liberal in the maritime provinces appeared before the commission to give evidence. But leaving that aside for the moment, may I point out that as a result of the evidence submitted to that commission, as a result of the masterly case presented to them by the Hon. Gordon S. Harrington, the best and, indeed, the only real minister of mines we have ever had in Nova Scotia, the commission on page 38 of the report made a specific recommendation in regard to the Nova Scotia steel industry. There is no equivocation, qualification or camouflage about that recommendation There is no way of getting out of it at all except to ignore it altogether and unfortunately that is what the government has so far done. That recommendation is definite. It does not say that this thing should not be done until a year hence. It does not say that this thing should not be done because of the supposed abuses in the capitalization of the company. It does not say that this thing should not be done because there was litigation pending. It says simply that this should be done, and so far, the Prime Minister and his government have refused to do it.

But the situation is worse than that. The Prime Minister and many of his supporters promised the people of the maritime provinces one hundred per cent fulfilment of the Duncan report. One of the most novel experiences I ever had in my life was during the last federal election. I came to address a meeting in the town of Port Hawkesbury the very next night after the Prime Minister was there, and in going up to the hall I was compelled to walk under a banner bearing this strange device: "The Liberal party under Mackenzie King stands for protection for steel and coal". I am not accusing my right hon. friend of putting the banner there, but it was there just the same. That was certainly a banner with a strange device, if we are to take into consideration the way in which my hon. friends opposite have used these industries in the past few years. Some hon. gentlemen may think it is unimportant, trifling, for a government to pledge its plighted word and then to go back on it. I do not see eye to eye with that view. There are in this country, as there are in other countries, men who are ever willing to ridicule and to bring into disfavour constituted authority, and one of the best ways in which to have constituted authority degraded, detested and despised is to have those who are responsible for enforcing that authority violate their plighted word to the people to whom they have given it. That is the situation in regard to the Nova Scotia steel industry. No quibbling, no delving into the mists of political antiquity will obscure that fact. It is there in the commission's report. No one can obscure it and no one can deny it. We stand for one hundred per cent implementation of the Duncan report.

I was interested in the speech delivered on the budget by my very excellent friend, the Minister of National Defence. At this point let me say that I admire the hon. gentleman very much. I say in all sincerity that my hon. friend has had a distinguished record both in peace and in war. For a number of years he has been a luminary of the Nova Scotia bar. He is a credit to himself and a credit to the province whence he came. But the speech which he made on the budget, in which he dealt with the steel industry of Nova Scotia, was no credit to him. I was sorry to see such a worthy man attempting to uphold such an unworthy cause. Instead of coming out man-fashion as has been his wont, and saying to us, "I tried to get this thing through, or I did not; I am in favour of this thing, or I am not," he delved into the mists of political antiquity and went back to tell us of the Hon. W. S. Fielding and what he had done over thirty years ago for the Nova Scotia steel industry. We in Nova Scotia appreciate what that great old statesman from the province of Nova Scotia did for us. We honour and revere his memory, but every schoolboy in Nova Scotia, if it is a question of who first did something for the Nova Scotia steel industry, will answer that the first assistance ever given to the Nova Scotia steel industry was given by a Conservative government under Sir Charles Tupper. But I wish to tell my hon. and excellent friend, the Minister of National Defence (Mr. Ralston) that the men who are without work in Trenton, the men who are without work in New Glasgow, the men who are without work in Sydney Mines and the city of Sydney, are not very much interested in what Mr. Fielding and Sir Charles Tupper did thirty-five years ago. We are no longer living in the past in the province of Nova Scotia. Not the spell of the setting of yester's sun, but the vision of the dawn of a new day—that is the inspiration of our little province by the sea. I do not wish to criticize my hon. friend at all, but it is well known

that evil communications corrupt good manners, and my hon. friend was for some time in local politics, fortunately not for very long, but for some little time he was in the school of Murray and of Armstrong, a school of evasion, where you could not get a direct answer to a direct question if circumlocution could be used. He was trained in that school for years until the people of his native county, Cumberland, realizing his sterling worth and his great ability, charitably turned him down at the polls that he might not follow those people any longer. But, sir, I fear that that school of evasion has had some little effect on my hon. friend, because instead of coming right out here and saying, "The government is going to do this thing for Nova Scotia, or it is not," he made a laboured speech in which he attempted to show that thirty-five or forty years ago the Liberal party had done so-and-so for Nova Scotia.

Let me repeat, we in Nova Scotia are not any longer interested in what happened thirty-five or forty years ago. A commission has been appointed to deal with the rights of the province of Nova Scotia and the other maritime provinces within confederation. It took three years of agitation, three years in which to crystallize public opinion before that commission was appointed. Their recommendations have been favourable to the maritime provinces. We in the maritime provinces have played an honourable part ever since we entered confederation. We played a worthy part in the consummation of confederation itself, and now we come to this parliament, not as suppliants, not as mendicants, not as beggars, but as the representatives of a free people asking that justice be done, asking that the recommendations made by an impartial tribunal, the creation of this government itself, shall be fulfilled to the letter. For that the representatives of the maritime provinces on this side of the house stand. For that no reasonable man can criticize us, and for that we shall stand until these recommendations are implemented one hundred per cent by the parliament of Canada.

Hon. J. L. RALSTON (Minister of National Defence): I am sure, Mr. Speaker, that I am only voicing the sentiments of everybody who has listened to him when I congratulate the hon. member for Inverness (Mr. Macdougall) most sincerely on his very eloquent and very high-spirited deliverance. The fact that it has not very much to do with the subject in hand I do not think troubles him, and as a matter of fact I shall not attempt in the short space of time which I have to follow him in the ramifications of his speech. I shall try, however, to satisfy his desire that there be no evasion in connection with this matter, and I shall endeavour to deal with a few facts in connection with the Duncan commission report which seem to have been left out by him and by the other speakers who preceded him.

I admire the hon. gentleman who moved this resolution (Mr. MacDonald). Compliments are flying thick and fast to-night, and I want to say that in this house, at least on the other side, I do not know of any fairer gentleman than the hon. member who moved this amendment to the motion to go into supply. I do believe that few public duties which he, with his fair-mindedness, has ever performed have been more distasteful to him than the motion which he moved this afternoon, because I know perfectly well that when he sets out in a resolution the statement and regrets that the government has refused to implement in full the recommendations of the Duncan report—mark you, has refused to—my hon. friend must know that he is travelling on very thin ice indeed.

I want to deal with only three or four matters in connection with the Duncan report. First, let me say one word with regard to the steel industry, which is tacked on at the end of the amendment but which, after all, is only intended to give some foundation for the general motion of censure and want of confidence which is contained in the resolution. The recommendation of the Duncan commission with regard to the steel industry is a recommendation—it has been read half a dozen times in this house to-day—in two branches. One is a statement that the steel and customs tariff has been submitted to the tariff advisory board, and that the commission were notified by the chairman of the board that it was under consideration, and the commission say with respect to this, that they regard it as their duty to record that the significance of this industry to the maritime provinces was forcibly brought home to their attention, not only in the manufacturing towns they visited in the maritimes, but also throughout the agricultural districts of the maritimes, and they say they record this in order to emphasize the need for prompt action. The second branch is that there is a recommendation, as has been suggested, that a bounty be paid on the manufacture of steel, based on the amount of Canadian coal used in its manufacture.

As I pointed out only a very short time ago, at the time this recommendation was dealt with by the house the steel industry in Nova Scotia was in the throes of litigation. Two parties were fighting for the control of that industry, and that condition of affairs continued up until some time in March of this year,

when a third party stepped in, according to the newspapers, and made their own arrangements. These arrangements had not been completed at the time of the budget debate, and at that time it was pointed out that it was felt that some conditions should be required before anybody could fairly and properly and intelligently deal with the steel industry. Some of those conditions have been mentioned by my hon. friends opposite. One condition was that there should be unity between the steel and coal industries. Those who do not come from Nova Scotia may not understand that reference. For their benefit I want to say that there was considerable antagonism apparently between those who held control of the company engaged in steel operations, and those who held control of the company engaged in coal operations. It was felt that the steel and coal industries should be put on some basis whereby they would be unified, because as one of my hon. friends has quite properly said to-night, those two industries are allied, and can best work together as a united industry. The steel industry forms the main market for the slack coal of the coal industry. So one of the suggestions was that there should be an assurance of unity between the two, also that there should be some rearrangement with regard to the capitalization, running up to over one hundred million dollars. With regard to the wage disputes arising from time to time, suggestions were made that dividends were being paid on watered stock to the detriment of the workmen, and that there should be a readjustment whereby the capital would be reduced so it culd be ascertained what was the proper amount on which dividends should be paid. It was further proposed that the unwieldy organization of, I think, fourteen different corporations should be reorganized, and that there should be co-operation both provincial and municipal. Those suggestions were made in March of this year.

When the right hon. Prime Minister (Mr. Mackenzie King) made his announcement in this house last year, the newspapers, as I had occasion to state a few weeks ago, commended the government for the decision arrived at and found ample justification for the delay in dealing with the industry in view of the uncertaintly which existed at that time. I want to say to my hon. friends that only within the last few weeks did the local legislature of Nova Scotia pass an act incorporating a brand new company called the Dominion Coal and Steel Corporation, with a reduced capital. That was the first definite step towards reorganization. But my hon. friends are a bit impatient with regard to the steel industry. I think if they followed the order paper at the present time they would find that either in the senate or in this house there is at least one bill which has to do with this very industry, indicating that not yet has the matter of capitalization and the reorganization of those companies been completed. Further, I want to say to them that this new corporation has not made any application to the tariff advisory board, and it has been represented that the situation is considerably changed in view of certain opinions held by those in control of the new corporation. Consequently there may be a substantial change in the application to the tariff advisory board so far as the steel and coal industry is concerned. Bounties and tariff are all bound up together. My friends opposite are a little too anxious to make political capital out of this particular point, instead of having due regard to the benefit of the industries involved. Who is there who would know more about the steel industry or who would be more desirous of having it properly dealt with when the time comes than the people who have put their money in it and now own it? To my mind it might fairly be left to them to present their case to the tariff advisory board. I rather expect we will find my good friend from West Algoma (Mr. Simpson), who so splendidly presented his case this afternoon, coming along with his friends whom he represents and joining in an application to the tariff advisory board on behalf of the steel industry, instead of there being, as at the present time, three or four conflicting applications, plus representations from some three hundred and fifty other interests who feel that they are affected. In a word, I expect there will be some unanimity of endeavour to bring about an adjustment of tariff or bounty which will redound to the benefit of the steel industry. I do think my hon. friends might have a little patience until this matter has shaken down. As they know, only a very few weeks ago an arrangement was arrived at whereby the new wage agreement will be continued over a certain period. With these various matters adjusted the industry may have an opportunity, which it has not had for some time, to proceed under normal conditions in order to ascertain just exactly what its needs are.

I am sure my hon. friends, if they speak frankly and in the interests of the industry, will declare that what they want done, whether it happens to be in the Duncan report or not, is that this industry be put and kept fairly on its feet. To give just the

specific bounty mentioned in the report may not be the way to accomplish this. In fact is has been represented to me and to others from time to time that that was not all that the steel industry desired or that was necessary in order that this great imperial industry, as my hon. friend described it, should prosper. Therefore I think my hon. friends ought to give us credit for endeavouring to deal with this matter intelligently with a view to ascertaining what the industry needs, instead of proceeding blindly simply because it happens to be in the letter of the Duncan report, and then have parliament snap its fingers later and say: Well, we have done what the Duncan report said we should do; now let the industry take care of itself. I do not believe that is the best way for us to proceed, and I do not think that my hon. friends opposite, unless inspired by the eloquence rather than the logic of my hon. friend from Inverness would desire to see the industry so dealt with. My hon. friend is quite right. It is not a matter of months or of years, it is not even a question of getting something done this May or June. If the industry is worth saving the endeavour should rather be to put it on such a basis that it will be a national asset for our Canadian people.

I make no apology to my hon. friend from Inverness or to other hon. members for having on a previous occasion said that the fact that we have any steel industry to talk about at all is not due to my hon. friends opposite who now shed crocodile tears about the steel industry, but is due to the Liberal party in 1897 having taken steps to put the industry on a solid basis. When my hon. friends came into power in 1911 we did not find them taking the attitude that they take to-night. Not a bit of it. In 1911 the steel bounties expired. Did the Conservative party show the same solicitude for the steel industry that they do now? Not at all; the bounties were not revived. And later on they granted a drawback on steel used in the manufacture of wire, thousands of tons of which are imported into the province of Nova Scotia itself. This is the party which is now advocating that the steel industry should be protected, and is posing as its champion. I think it was in 1912—it is on Hansard—that some 75,000 tons of steel rails were required for the Canadian Pacific Railway and for the Grand Trunk Pacific. What happened? Our friends who to-day are so keen to have the steel industry protected, particularly my hon. friend from Toronto, at that time granted an application for a rebate of duty in order that that 75,000 tons of steel rails should be brought in from the United States in competition with the steel industry of Nova Scotia. So I do feel that my hon. friends ought not to take too much unction to their souls as being the only friends of the steel industry; they may safely leave it to the tariff advisory board and to the government to give reasonable and serious consideration to this matter.

So much for the steel industry, Mr. Speaker. Now I want to deal with one or two other matters. An hon. member opposite had a word to say with regard to subsidies. Do you know, sir, the only complaint that our friends of the opposition had to make was that the additional subsidy of $875,000 recommended by the Duncan report was not paid—mark you—in one lump sum, but in two lump sums. We are getting down as fine as that. If it is on an item of that kind that the alleged refusal of the government to carry out the Duncan report is based, then it seems to me that my hon. friends, as the Minister of Railways said, are not going very long to be able to derive comfort from the alleged failure of the government in implementing the Duncan report. But even in that I would point out to hon. members, to use the phrase of my hon. friend from Inverness, that the government has "implemented one hundred per cent"—that is his expression—the recommendation of the Duncan report. The report was submitted in September 1926—not 1927, as someone suggested this afternoon. Parliament was not in session at that time. The report was eventually laid on the table of the house and the government announced its policy. That policy was to implement the recommendation of the report in regard to the matter of subsidy. What was the recommendation of the report in respect of subsidy? It was this:

> And accordingly we recommend that "immediate interim lump-sum increases should be made in the payments to the three maritime provinces."

What were the "payments" referred to? Subsidies were being paid at that time—how? Under the statute they were being paid every six months, on July 1 and January 1. How would you make interim lump sum increases in the payments that were being made? The Minister of Finance might have said, "I am going to wait until the first of January to pay the whole $875,000"—according to my hon. friend's argument. But he did not do that. He said, "I will pay the $875,000 as an increase

in the payments now being made. There is a payment due, half of the subsidy on July 1, and I will pay half of the increase then; the other half of the subsidy is due on January 1, and I will pay the other half of the increase then." The minister, who is not generally very soft-hearted in the matter of finances, meets the representatives from Nova Scotia and they ask him whether, in order to enable them to balance their books, he would not pay the last half, the $437,500, due January 1, a little ahead of time. He agrees and pays it on November 17; and my hon. friend from Cumberland (Mr. Smith) takes occasion to suggest that the Minister of Finance was "called down"—those were the words he used—at the interprovincial conference for not paying the subsidies as they were due. If my hon. friend takes the responsibility for making that statement on behalf of the ministers from Nova Scotia—and I can hardly credit that the ministers from Nova Scotia took such an attitude—then I suppose the Minister of Finance cannot be blamed if he says, "We will stick to the letter of the bond and after this pay on July 1 and January 1." I do think it is unfortunate, to say the least, that quibbles should occur about a matter as simple as this, and that an endeavour should be made to show that the government has not implemented this recommendation in the Duncan report, when as a matter of fact it has fulfilled the very letter of the bond. So much for the matter of subsidies. The increase has been paid for last year and it is in the estimates for this year.

My friend the Minister of Railways (Mr. Dunning) has already dealt with the question of railway rates, but there is a matter which he did not emphasize and to which I think it well to call the attention of the house, in order that there may be no misunderstanding as to what this government has done regarding railway rates. Implemented the report 100 per cent? Yes, and a good deal more than 100 per cent so far as the amount is concerned. The house will find a recommendation in the report, with regard to railways, to the effect that there shall be a 20 per cent decrease in the rates on government railways in the maritime provinces. This recommendation appears at page 22:

> We recommend, therefore, that an immediate reduction of 20 per cent (so that 192 will become approximately 155) be made on all rates charged on traffic which both originates and terminates at stations in the Atlantic division of the Canadian National Railways (including export and import traffic, by sea, from and to that division), and that the same reduction be also applied to the Atlantic division proportion of the through rates on all traffic which originates at stations in the Atlantic division (excluding import traffic by sea), and is destined to points outside the Atlantic division.

The Minister of Railways has pointed out that not only has the government put into effect the 20 per cent reduction in local rates on the Canadian National Railways and 20 per cent on through traffic on the Canadian National as recommended, but hon. members do not realize that there has been paid in six months over $421,000 to other roads which were not covered by the Duncan report. And there is in the 1929 estimates a sum of $1,050,000 to be paid to these same roads. My hon. friends may say that there is a reference in the Duncan report to other roads. They will find that the only time it is suggested that the government shall pay to any other railway is when that railway is prejudiced by the reduction of Canadian National rates; in other words, they shall pay only to a railway which is in competition with government railways. And there, as the Minister of Railways points out, it is only to the Canadian Pacific Railway, inasmuch as the report refers to "the other great railway system." So that if the government stuck strictly to the letter of the report as brought down, and which hon. gentlemen desire to have implemented 100 per cent, the farmers shipping apples from Kentville to Halifax would get no 20 per cent reduction on the Dominion Atlantic Railway, because that railway is not prejudiced by the reduction on the Canadian National lines, which are not in competition with it. My hon. friends forget these things when talking about implementing the report 100 per cent. The government has endeavoured to see that there shall not be in the same province or territory one railway operating 20 per cent less than another, even though they may not be in competition.

Let me now point out what some people in the maritime provinces think of the question; let me show that there are people there who realize what is being done. The statement is made by Mr. A. P. Patterson, president of the transportation commission, Maritime board of trade, published in Halifax Herald of May 17, 1928:

> Maritime shippers benefited to extent of $2,400,031.27 in eight months as a result of

reduced freight rates in line with the recommendations of the Duncan report. This is the saving in that period through the operation of the Maritime Freight Rates Act.

It seems to me that this testimony from the maritime provinces is worth something, and I fancy that if my hon. friends had desired to be quite fair in the matter they would have admitted as much. My hon. friend from Cape Breton South (Mr. MacDonald) in his introductory remarks did admit that something had been done in the matter of freight rates; nevertheless his resolution proceeds to condemn the government for its "refusal" to implement the Duncan report 100 per cent. Although in the instance I have given the government went far beyond the report.

I, with others, desire to point out to the house and to the country this fact: that it has not been demonstrated that the contribution made by the Dominion in order to pay that 20 per cent reduction will necessarily mean forever a loss to the country. I hold in my hand a copy of the Financial Post of April 27, 1928, in which there appears an article published just after my colleague the Minister of Railways had brought down his estimates indicating the amount required this year in connection with the Maritime Freight Rates Act. This is what this article states:

> When the report of the National Railways, covering the operation in the Maritimes is studied closely it is found that there is much to warrant an optimistic view of the future. Indeed it may well be that the Canadian people once more are proving that a reduction in rates is, in the long run, a profitable policy. The postal rates were reduced from three to two cents and after a short period of deficits the post office department is now in a fair way to produce a surplus for the first time in many years.
>
> The analysis of freight movement in the maritimes proves that with the aid of the reduction the volume of traffic commenced to expand. In 1926, 2,854,328 tons of freight were handled and in 1927, 3,000,615 tons, an improvement of 7 per cent. Anyone conversant with the principle of the increase in efficiency resulting from greater volume, knows that it would require only a comparatively moderate increase in freight to place the maritime lines upon an even footing. Should freight advance another 7 per cent in 1928, it would be reasonable to expect a 10 per cent increase in earnings, which would reduce the deficit by more than $1,000,000. If the betterment continued the deficit would disappear entirely within three years.

So I do suggest that this legislation does not necessarily represent a loss eventually to the Dominion, but the article does absolutely contradict the spirit of this amendment now before the house.

While I am dealing with the matter of freight rates may I touch on one other matter which was not mentioned by any of my hon. friends. I am surprised that they did not discover that the Duncan report recommended something else. My hon. friend from Toronto Northwest (Mr. Church), who has an eagle eye for these things, came close to it when he said something about subventions. The Duncan report recommended that a system which had been in force in 1924 or 1925, whereby a subvention was paid on coal taken by rail from Nova Scotia to Quebec, should be renewed. That recommendation appeared at page 35 of the report; I will not trouble to read it all, but will just place the particular sentence on record:

> A committee of parliament which sat during the session of 1926, recommended that early consideration should be given by the government to the advisability of renewing the subvention, and we would respectfully support that recommendation.

Coming from the maritime provinces, and having some regard to the interests of the coal industry, I considered that recommendation to be of some importance. I just want to remind the house that on March 30th of this year the government passed an order in council, I think P.C. 539, which again has gone far beyond the recomendations of the Duncan report; not one hundred per cent but one hundred and fifty per cent at least. The old subvention provided that a 50 cent per ton reduction should be made in the freight rate on coal hauled from Nova Scotia to Quebec.

On motion of Mr. Ralston the debate was adjourned.

REPARATIONS COMMISSION

REPORT OF JAMES FRIEL, K.C., COMMISSIONER, TABLED

Hon. FERNAND RINFRET (Secretary of State): With the permission of the house and in compliance with the wish expressed by the leader of the opposition and other hon. gentlemen opposite, I beg to lay on the table the report of the commissioner appointed by His Excellency the Governor General in Council under the Inquiries Act to investigate and report upon all claims which might be submitted, for the purpose of determining whether they were within the annex to section 1 of Part VIII of the treaty of Versailles, and the fair amount of such claims.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, May 23, 1928

The house met at three o'clock.

REPORTS OF COMMITTEES

Tenth report of the select standing committee on miscellaneous private bills.—Mr. Parent.

Ninth report of the select standing committee on banking and commerce.—Mr. Sanderson (for Mr. Hay).

REVALUATION OF SOLDIER SETTLEMENT LANDS

Hon. ROBERT FORKE (Minister of Immigration and Colonization): I beg to lay on the table two copies of the regulations affecting applications for revaluation approved by the governor in council on May 16, 1928, P.C. 820.

PRIVATE BILLS

REFUND OF FEES

Mr. DAVID SPENCE (Parkdale) moved:

That in accordance with the usual practice in such cases, and in accordance with the recommendation of the committee on miscellaneous private bills the additional charges paid on the following private bills be refunded, namely:

Bill No. 298 (Letter P8 of the Senate), intituled: "An act for the relief of William Hogg.

Bill No. 307 (Letter W8 of the Senate), intituled: "An act for the relief of Augustus Vernon Ellis," and

Bill No. 311 (Letter A9 of the Senate), intituled: "An act for the relief of Marie-Anne Palardy Murphy."

Hon. J. A. ROBB (Minister of Finance): I observe that my hon. friend's resolution states, "in accordance with the usual practice." For what particular reason should we remit these fees?

Mr. SPENCE: The matter was discussed in committee this morning, and the resolution was adopted by the committee. I would ask the chairman of the committee to explain the matter.

Mr. GEORGES PARENT (Quebec West): The main reason for the recommendation of the committee that these fines be refunded is that the lawyers engaged in these cases did not file their petitions before the House of Commons in due time, while the petitions were filed with the Senate on time. With the rules as they are at present the difficulty is this: In the Senate I believe they have at least twelve weeks within which to present their petitions, while in the House of Commons they have only six weeks. This has resulted in confusion and embarrassment for the lawyers engaged in these cases, and some of them have been one day late, and others two or three days late in presenting their petitions, rendering the parties liable to a fine of $200. In the particular cases that came before the committee this morning we concluded that under the circumstances the usual practice should be followed and these fines refunded.

Mr. ROBB: They are fines?

Mr. PARENT: Yes. Having had a little experience in presiding over this committee, I very much feel like recommending that some procedure be adopted which would obviate cases of this kind coming before us, because one would expect that the lawyers in these cases at least should know the period within which the petitions should be filed in both houses. If the time for receiving the petitions were the same for both houses, it would obviate such cases as we have had to consider lately.

Motion agreed to.

BANKING AND COMMERCE COMMITTEE

MOTION FOR PRINTING OF EVIDENCE

Mr. F. G. SANDERSON (South Perth): I beg to move:

That the proceedings and evidence taken by the select standing committee on banking and commerce respecting improvement of the banking system of Canada, as submitted in their seventh report on the 3rd of May last, be printed as an appendix to the Journals of the house, and that 750 copies in English and 250 copies in French of said proceedings and evidence be printed in blue book form, and that standing order 64 be suspended in relation thereto.

Motion agreed to.

COMMITTEE ON MARINE AND FISHERIES

Mr. WILLIAM DUFF (Antigonish-Guysborough) moved:

That the first and final report of the select standing committee on Marine and Fisheries be concurred in.

Motion agreed to.

RADIO—CANCELLATION OF LICENSE

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

Mr. J. F. WHITE (London): Mr. Speaker, I desire to present a petition signed by Mrs. S. Marlowe and 28,155 other residents of London, Ontario, and vicinity, protesting against the cancellation by the government of the radio broadcasting license of the International Bible Students Association.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, I desire to present a petition signed by Mr. F. W. Martin and 15,062 other residents of the province of Saskatchewan, in-

cluding 2,550 radio owners, protesting against the action of the Department of Marine and Fisheries in refusing to renew the radio broadcasting license of the International Bible Students Association.

Mr. A. SPEAKMAN (Red Deer): Mr. Speaker, I beg to present certain petitions signed by 7,773 radio owners and others in the province of Alberta praying that radio broadcasting privileges hitherto enjoyed by the International Bible Students Association be revived in the interests of freedom of speech and British fair play.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, I beg to present a petition signed by 11,577 residents of Manitoba protesting against the cancellation of the radio license enjoyed by the International Bible Students Association.

Mr. SPEAKER: I beg to inform the hon. gentlemen who have presented these petitions that they are not drafted according to the rules of the house; they are addressed to the right hon. Prime Minister of Canada. I will certainly despatch them to the right hon. gentleman.

THE DETROIT RIVER CANADIAN BRIDGE COMPANY

On motion of Mr. Odette, Bill No. 339 to incorporate the Detroit River Canadian Bridge Company was read the first and second times and referred to the select standing committee on railways, canals and telegraph lines.

QUESTIONS

(Questions answered orally are indicated by and asterisk.)

HON. N. W. ROWELL

Mr. ARTHURS:

1. What is the total amount paid by the Dominion government to Honourable N. W. Rowell during the last two fiscal years, (a) for professional services; (b) living allowance, and (c) travelling or other expenses?
2. Is there any further amount due to the Honourable N. W. Rowell for services rendered, or expenses, during the said period?
3. If so, what amount?

Mr. RINFRET:

Department of Finance

re Customs Inquiry Commission

1. (a) $44,060; (b) $3,230; (c) $3,140.84.
2. No.
3. Answered by No. 2.

Department of Justice

1. In 1926-27: (a) Appeal to P.C. re Lord's Day Act; Counsel fees, $4,600; Expenses, $22.06.

2 and 3. No information.

Department of Labour

1. (a) $1,000; (b) Nil; (c) $19.54.
2. No.
3. Answered by No. 2.

TRADE WITH UNITED STATES, 1927—GENERAL AND AGRICULTURAL

Mr. GOTT:

1. What were the total Canadian imports from the United States of America during the year 1927?
2. What were the total exports to the United States of America from Canada during the year 1927?
3. What were the total Canadian agriculture imports from the United States of America during 1927?
4. What were the total Canadian agriculture exports to the United States during the year 1927?

Mr. RINFRET:

1. Imports into Canada for consumption from United States during the fiscal year ended March 31, 1927, $687,022,521.
2. Exports from Canada to United States during the fiscal year ended March 31, 1927, $479,335,230.
3. Imports into Canada from United States during the fiscal year ended March 31, 1927:

Commodities of which the basic raw materials are such as Canadian farms produce—

Raw materials	$41,747,292
Partially manufactured	9,699,866
Fully or chiefly manufactured	17,797,309
Total	$69,244,467

Commodities which Canada does not produce in their original form—

Raw materials	$ 67,643,836
Partially manufactured	8,950,373
Fully or chiefly manufactured	38,087,154
Total	$114,681,363

(Both field crops and the products of animal husbandry are included in above figures.)

4. Exports (Canadian produce) from Canada to United States during the fiscal year ended March 31, 1927:

Commodities produced, in their original state, on Canadian farms—

Raw materials	$ 68,018,636
Partially manufactured	7,345,865
Fully or chiefly manufactured	31,681,628
Total	$107,046,129

Commodities produced or manufactured in Canada from agricultural materials such as are not produced on Canadian farms—

Raw materials..	$ 211
Partially manufactured..	325,831
Fully or chiefly manufactured...	890,377
Total..	$1,216,419

(Both field crops and the products of animal husbandry are included in above figures.)

POSTAL SERVICE RECLASSIFICATION

Mr. McQUARRIE:

1. Did the Postmaster General, during the last session of parliament, recommend to the Civil Service Commission a higher reclassification of salaries for letter carriers and railway mail clerks, as promised?
2. If so, has that recommendation been implemented during the present session?
3. Has the Civil Service Commission failed to comply with said recommendation? If so, did it give any reasons and what are those reasons?
4. Has the government recommended to the Civil Service Commission revision of salaries for professional and technical classes?
5. If so, has a report been received by the government from the commission in connection therewith?

Mr. RINFRET:

1. Did so during recess.

2 and 3. The Civil Service Commission has given careful consideration to the recommendations made by the Post Office Department but is unable to recommend for the consideration of His Excellency the Governor General in Council higher compensation rates for these classes because it considers that in comparison with other classes of positions of more or less comparable duties and responsibilities, these positions in the Post Office Department are now adequately remunerated. The commission has agreed to give further consideration to the provision of higher compensation for certain employees of the class railway mail clerk, which will include employees in charge of railway post offices and probably others.

4. The Civil Service Commission was requested by order in council to proceed with a study of the professional, scientific and translators classes with a view to increased compensation.

5. No. A report is in course of preparation.

JASPER PARK—PAVING

Mr. KELLNER:

1. Which department of the government did the paving at Jasper Park?
2. Was this paving done for the Canadian National Railways or for the parks branch?
3. What did the paving cost per square yard?
4. What are the items that go to make up the cost?
5. What was the cost of the tar sands used in paving f.o.b. cars?
6. What was the cost of the machine used in mixing the tar sands?
7. Does the government contemplate acquiring any more mixing machines or having any more constructed?
8. Has the government entered into a contract with the city of Edmonton to do certain paving?
9. If so, what is the amount of the contract?

Mr. RINFRET:

Department of the Interior:

1. Canadian National Parks Branch with technical assistance furnished by the mines branch.

2. Both.

3. $1.27 per square yard for highway pavement laid in 1927 by parks branch.

4. All items of work and material necessary for paving including cost of tar sands, freight, supply of aggregate, hauling, mixing, laying, rolling and depreciation on equipment.

5. Cost of tar sands used in 1927 on the parks branch work was $3.46 per ton, f.o.b. cars, McMurray.

6. The mixing machine was assembled by mines branch—the parks branch contributing mixing drums and other necessary parts to value of approximately $700. The total cost to the Department of the Interior and the mines department, including labour and material was approximately $2,000.

7. Yes, one machine to be constructed to the specifications of the mines department.

8. No.

9. Answered by No. 8.

Department of Railways and Canals:

1. Parks and mines branch of the Department of the Interior.

2. The parks branch were paving roadways of the department in the vicinity of Jasper Park and they paved a total area of 5,364 square yards at our request.

3. $1.137.

4, 5, 6, 7, 8 and 9. No information.

IMMIGRATION OFFICE—DETROIT

Mr. GOTT:

1. Does the Canadian government maintain an immigration office in Detroit, Michigan, or an office under the Department of Agriculture?
2. If so, where is it located?
3. Who is in charge?
4. What salary is paid?
5. How many people are employed in the office or on staff?
6. Who are they?
7. What salaries are paid them?

8. From whom is the office rented and what rent is paid?
9. What was the total cost of maintaining the office for the year 1927?
10. What returns were made and what was the nature of them?
11. How many Canadian government immigration offices are there in the United States of America?
12. How many people are engaged in them?
13. Where are they located?
14. What was the total cost of maintaining all the offices in the United States of America for the year 1927?
15. What was the cost of maintenance of each, salaries, rents, expenses, etc.?
16. What are the names and salaries, male or female, designated, of the respective officers in the United States of America, their position and rank?

Mr. FORKE:

1. Yes.
2. 10 Jefferson avenue, east, Detroit.
3. Mr. F. W. Kerr.
4. $3,120 plus $500 living allowance.
5. Four.
6. Mr. F. W. Kerr, Miss H. Grieve, Mr. J. C. Mitchell, Jr., Miss R. Preston.
7. Mr. Kerr, salary $3,120 plus $500 living allowance; Miss Grieve, salary $1,860; J. C. Mitchell, salary $1,380; Miss R. Preston, salary $1,080.
8. John I. Turnbull, $250 per month.
9. For the fiscal year 1927-28, $16,057.22.
10. Monthly returns showing: (a) number of inquiries received; (b) number of replies from inquirers; (c) number of inquirers interviewed outside of office; (d) number of inquirers interviewed at office; (e) number of good prospects established; (f) number of settlers sent to Canada; (g) number of carloads of settlers' effects sent to Canada; (h) amount of cash and value of effects of settlers; (i) travelling expenses incurred.
11. 17.
12. 41.
13. Boston, Chicago, Columbus, Detroit, Fargo, Great Falls, Harrisburg, Indianapolis, Kansas City, Manchester, Omaha, Saginaw, San Francisco, St. Paul, Spokane, Syracuse and Woonsocket.
14. For the fiscal year 1927-28, $216,907.45.
15.

——	Salaries	Rents	General Expenses	Exhibitions	Total
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Boston	4,340 00	2,199 96	1,162 00	1,902 35	9,604 31
Columbus	4,340 00	840 00	2,564 27	1,254 39	8,998 66
Chicago	5,240 00	2,160 00	4,251 77	2,232 62	13,884 39
Detroit	7,901 71	3,000 00	3,698 35	1,457 16	16,057 22
Fargo	7,624 94	1,500 00	5,822 59	3,674 60	18,622 13
Great Falls	4,394 48	1,200 00	2,038 26	191 87	7,824 61
Harrisburg	4,850 00	1,380 00	1,730 85	1,504 49	9,465 34
Indianapolis	5,000 00	3,000 00	3,515 97	2,986 12	14,502 09
Kansas City	7,765 00	3,000 00	10,209 85	2,564 81	23,539 66
Manchester	3,235 08	1,200 00	1,033 85	.....	5,468 93
Omaha	7,079 03	3,000 00	8,542 07	5,472 93	24,094 03
Saginaw	1,800 00	240 00	103 04	.....	2,143 04
St. Paul	8,575 00	3,000 00	8,309 56	2,094 56	21,979 12
Spokane	4,950 65	1,800 00	2,652 92	1,045 46	10,449 03
Syracuse	3,710 00	1,500 00	3,022 61	.....	8,232 61
San Francisco	5,779 92	5,400 00	2,621 22	.....	13,801 14
Woonsocket	2,780 00	600 00	2,279 30	.....	5,659 30
**Portland	1,853 28	364 00	364 56	.....	2,581 84
	91,219 09	35,383 96	*63,923 04	26,381 36	216,907 45

*Exhibition expenses for eight months, to November 30th, 1927, the exhibition branch having been transferred to the Department of Trade and Commerce on December 1st last.
**The Portland office was closed in November, 1927.

16.

Office	Name	Classification	Salary	Male or Female
Boston	M. A. Bowlby	Emigration Agent, Gr. 2	$2,520 L.A. $500	M.
	H. B. Baldwin	Stenographer, Gr. 2	1,380	F.
Columbus	W. S. Nethery	Emigration Agent, Gr. 2	$2,520 L.A. $500	M.
	E. Dickerson	Stenographer, Gr. 2	1,380	F.
Chicago	C. J. Broughton	Emigration Agent, Gr. 2	$3,120 L.A. $500	M.
	M. Hill	Stenographer, Gr. 3	1,680	F.
Detroit	F. W. Kerr	Emigration Agent, Gr. 3	$3,120 L.A. $500	M.
	H. Grieve	Clerk, Gr. 4	1,860	F.
	J. C. Mitchell	Stenographer, Gr. 3	1,380	M.
	R. Preston	Stenographer, Gr. 2	1,080	F.
Fargo	W. E. Black	Emigration Agent, Gr. 3	$2,880 L. A. $500	M.
	M. Adams	Stenographer, Gr. 2	1,080	F.
	A. Runyon	Stenographer, Gr. 2	1,080	F.
	R. Norman	Stenographer, Gr. 2	1,080	F.
Great Falls	G. A. Cook	Emigration Agent, Gr. 2	$2,520 L.A. $500	M.
	R. Westerlund	Stenographer, Gr. 2	1,380	F.
Harrisburg	F. A. Harrison	Emigration Agent, Gr. 3	$3,120 L.A. $500	M.
	M. Adams	Stenographer, Gr. 2	1,260	F.
Indianapolis	R. A. Garrett	Emigration Agent, Gr. 3	$3,120 L.A. $500	M.
	Mrs. H. Cottingham	Stenographer, Gr. 2	1,200	
Kansas City	M. J. Johnstone	Emigration Agent, Gr. 3	$3,120 L.A. $500	M.
	W. J. Fraser	Emigration Agent, Gr. 1	1,920 L.A. $500	M.
	Mrs. G. Crutchfield	Stenographer, Gr. 3	1,680	
	V. Estes	Stenographer, Gr. 2	1,080	F.
Manchester	J. B. Riordon	Emigration Agent, Gr. 2	$2,400 L.A. $500	M.
	Guy Gaudet	Stenographer, Gr. 2	1,200	M.
Omaha	A. E. Pilkie	Emigration Agent, Gr. 3	$3,120 L.A. $500	M.
	G. F. Brooks	Emigration Agent, Gr. 1	1,920 L.A. $500	M.
	D. C. Frisbie	Stenographer, Gr. 1	960	M.
Saginaw	R. A. Laurier	Emigration Agent, Gr. 1	$1,800	M.
St. Paul	Knute Haddeland	Emigration Agent, Gr. 3	$3,120 L.A. $500	M.
	W. D. Breckon	Emigration Agent, Gr. 1	1,920 L.A. $500	M.
	M. Oliver	Stenographer, Gr. 3	1,560	F.
	E. Martinson	Stenographer, Gr. 2	1,200	F.
Spokane	D. N. McDonell	Emigration Agent, Gr. 1	$1,920 L.A. $500	M.
	O. Laney	Stenographer, Gr. 2	1,080	F.
	H. Wade	Stenographer, Gr. 1	960	F.
Syracuse	C. E. Smith	Emigration Agent, Gr. 2	$2,040 L.A. $500	M.
	Geo. Whyte	Stenographer, Gr. 3	1,380	M.
San Francisco	Gilbert Roche	General Immigration Agent	$3,500 L.A. $900	M.
	J. McColl	Stenographer, Gr. 2	1,380	F.
Woonsocket	L. A. Delorme	Emigration Agent, Gr. 2	$2,400 L.A. $500	M.

DETROIT AND WINDSOR FERRY COMPANY

Mr. GOTT:

1. Does the Detroit and Windsor Ferry Company operate through franchise or charter from the government of Canada?

2. If so, when was same issued?

3. Under what department of state is it controlled?

[Mr. Forke.]

Mr. ELLIOTT:

1. Company operates under license granted by the government.

2. 1928.

3. Department of Public Works.

NOTRE DAME DES BOIS—EXCISE OFFICER

Mr. CAHAN:

1. Was the customs and excise enforcement officer at the port of Notre-Dame des Bois, Compton county, Quebec, who was the predecessor of the present incumbent of that office, dismissed from his said office?
2. If so, when, why, and upon whose complaint?
3. Did the officer, who was so dismissed, request that an official enquiry be held?
4. If so, was such request for an enquiry granted?
5. If not, why was such request refused?
6. How many years had the officer, who was so dismissed, been in the employ of the government?
7. How much money had he contributed to the superannuation fund during the period of his employment?
8. Has the amount so contributed by him to said fund been returned to him?
9. If not, why not?

Mr. EULER:

1. Yes.
2. December 6, 1926—Upon charge of political partisanship made by a member of parliament.
3, 4 and 5. No, but on his behalf representations were made by the Service Bureau of the Canadian Legion of the B.E.S.L. who were informed that Mr. Dumoulin would be given an oportunity to be heard. No further advice received, and it was understood that Mr. Dumoulin had left the district.
6. Seven years, seven months.
7. Five per cent of salary from date of permanent appointment April 1, 1921.
8. No.
9. Under consideration.

PACIFIC GREAT EASTERN RAILWAY

Mr. NEILL:

Having regard to the reference in the Speech from the Throne to provincial railway problems of the several provinces as outlined at the Dominion Provincial conference, are any negotiations being carried on between the government of Canada or the Canadian National Railways and the government of the province of British Columbia for the sale of the Pacific Great Eastern railway to the Canadian National Railways?

Mr. DUNNING: Negotiations with the British Columbia government are now proceeding.

CHIEF JUSTICE OF CANADA—SALARY, ETC.

Mr. EDWARDS:

1. What is the salary of the chief justice of Canada?
2. Does the chief justice receive extra remuneration for officiating in the absence of His Excellency the Governor General? If so, how much?
3. Does the chief justice receive any allowance when attending meetings of the judicial committee of the Imperial Privy Council, and, if so, how much?
4. How much was paid to the chief justice of Canada in each of the last five years by way of salary, expenses and other allowances?
5. What judges retired from the bench are receiving pensions, what salary was being paid to each when retired, how long had each served, and what amount of pension does each receive?

Mr. LAPOINTE:

1. $15,000.
2. This is forbidden under section 38 of the Judges' Act.
3. Under the Judges' Act, section 22, any judge who is a member of His Majesty's Privy Council may be paid a sum not exceeding $3,000 for expenses of travelling and living while in attendance at a sitting.

4.

	Salary	Expenses
In 1923-24 Hon. Sir Louis Davies..	$15,000 00	.....
In 1924-25 Hon. Sir Louis Davies..	1,290 32	.....
In 1924-25 Hon. F. A. Anglin..	8,125 00	.....
In 1925-26 Hon. F. A. Anglin..	15,000 00	.....
In 1926-27 Hon. F. A. Anglin..	15,000 00	$2,000
In 1927-28 Hon. F. A. Anglin..	15,000 00	.....

5.

—	Salary	Years served	Pension
Supreme Court of Canada—	$		$ cts.
Sir C. Fitzpatrick	10,000	12	6,666 66
A. Malouin	12,000	19	8,000 00
Quebec Courts—			
J. S. Archibald	10,000	29	8,000 00
H. G. Carroll	9,000	17	6,000 00
Sir C. P. Davidson	8,000	27	8,000 00
C. J. Doherty	7,000	15	4,666 66
T. Fortin	7,000	18	4,666 66
C. LeBeuf	8,000	17	8,000 00
J. D. Purcell	7,000	20	7,000 00
J. E. Robidoux	9,000	20	7,000 00
L. Tellier	7,000	27	7,000 00
A. Tessier	9,000	15	6,000 00
A. A. Bruneau	9,000	20	6,000 00

5.—Concluded

—	Salary	Years served	Pension
	$		$ cts.
Ontario Courts—			
J. A. Barron	5,000	27	5,000 00
C. W. Colter	5,000	17	5,000 00
J. L. Dowlin	3,000	12	2,000 00
E. R. Fralick	3,000	34	3,000 00
A. M. Greig	5,000	9	5,000 00
A. B. Klein	5,000	33	5,000 00
J. H. Madden	5,000	21	5,000 00
H. O'Leary	5,000	16	5,000 00
G. Smith	5,000	18	5,000 00
C. J. Snider	5,000	30	5,000 00
H. A. Ward	5,000	10	5,000 00
Nova Scotia Courts—			
F. G. Forbes	5,000	24	3,333 33
N. H. Meagher	6,000	25	6,000 00
B. Russell	9,000	20	7,000 00
New Brunswick Courts—			
J. G. Forbes	3,500	20	3,500 00
J. A. VanWort	4,000	6	2,666 66
W. W. Wells	3,000	18	2,000 00
Manitoba Courts—			
T. D. Cumberland	5,000	33	5,000 00
L. A. Prud'homme	5,000	39	5,000 00
J. Ryan	3,000	34	3,000 00
Alberta Courts—			
M. S. McCarthy	9,000	11	6,000 00
R. Winter	5,000	18	5,000 00
British Columbia Courts—			
E. Harrison	3,000	20	2,000 00
W. W. Spinks	3,000	20	2,000 00
Yukon—			
J. Craig	5,000	12	5,000 00

UNOPPOSED MOTION FOR PAPERS

CLASSIFICATION OF POSTAL EMPLOYEES AND POSTMEN

Mr. CHURCH:

For a copy of all papers, letters, correspondence, orders in council and all other documents between the Civil Service Commission and the honourable, the postmaster general, or the government or any department thereof regarding the classification of postal employees and postmen.

TRADE TREATIES WITH GERMANY AND CUBA

On the orders of the day:

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, yesterday, answering my hon. friend from Fort William (Mr. Manion) regarding trade treaty negotiations, I said that:

As regards Cuba, as my hon. friend knows, there is an agreement at present in force. I think I advised the house early in the session that we have a most favoured nation agreement with Cuba pending negotiations in connection with a treaty.

I should have added, as I think I did in making the first statement, that in the agreement between Cuba and the United States, dated December 11, 1902, article 3 provides:

Articles of United States shall be admitted into Cuba at a reduction of 20 per cent.

Article 8 of the same agreement stipulates that:

This preferential shall continue during the term of the convention in respect to like imports from other countries.

So we have not the same conditions as have the United States.

Hon. R. B. BENNETT (Leader of the Opposition): When my hon. friend from Fort William asked the question, I suggested that there was also another agreement under consideration, judging from what the Cuban minister said the other night. That is what he was referring to.

Mr. ROBB: We have now a temporary agreement which provides for imports from Cuba under the intermediate tariff. We are negotiating with them now.

Mr. BENNETT: Exactly.

STRUCTURAL STEEL WORKERS

On the orders of the day:

Mr. T. L. CHURCH (Northwest Toronto): I desire to ask the Minister of Labour (Mr.

Heenan) what steps the department are taking to adjust the strike of structural steel workers engaged on important public works in the city of Toronto.

Hon. J. C. ELLIOTT (Acting Minister of Labour): As acting minister of the department, no request has reached me to act in the matter, but I shall be glad to make inquiries and let my hon. friend know.

Mr. CHURCH: The other day the Minister of Labour said that there had been a request to the department to act.

Mr. SPEAKER: Order.

ROYAL COMMISSION ON FISHERIES

Hon. W. A. BLACK (Halifax): Mr. Speaker, in view of the fact that the report of the royal commission investigating the fisheries of the maritime provinces and the Magdalen islands was laid on the table some ten days ago, and of the almost paramount importance of the fishing industry to those provinces, I desire to ask the Prime Minister when the government will be prepared to deal with the matter.

Right Hon. W. L. MACKENZIE KING (Prime Minister): As my hon. friend has just said, it was but ten days ago that the report was tabled. Before the government can contemplate bringing in legislation the members of the administration will wish carefully to peruse the report. I understand that there are some recommendations which might be carried out immediately without legislation; they will undoubtedly be entertained favourably. Any recommendation requiring legislation will have to stand over until another session.

QUEBEC, SAGUENAY AND CHIBOUGAMAU RAILWAY

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): On April 23 last I asked the Minister of Railways (Mr. Dunning) a question respecting the Quebec, Saguenay and Chibougamau railway, and he was to obtain if possible certain further information. I have clipped from a newspaper a prospectus of the issue of the bonds of the company and a reading notice that:

> The company has an arrangement with the Canadian National Railways under which the latter company will approve the location of line as well as supervise its construction. The company has also a close understanding with the Canadian National Railways with respect to the handling and development of traffic.

Certain officers of the Canadian National are directors of the enterprise, and having in mind what transpired in connection with Grand Trunk Pacific obligations, which purchasers in Britain afterwards alleged constituted a debt of this country, I direct the minister's attention to the matter for the purpose of asking him whether the government as such is taking any part in it. A correspondent of mine, who has no political interest in the matter, felt that it might involve us in the same situation as we were involved in with respect to Grand Trunk Pacific obligations, about which the minister is so well aware.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Since the last occasion on which the matter was mentioned in the house, an official statement has been published by authority of the legal vice-president of the Canadian National Railways, setting out very clearly the relationship between the Canadian National Railways and the Quebec, Saguenay and Chibougamau Railway. I am also advised by the president that it is correct that the Canadian National is undertaking to approve the route to be followed by the proposed line; is undertaking to supervise standards of construction; and intends to get into a position, with respect to the Quebec, Saguenay and Chibougamau Railway, whereby that railway may not sell its undertaking to any other railway company without first giving the Canadian National an opportunity to purchase it. Further, I am advised that a traffic agreement along the usual lines is in process of negotiation between the Canadian National and the Quebec, Saguenay and Chibougamau Railway, and the president and board of directors of the Canadian National deemed it wise, in protecting the interests of the Canadian National, that that company should have representation on the board of the Quebec, Saguenay and Chibougamau Railway Company. There is no financial responsibility, either by the Canadian National or by the government of Canada, for any of the securities issued by the Quebec, Saguenay and Chibougamau Railway Company.

Mr. BENNETT: I will discuss the matter further on the estimates.

VALUATION OF IMPORTED STRAWBERRIES

On the orders of the day:

Mr. H. J. BARBER (Fraser Valley): I wish to direct the attention of the Minister of Agriculture (Mr. Motherwell) and also

of the Minister of National Revenue (Mr. Euler) to a matter of very great importance to the strawberry growers of British Columbia. I am advised that local berries will be on the market in a few days, and within the next few weeks a number of cars will be available for marketing. I have here a telegram from Mission City signed by the following concerns: Fruit and Mercantile Exchange, Limited; Wilson Fruit and Produce Company; Central Fruit Distributors, Limited; Mapleridge Co-operative Exchange; Japanese Consolidated Farmers' Exchange.

These concerns represent about 2,000 growers and in their telegram they indicate that there is likely to be a heavy dumping of American berries on the Canadian market. They advise me that they have wired the Minister of Agriculture requesting that a fair market value be fixed on imported berries at 12 cents per pound. I believe other wires have also been sent from other parts of British Columbia. The reply of the minister, as handed to me, is to the effect that he had forwarded these inquiries to the Minister of National Revenue with suggestions that an opportunity be taken at the earliest possible date to discuss them. This is a very important matter; it means the difference between success and failure.

Some hon. MEMBERS: Order.

Mr. LAPOINTE: Question.

Mr. BARBER: I wish to ask the minister this question—

Mr. LAPOINTE: You are making a case.

Mr. SPEAKER: I would ask the hon. member to put his question simply and briefly.

Mr. BARBER: I wish to ask the Minister of Agriculture whether he has discussed the matter with the Minister of National Revenue and whether he has complied with the request of these growers. If not, does he intend to do so?

Hon. W. R. MOTHERWELL (Minister of Agriculture): I acknowledged all these communications, informed the various parties that I had referred their telegrams to the Minister of National Revenue expressing a desire, before any action was taken, to have an opportunity of discussing the matter with him. I have done so since then and I understand that under the existing law we have no authority to apply the dumping duties to any products carrying specific duties.

Hon. H. H. STEVENS (Vancouver Centre): Following the question propounded to the Minister of Agriculture, may I ask the Minister of National Revenue whether this very important matter has been called to his attention. If so, what is the decision of his department in regard to invoking the provisions of the Customs Act and the Tariff Act to give the necessary protection to this industry?

Hon. W. D. EULER (Minister of National Revenue): The statement made by the Minister of Agriculture as to having discussed the question with me is of course correct. With regard to anything else, my answer would be complete, for the moment at least, if I informed the house that there is no order in council under which the Minister of National Revenue can act.

Mr. STEVENS: May I ask one further question? We will go to the Minister of Justice (Mr. Lapointe). Will the Minister of Justice be good enough to say whether or not under the Customs Act, section 43, and any provision of the Tariff Act, there is power which would enable the government by order in council or otherwise to give the necessary protection to this industry?

Hon. ERNEST LAPOINTE (Minister of Justice): The function of the Minister of Justice in that respect is to advise the Minister of National Revenue, and he has done so.

Mr. STEVENS: Will the Minister of Justice be kind enough to say—

Some hon. MEMBERS: Order.

Mr. STEVENS: I am quite in order. Will the minister say whether, as Minister of Justice, he has advised the Minister of National Revenue that there is no power?

Mr. LAPOINTE: The Department of Justice has advised the Minister of National Revenue.

Mr. ROSS (Moose Jaw): In view of the question which has been asked of the Minister of National Revenue, I would suggest to him that before any action is taken on the request of the 2,000 fruit growers of British Columbia, a proper investigation be made taking into consideration the effect any action will have upon the several million people buying these fruits.

Mr. SPEAKER: Order. The answer has been given, and the matter is concluded.

RECLAMATION SERVICE

On the orders of the day:

Mr. A. E. ROSS (Kingston City): On April 9, the Civil Service Commission adver-

tised for a solicitor, Department of the Interior, water-powers and reclamation service. I would ask the Minister of the Interior (Mr. Stewart) whether this position has been filled and, if so, by whom?

Hon. CHARLES STEWART (Minister of the Interior): I cannot answer the question but I will inquire and let my hon. friend know.

CANADIAN NATIONAL PARKS

On the orders of the day:

Hon. W. A. BLACK (Halifax): I would ask the Minister of the Interior (Mr. Stewart) whether, in the supplementary estimates, he proposes making any provision for national parks or parks and historic sites in the province of Nova Scotia?

Hon. CHARLES STEWART (Minister of the Interior): I am sorry I cannot inform my hon. friend prior to bringing down the estimates.

Mr. SPEAKER: I would ask hon. members to be good enough to give notice on the order paper, of questions of this character, which it is evident the government cannot answer offhand. According to Bourinot, such questions should be placed on the order paper.

SUPPLY—STEEL INDUSTRY

The house resumed from May 22, consideration of the motion of Hon. J. A. Robb (Minister of Finance) that the house go into committee of supply, and the proposed amendment thereto of Mr. MacDonald (Cape Breton South).

Hon. J. L. RALSTON (Minister of National Defence): When the house rose I was dealing with a feature of the Duncan report which, as I pointed out to the house, perhaps had not received the attention it deserved; I was referring to that portion of the report recommending the renewal of a subvention on coal carried all-rail from the maritime provinces to upper Canada. I was pointing out that on March 30 the government passed an order in council which, as I suggested, had gone further than the recommendation of the commission. My reasons for so stating are two: First, under the old order in council the maximum subvention was 50 cents per ton on coal moving from the maritime provinces. Under the new order in council, whereas the rate was $3.80 per ton the order in council provides that the maximum rate shall be $3 per ton; in other words, instead of a maximum reduction of 50 cents per ton the maximum reduction is 80 cents per ton. Just in that connection I might say that the new rate is based on the rate provided in the order in council relating to Alberta coal, and therefore the province of Nova Scotia gets the benefit of the Alberta rate under this new order in council. I would also remind the house that the 80 cent reduction is made on a rate which had been already reduced by almost 20 per cent under the Maritime Freight Rates Act of last year. In the province of New Brunswick the rate is reduced from $2.60 to $2.10, a 50 cent reduction.

In still another particular the order in council goes further than the old provision. Under the old order in council provision was made for the transportation by rail to upper Canada from Montreal, of maritime province coal, which had been water borne from Nova Scotia to Montreal. The provision then made called for a reduction of one-fifth of one cent per ton mile, but the maximum subvention which could be made was 50 cents per ton. Under the new order in council that maximum subvention has been increased to 75 cents per ton, which enables Nova Scotia coal to be moved just that much further into the province of Ontario. I call that to the attention of my hon. friends who suggest that this report is not being implemented, and those who will presumably support the amendment which states that the government have refused to implement the recommendations of the commission.

The order in council provides one further feature which is not contained in the original order in council, and that is an inquiry by the Board of Railway Commissioners into the cost of the transportation of coal from Montreal to western Ontario. Those are the benefits which are received by the provinces of Nova Scotia and New Brunswick in connection with the recommendations made by the Duncan commission for a subvention on maritime coal.

There is still a further point to be considered in connection with coal, because this amendment speaks of coal particularly. The Duncan report contains a recommendation that provision be made for the establishment of coking plants; I would direct the attention of the house to this recommendation, which is on page 36 of the report and which recommends that we proceed without delay to put in practical shape the policy which was recommended so definitely by the Dominion fuel board as the only method by which eastern and central Canada can be relieved of dependence upon imported anthractite. I want to point out that the recommendation of the Dominion fuel board was submitted to the parliamentary committee in 1926; on that recommendation a resolution was drafted

providing that a subsidy of 3 per cent per year should be paid on coking plants erected for the purpose of using Canadian coal, and that 3 per cent was to cover a period of fifteen years. I want to point out to my hon. friends who fear that this report has not been implemented that the legislation passed last year provided for a subsidy of 4 per cent to private companies, as against the 3 per cent recommended by the Dominion fuel board and 5 per cent to municipal corporations, and that that subsidy permitted the use of 30 per cent of American coal if that were found necessary in order to make a satisfactory coke. It was thought that possibly the requirement of one hundred per cent Canadian coal might defeat the erection of these plants, and it was determined to make the legislation practical. Again, in that respect, the government have gone further than the recommendations of the Duncan commission.

With respect to the duty on coal, we have the authority of my hon. friend who moved this amendment who has already stated his conviction that there is not much chance of an increase in the duty on coal. I do not know whether he has said that in this house, but he made that statement in his own county; he has been frank and fair enough to say so. Any special questions of tariff affecting coal are now before the tariff advisory board, as has been stated.

I would mention just two other matters dealt with in the Duncan report; first port development and export trade. I can only mention these matters in passing in order to register the fact that the government have fully carried out the recommendations of the commission. The Duncan commission recommended that statutory harbour commissions be established for the ports of Halifax and St. John. Some time ago attempts were made in this house to show that this meant some sort of special harbour commission different from the commissions existing throughout Canada. I think this house was convinced that the Duncan commission meant exactly what it recommended, a statutory commission based on those commissions whose work they had already investigated, particularly the harbour commission of Montreal. The statutory harbour commissions were established, and this year this house passed votes of $500,000 for the port of Halifax and $5,000,000 for the port of St. John, covering three years, in order that these harbour commissions may function.

Then we come to the question of fisheries. It was recommended that a deputy minister of fisheries be appointed; last session legislation was brought down and placed upon the statute books, in connection with that very matter. In addition to that, although it is not recommended in the Duncan report, last fall this government promptly appointed a commission because of an acute condition which arose in connection with the fisheries, and that commission investigated the fisheries of the maritime provinces. As has been stated in this house to-day, the report of that commission was laid on the table only about ten days ago, so I think we can fairly claim that the government have substantially not only carried out the recommendations of the Duncan report but in this case as well have gone even further.

I see I have only a moment or two left, but before I conclude I want to say that my good friend from Cape Breton South (Mr. MacDonald) quoted from an old, well-worn set of statistics with regard to blast furnaces. Those statistics were quoted by the hon. member for St. Lawrence-St. George (Mr. Cahan) during the budget debate this year. He attempted to show that the blast furnace industry had been going down in this country. I want to remind him and the house that my hon. friend was very careful not to note that two periods of government were covered by the figures which he quoted. He quoted the activities of the blast furnaces in 1913 and then jumped to 1925. In 1913 the men employed in blast furnace operations numbered 1,589, but in 1921, after eight years of rule by his own party, the number had diminished to 614. Since that time there has been a continual increase in this figure, and in 1927 the number of men engaged in operation of blast furnaces was 734.

Let me remind my hon. friend that the output of the blast furnaces in 1913 was about 1,000,000 tons; in 1921 it had gone down to 593,000 tons, and since that time, under this government, it has increased from 593,000 tons to 907,000 tons. The adverse balance of trade in connection with the steel industry was $101,000,000 in 1913; in 1921 it had gone up to $169,000,000 and in 1927 it was back to about $106,000,000.

There was mention made of the town of Trenton. I do not propose to make any parade of what I have been able to do, or what I have been trying to do, but I think when the record is examined it will be found that I have been just as sincere a friend of Trenton as any of the gentlemen on the other side of the house. I have spent a good deal of time and put forth a good deal of effort in order to assist, if I possibly could, in connection with the development and the progress of the steel industry at Trenton.

The Eastern Chronicle had an editorial only a day or two ago which said this about Trenton:

Trenton is busy and likely to be for this year.

I quite realize that the steel industry of Trenton has had a hard time, and also that the mining industry has had a difficult time, but I say that a very sincere attempt has been made, not always by the hon. gentlemen on the other side of the house, to bring about a better situation there. I do not believe, and I do not want this house to believe, that the sentiments expressed by my hon. friends represent the sentiment of the people of Nova Scotia.

Mr. MACDONALD (Richmond): You found that out in 1925-26.

Mr. RALSTON: My hon. friend found out a few things too in 1925-26. The people of Nova Scotia understand the situation with regard to the steel and coal industry and they know consideration will be given to these matters just as soon as conditions make it possible and practicable. They know that the matter of freight rates has been effectively dealt with in the way in which the Minister of Railways showed last night. They know that the government has gone much farther in connection with freight rates than was suggested in the Duncan report; that the increases in subsidies have been paid, as recommended by the Duncan report, yes, and perhaps a little ahead of time. They know that subventions on coal rates have been provided for as recommended by the Duncan report. They know that subsidies to coking plants have been provided for at a greater rate than recommended by the Duncan report. They know that harbour commissions have been established, and votes have been made so that they may carry on; that legislation has been passed with respect to a deputy minister of fisheries, and that in connection with this industry there has been the additional feature that a special commission has been appointed and has made its report.

I feel that this house is convinced, and I know the people of Nova Scotia are convinced, that there has been honest, sincere, and effective action not only to implement the letter of the Duncan report but to go even further to meet the needs when the situation demanded.

Hon. J. E. SINCLAIR (Queens): I will not detain the house at any great length with the remarks I have to make on this question.

At the outset, I want to take direct issue with the amendment that has been moved by my hon. friend from South Cape Breton (Mr. MacDonald). When the amendment says that the house regrets the refusal of the government to implement certain recommendations as contained in the Duncan report, it implies a refusal on the part of the government to do this. That is not a correct interpretation of the case, and I do not agree with it.

My hon. friends on the opposite side of the house, during this debate particularly and in some of the previous debates during this session, have undertaken to outline certain things as being recommended in the Duncan report which are not recommended therein. I do not wish to go over the many recommendations that were made, in order to bear out that statement, as I went into it rather fully in the debate on the address earlier in the session. The Minister of National Defence (Mr. Ralston) has gone into it in detail in this debate, so it is unnecessary for me to go over the ground again.

I wish to say a word or two in regard to some statements that have been made as to the province of Prince Edward Island, particularly referring to the transportation system, port developments, and the ferry service between the island and the mainland.

I was pleased to hear the announcement made by the Minister of Railways (Mr. Dunning) yesterday, that the government had come to the decision that it was necessary to provide for a second car ferry. I am sure that information will meet with the approval of the people of Prince Edward Island, regardless of party affiliations. Our people all feel that that was the first necessary step to take at this time, in carrying out the recommendations that were made in the Duncan report.

When hon. members say to this house and to the country that the Duncan report recommended a second car ferry between Prince Edward Island and the mainland, they place a very narrow and short-sighted interpretation upon the recommendations of that report. The report did not actually recommend a second car ferry, and I will read the recommendations that were made in order that the house and the country may properly grasp the facts.

The Duncan report as we all know was a very able, well considered and well written document. It is a report that will be in our hands for many years to come. I think every member of that commission gave a degree

of consideration to the questions submitted to them that is very rarely given by commissions, and I say that without any reflection on other commissions.

The commission first pointed out that the ferry service was unsatisfactory, and that the railway administration admitted that there was need for supplemental provision being made, either in the form of a second ferry boat or a special freight boat. That was cited by the commission as the opinion of the railway management, and then the commission directly recommended as follows:

> We recommend that the matter be gone into from the point of view of placing at the disposal of the island such satisfactory means of communication as will ensure as regular and complete a service as can reasonably be made.

When we look at the recommendation that is made in the report, we must come to the conclusion, as fairminded people, that the Duncan commission went into the matter very fully, and that their recommendation was not limited to a single car ferry, or any single instrument that might be used to provide a satisfactory service. It was much broader than that. In effect the commission says that it is the duty of Canada to see that the island shall be ensured as regular and complete a service as reasonably can be given. I think that is the spirit of the report, and it is in that spirit that we must approach the question. I am glad to know, as I said before, that the government has come to the conclusion, as many others who are directly interested in the transportation system of the island have done, that at the present time a second car ferry is needed in order to give the island the regular service it should have.

I should like to refer to the question of port development. The Minister of Finance cited expenditures that were made for port development in Prince Edward Island. That work was necessary; it was undertaken by the Department of Public Works before the Duncan commission made its report and the report did not mention directly, just as I said was the case in regard to railways, what was actually needed at the present time in that regard. Let me read that part of the report so that the public may understand the matter. The report states:

> We recommend that the Public Works department make an immediate survey of these harbours, particularly as to wharfage and storage accommodation, with a view to adequate provision being made to meet the needs of the island's produce.

To say that we have implemented that recommendation to the full would be saying too much; but as I said in a previous debate—and my remarks have been referred to in the press and in other ways—I think the government have gone as far as they can reasonably be expected to do at this date towards implementing that recommendation. But it will be seen that the recommendation is a broad one and that it carries with it the statement that the government are responsible for meeting the needs of the island's traffic as time goes on. That I think is understood and I am glad to be able to say that the government were acting toward that end before the recommendation of the commission was tabled in the house.

Let me refer for a moment to what has been said by some other hon. members during the debate regarding certain railway improvements that are necessary on the island. If I may quote from yesterday's Hansard, I find that one of the speakers made this statement:

> I was showing how any transportation recommendations in connection with Prince Edward Island had not been carried out, particularly in regard to the standardization of the roadbed, and the ferry steamer.

There is no recommendation in the Duncan report asking for the standardization of the roadbed in Prince Edward Island. That is a narrow interpretation that is being put upon the report. I will not impute any motive to those who put that interpretation on, but it has been used outside of the house in an intent to influence the minds of the electors along a narrow channel. The recommendations of the report are generally for a proper transportation system in the island, not nailing the matter down to any particular action that may be taken at this time, but leaving it open for the future. In that spirit I think the government and the railway department are approaching the matter in an endeavour to carry out the intention of the Duncan commission and the wish of the people.

In the debate yesterday I did not altogether catch what was being said by the hon. member for Pictou (Mr. Cantley) when he was discussing the report with a view to showing the house that what was intended by the Duncan commission had not been sufficiently carried into effect. The main recommendation mentioned in the amendment was that in regard to coal and steel, but it was necessary for my hon. friend to make certain statements regarding the car ferry service between Prince Edward Island and the mainland and the carrying out of certain recommendations in regard to our province. To

do that he read a letter which I find on page 3256 of yesterday's Hansard, and he said that that letter emanated from a responsible citizen in Charlottetown. The hon. member however did not tell the house to whom the letter was addressed or who signed it, and unless he is willing to reveal to the house the author of the letter, I must hold him responsible for the statements made in it. In the last paragraph of that letter the writer uses these words in reference to standardization of the railway:

> Those farmers are moreover discriminated against by the expense of an extra handling of their shipments into broad gauge cars.

I do not know whether the hon. gentleman is willing to tell the house who the author of the letter is. I think the house has a right to know that, and if my hon. friend is not willing to reveal the name of the author he must be responsible for the statements made in the letter. In fairness to the railway management and the transportation system I wish to say that no extra expense to the shipper is involved in the handling of freight or in the transfer of shipments from the narrow gauge railway to the broad gauge railway. The expense of making that transfer is taken care of by the railway and the regular rate on freight is charged on a mileage basis on that part of the line just the same as on any other part. Moreover, as the house well knows, that matter comes under the jurisdiction of the railway commission. These words appear at the close of the quotation:

> And yet, John E. Sinclair will say the farmers are satisfied.

I do not know where that quotation was taken from, but so far as it applies to me I have not used those words either in parliament or in the country. Anything I have to say in regard to the farmers or any other class in Prince Edward Island, I am willing and ready to say in the house or anywhere else, without being quoted in an anonymous letter, the author of which my hon. friend has not seen fit to disclose to the house. Will my hon. friend say by whom and to whom the letter was written? The members are entitled to that information and when he uses the name of an hon. member, it is only fair that the source of his information should be given. If he refuses to give that information, then all I have to say is that he must assume the responsibility for his statement, which as far as it refers to me is not correct.

Mr. CANTLEY: I described accurately the gentleman who wrote me the letter. I have no intention of giving the hon. member any information on that point. I am perfectly willing to accept all responsibility for any statements I make.

Mr. SINCLAIR (Queens): Do I understand that the hon. member refuses to say who wrote the letter?

Mr. CANTLEY: Yes.

Mr. SINCLAIR (Queens). Then I must say that so far as the statement refers to me, it is not correct. I never made that statement, and if my hon. friend accepts the responsibility for his informant, he must accept my denial and become responsible for a statement that, so far as I am concerned, is not correct.

I thought it was proper that I should make a few remarks on this question, especially in view of what has been said by my hon. friend from Pictou, who has really very little interest in Prince Edward Island unless it is to use information of this kind in regard to matters with which he is not familiar himself, and has to take second hand, and in doing so he refuses to divulge the name of his informant, the person to whom the letter was addressed or the person by whom it was signed. Things are getting to a pretty low ebb when my hon. friend has to fall back on such information to support such a motion as we have before us at the present time.

There is nothing further I need say. I could say a good deal as to the effect of the Duncan recommendations in regard to Prince Edward Island, but we have gone thoroughly into that matter on former occasions and I see no necessity for going further into it. I shall only remark that the people of Prince Edward Island without regard to party affiliations will welcome the announcement made in the house last night by the Minister of Railways (Mr. Dunning), that the government had come to the decision that it was now time that a second car ferry was provided to carry on the ferry service between the island and the mainland. I agree with the government in their conclusion that this second car ferry is necessary for the service, and it cannot come one minute too soon to meet the increasing necessities of the traffic. During two months of the season that has just passed the business of the ferry was greater than the ferry boats could take care of; that is in the months of November and March, which are the two months when the peak movement of our chief crop, which is potatoes, takes place. With the increased acreage that is now being planted we feel that the present facilities will not be able to handle the traffic

this year, and we are glad to know we can hope to have a better service the following year. I am sure that the minister's announcement will be received with the utmost satisfaction by every elector in Prince Edward Island, regardless of party affiliations.

Mr. R. H. JENKINS (Queens): I shall detain the house for only a few moments, but I would be remiss in my duty if I failed to express the appreciation not only of myself but of the people of our province with respect to the announcement made last night by the Minister of Railways (Mr. Dunning). Some of our friends of the opposition would have us believe that no attention whatever was being paid by the government to the improvement of our car ferry service, but on looking up the Hansard of last year I find, at page 1336, under date of March 18, 1927, that the Prime Minister made this statement:

A survey of what is required with respect to the needed railway service improvements on Prince Edward Island will, as recommended, be made immediately, in order that future action may be intelligently determined.

The whole matter of ferry boat service between the island and the mainland is now under investigation, as recommended by the commission.

And that investigation has been going on. The Minister of Railways also stated in his address last night:

As a matter of fact, my hon. friend well knows, and the members from Prince Edward Island on this side of the house are in the best position to confirm it, that the question of a second car ferry for Prince Edward Island has been receiving the attention both of the Canadian National Railways and of the department for more than one year past.

That confirms the statement made by the Prime Minister in 1927. The Minister of Railways continued:

The members who sit on this side from the island have on several occasions waited upon myself, and have waited upon the management and officials of the Canadian National Railways, in connection with that matter, and were always given to understand that determination with respect to the matter would be reached by the government before the supplementary estimates were presented to the house.

That is a true statement. I happen to be a member of the select committee on railways and shipping and I was practically told that this matter would be looked after in the supplementary estimates. Some of our friends opposite have done a lot of talking, especially the hon. member for Pictou (Mr. Cantley), who appears to take a peculiar interest in our province, for which we thank him, but while he was talking, the members from Prince Edward Island were working in the interests of the province, and as a result we have received the announcement which was made by the Minister of Railways last night. Speaking in this house on February 6 last I said, among other things:

So far as communication is concerned I believe that the government will carry into effect the recommendation of the Duncan commission, and provide another car ferry. Three years ago on the floor of this house I advocated that this matter should be dealt with, and I understand that the government for some time, through the Department of Railways, has been gathering information and making preparations for this desired improvement. We are sincerely hopeful that the Minister of Railways (Mr. Dunning) will see fit to place, if not in the main estimates at least in the supplementary ones, an appropriation for this much needed work.

The hon. member for Pictou in his address yesterday referred to the members from our province as rubber stamps. It is rather significant that although he might have been called to order for so doing, knowing the hon. gentleman as we do, nobody thought it worth while to call him to order. No member is supposed to be referred to in this house by another member as a rubber stamp. I think the remark was not in very good taste.

Mr. CANTLEY: Would the hon. member be good enough to repeat his statement in regard to rubber stamps? Does he say that I said the members from Prince Edward Island were rubber stamps?

Mr. JENKINS: Here is what the hon. member said, at page 3258 of Hansard:

The members for Prince Edward Island on the government side are referred to as "rubber stamps."

Mr. CANTLEY: Yes, referred to as that in the paper from which I quoted.

Mr. JENKINS: It is immaterial anyway.

Mr. CANTLEY: I was quoting from a paper in the hon. member's own island and they should know.

Mr. JENKINS: The fact is that while the hon. gentleman has been talking, we have been working in the interests of the province, and we are very pleased to have this announcement which the Minister of Railways made last night. I again thank the minister and the government for promising to provide this improved service, and I am sure that the government will in future do anything it can to further the interests of Prince Edward Island.

Many members opposite are always talking of hard times. We do not agree with them in their doleful tales, because in our province things are prosperous and this action on the part of the government should be an occasion of further satisfaction to our people.

Mr. E. J. YOUNG (Weyburn): I shall not detain the house many minutes, but I should like to set forth the views of another section of the country towards this resolution.

The resolution, as I understand it, asks for two things, bounties and increased tariffs. A bounty is asked for on coal, and I understand that the argument which is advanced in support of that request is that the steel companies in central Canada import their coal from the United States and have to pay a duty on it, but that when the coal is used for metallurgical purposes, they get a rebate of 99 per cent of the duty. The British Empire Steel Corporation, located in the maritime provinces, uses coal from its own mines, and therefore does not get any rebate because it does not pay any duty; it imports no coal. It therefore asks that the government give it a bounty, for using its own coal, which will be equal to the drawback received by the Steel Company of Canada on the duty it pays on the coal it imports from the United States. Every year since I have been in this house the people of the maritimes have been telling us that they could not sell their coal; people would not buy it; and they wanted the government to do something to help them find a market. Now they tell us they are not willing to burn their own coal unless we pay them a bounty. What would hon. gentlemen opposite think if the farmers of this country came to parliament and said: We want a bonus on every bushel of our own oats that we feed to our own horses? They would say it was a preposterous request. But not one bit more preposterous than the very request those men are making for a bounty on their own coal.

What is the need of the iron and steel industry in Canada? Is that industry in such a serious position as hon. gentlemen opposite would have us believe? I say it is not. The iron and steel industry of Nova Scotia, as I understand it, is devoted largely to the production of what are known as the primary iron and steel products, such as pigs, ingots, blooms and billets. Let us look at the value of the imports in those particular branches of the industry to-day as compared with what they were in 1922 when my hon. friends opposite were in power. We find that in 1922 the imports of pigs, ingots, blooms and billets amounted to $932,370; our exports of these commodities for the same year amounted to $622,919. In other words, our imports that year were 50 per cent greater than our exports. That condition continued until 1925. Then in 1926 the condition was reversed, and our imports in those forms of iron and steel amounted to $1,568,112; our exports, $2,167,172. In the next year, 1927, we imported of the same forms $1,634,048, and exported $3,427,779. That is, our imports, which in 1922 were 50 per cent greater than our exports, in 1927 were only half as much as our exports. Our imports had increased by $700,000; our exports by four times that amount. Most of these imports, I understand, come from the United States.

It would be interesting to know what was the situation in 1913, when the party of "No truck or trade with the Yankees" was in power. In that year we imported pigs, ingots, blooms and billets to the value of $5,545;770; in 1927 we imported those forms to the value of $1,126,354. To that we have to add $507,783, imports of chrome steel, ferro silicon, and so on, making a total importation for 1927 of $1,634,127, as against $5,545,770 in 1913. If you make allowance for the difference in the value of the dollar in those two years, you will find the imports to-day about 15 per cent of what they were in those days.

These forms of iron and steel are the raw material of a great number of our other manufactures. As the Minister of Finance (Mr. Robb) pointed out the other day, some 300 manufacturers of other commodities depend on these forms for their raw material. What is the production, then, of the other forms of which these products are the raw material? We find that of castings and forgings, hardware and hooks, agricultural implements, machinery, automobiles, and so on, we manufactured in 1922 to the value of $187,137,608, and in 1926 to the value of $296,161,940—an increase of over $100,000,000. In 1922 we employed in these industries 40,700 men; in 1926, 57,050. I want to ask my hon. friends opposite: If we adopted the policy which they advocate and increased the duty on these forms of iron and steel, and therefore increased the cost of the raw material of these other industries, what would be the effect? We would jeopardize these other industries employing 57,000 men for the sake of the industry that is producing the raw material. Would we increase our market by that means? No, we would ruin the very market we are trying to create.

Now, what is the condition of the three great iron and steel companies in Canada; are they in as distressful circumstances as some people would have us believe? Let us look first at Besco. In 1924 the British Empire Steel Corporation lost $2,137,000; in 1925, $4,335,000. In 1926 they made a gain of $1,138,000. Their condition is improving without any change in the tariff. How about the Steel Company

of Canada? In 1914 their stock was selling at $11 a share; to-day it is quoted at $216. What about the Algoma Steel Company?—referred to yesterday by hon. gentlemen opposite. I have here a newspaper despatch, dated April 27, sent from Toronto to the Montreal Gazette, giving the opinions of the president of that very company as to the company's future. I will read part of the despatch. It is as follows:

Since last Autumn about $10,000,000 has been added to the market value of the corporation's securities. The common stock in that period has advanced from $1.50 to $9.50 a share—

I commend that to some hon. gentlemen who are fond of investing in mining stocks.

—which involves an appreciation of close upon $3,400,000. Algoma Steel first preferred in the same length of time has gone from 33 to 60 and Lake Superior 5's from 38 to 72, these advances in the bond issues representing an advance in values of nearly $6,000,000. Since 1912 there has been plowed back into the corporation's plant a total of over $13,000,000, all of which was taken out of earnings, and Mr. Dodd is of the opinion that before another decade has passed away the total investment at the "Soo" will reach $100,000,000.

Then further down the following:

The high rate of output by Algoma Steel during the present year has been due to the increased activity in general business, which has strengthened up all departments of the corporation's work. On February 1 orders on hand amounted to $7,000,000, since which time a large number of new orders have been received, these being sufficient to keep the plants operating at high speed for several months to come. In March the shipments of iron and steel alone reached a total of 52,850 tons, whilst the total output of all departments aggregated 62,328 tons. Earnings of the corporation just now are running at the rate of $300,000 a month, and it is thought that by the end of the fiscal year on June 30 there will be a sum of $2,000,000 cash in the bank, with no loans whatever outstanding. A replacement value of $50,000,000 has been set upon the Sault Ste. Marie enterprise, so that the holders of the corporation's bonds would appear to be well protected.

Those are the companies, Mr. Speaker, who are now telling us that they are in such dire straits and cannot survive unless the government lend them some assistance. It has been frequently stated that this government has discriminated against the primary iron and steel industry, and has favoured other industries at its expense. Let us compare the situation in the iron and steel industry with the situation in all manufacturing industries throughout the country. We find that in 1922 the iron and steel industry employed 75,354 men, paying them in wages, $91,629,491; and in 1926 they employed 103,510 men at a total wage of $137,640,065. All manufacturing industries in Canada in 1922 employed 387,689 men; in 1926, 499,733. The wages and salaries paid were, in 1922 $497,113,554, and in 1926, $653,850,433. Comparing the figures then and now, we find that since 1922 the number of employees engaged in the steel industry has increased 34 per cent, and the wages 41 per cent; while in all manufacturing industries the number of employees has increased 29 per cent, and the wages 31 per cent. So we find that the number of employees in the iron and steel industry has increased more than the average in Canada, and the rate of wages has increased more than in the other industries.

Taking all these things into account, Mr. Speaker, I am of the opinion that the claim of the iron and steel industry for further consideration has absolutely no basis in fact, and is utterly unjustifiable.

Mr. A. E. MacLEAN (Prince): Mr. Speaker, I am sure the house will congratulate the hon. member (Mr. Young) who has just taken his seat on the valuable statistics in connection with the steel industry which he has given to the house and to the country. It is amusing to notice that our hon. friends opposite are so anxious now to dispose of the debate and do not appear to wish any further discussion on their own amendment. It seems that the important announcement made by the Minister of Railways (Mr. Dunning) last evening has rather taken the wind out of their sails, and now they are anxious to have their amendment disposed of as quickly as possible. However, before leaving the question, I desire to extend to the Minister of Railways, for the announcement he made last evening, the thanks of the people of my county, of all shades of politics. I think I am justified in making this statement, that the Liberal members on this side of the house could have given this information out some time ago. They had the assurance from the railway management and also from the minister that this important matter would be dealt with, but it was not our place to divulge any information that had been given us in confidence until the minister had seen fit to make an announcement in the house at the proper time.

The placing of a second car ferry on the route is something that benefits not only the province of Prince Edward Island but the whole of the maritimes and, in fact, the Dominion at large. Our province is not very considerable in area but we have a large trade. We buy largely from the manufacturers of the upper provinces and, in return, we ship out large quantities of produce; so that the car ferry, as I say, is of advantage not only to Prince Edward Island but to the

whole Dominion, for it links up that province with the mainland and other parts of Canada.

In my opinion the very excellent speech made by the Minister of National Defence (Mr. Ralston) has so cleared the situation as to render it unnecessary for me to go into details to show the way in which the Duncan report has been implemented. That report has been acted upon as well as it was humanly possible for any government to have acted upon a report in the time that has elapsed since it was brought down. Our friends opposite are demanding that the report be implemented 100 per cent. Now, hon. members on this side of the house, who were in the house when the commission was proposed, and when the government attempted to appoint that commission, will recollect how hon. gentlemen opposite objected. They objected to the appointment of a commission, declaring that it was only a means of sidestepping the issue. They said that the government would appoint the commission and that when that commission's report was submitted it would be laid away in the archives and never be implemented. They opposed to the hilt the appointment of the Duncan commission. But the commission was appointed and, after it had completed its labours it brought in a very comprehensive report dealing with every phase of the maritime situation. That report has been implemented almost 100 per cent. Anyone who reads the speech of the Minister of National Defence, and observes how carefully he took up question afer question mentioned in the report, will agree that the report has been fully implemented.

The 20 per cent reduction in freight rates represents to the people of the maritime provinces a boon which one can hardly estimate; we do not realize the amount of money it will mean. In their estimates the other day the government had the sum of $3,395,000 voted this year to make up to the Canadian National Railways the reduction in freights on that division. This is practical assistance not only to the shippers but to every industry in the maritimes; it extends an advantage to farmers, fishermen, manufacturers and merchants; it takes in everyone. In addition to that, the further reduction made on coal, in the way of subventions, which has been fully brought out by the Minister of National Defence, goes to show that in that respect alone the government has gone further than the recommendations made in the Duncan report.

Now I come to the subsidy. It would not be surprising if the Minister of Finance (Mr. Robb) almost refused to pay that subsidy, after the manner in which our hon. friends opposite have criticized the Finance department with regard to the method of paying the subsidy. It is really unfair that such criticism should be indulged in. There have been handed out these sums to the maritime provinces: Nova Scotia, $875,000; New Brunswick, $600,000; Prince Edward Island, $125,000. Under the circumstances, these payments being made at regular intervals along with the other subsidies, why in the world do our friends complain? They remind me of the clergyman who took as his text the reference to the devil who went about like a roaring lion seeking whom he might devour. The clergyman divided his subject under three heads: first, who the devil was he? secondly, where in the devil was he going? and thirdly, what in the devil was he roaring about? Our hon. friends opposite were roaring about something yesterday, when they were loud in their condemnations of the government. To-day they have not a word to say regarding the matter.

The Minister of Finance has treated us fairly, and the whole question is subject to further examination. It is to be looked into carefully, and if further subsidies are due the maritimes, I feel that we shall be dealt with fairly and that the grant will be increased. But I do not think that the way to secure that increase is by continually criticizing the government for the manner in which they have so far dealt with the Duncan report.

With regard to railway facilities and the improvements that have been made, one has only to look at the port development that has taken place in the province of Prince Edward Island, at Charlottetown, Summerside and Georgetown, to see what splendid advantages have been afforded. But as the Minister of National Defence has pointed out, over $5,000,000 has been voted between Halifax and St. John for port development. In view of this, I submit that our friends opposite should not be unreasonable enough to ask for anything further along these lines. I was pleased to note that the Minister of Railways last night stated that $40,000 would be allotted this year for additional terminal facilities at Summerside. This shows that the Canadian National system is improving its lines, when there is a demand for these facilities.

In the province of Prince Edward Island our trade has increased by leaps and bounds. As I pointed out before, railway stations that were to be closed, because they could not come up to the required amount of earnings, have improved to such an extent that whereas stations that were earning $10,000 three years

ago are now earning $50,000. I noticed in an item in the maritime press the other day that twenty-one new sidings had been asked for in the maritimes from the Canadian National Railways. This, the news item went on to state, was proof of the expansion of trade and the improvement of industries in the maritimes. It was evidence of progress when they required these additional facilities.

As a result of the survey carried out over the railway lines in the province of Prince Edward Island we hope that further improvements will be effected when the recommendations of this survey are turned in to the government. We also appreciate the fact that, in accordance with the recommendations of the report, a study has been made of clays and gravel and materials for road making. We are glad to know that the fisheries commission, which has just handed in its report, has made important recommendations which are similar to those suggested in the Duncan report and which I have no doubt will be dealt with.

In connection with the new car ferry, we sincerely trust that a careful study will be made of that ferry before the contract is let. I do not think any man is more capable of giving advice in this matter than the present captain of the car ferry. He has had experience over a number of years and is thoroughly familiar with the route and its requirements. He knows how docks should be built; he knows what arrangements should be made whereby automobiles may be placed on the car ferry under their own power instead of being loaded on flat cars as is the case at present, and I believe no one can give better advice in this matter.

Again I wish to thank the Minister of Railways for the important announcement which he has made; I hope a contract for this ship will be let soon and that we will have it in time to assist in moving the 1929 traffic.

Mr. H. B. SHORT (Digby-Annapolis): It was not my intention to make any remarks in connection with this discussion; hon. members on this side have gone pretty well into the case as far as the maritime provinces are concerned, but in his remarks this afternoon the Minister of National Defence (Mr. Ralston) would lead us to believe that the government had implemented the recommendations of the Duncan commission in connection with the fisheries of the maritime provinces. For my part I have not noticed that the government have done anything whatever in that connection. The first recommendation of the commission was that a department of fisheries should be established through the appointment of a deputy minister, and when the Prime Minister spoke in connection with the Duncan report last year he stated that a deputy minister would be appointed. More than a year has passed since that time and nothing has been done in that respect. The Minister of National Defence and the hon. gentleman who spoke last would lead the house to believe that one of the recommendations made by the Duncan commission was that a commission should be appointed to investigate the fisheries. I cannot find that in the Duncan report.

Mr. RALSTON: My hon. friend will not find in my speech any suggestion that such a recommendation was made by the Duncan commission.

Mr. SHORT: I understood from my hon. friend that the government had carried out that recommendation by appointing that commission, which has just made its report. That commission had nothing whatever to do with the Duncan report; it was appointed only last October, and the reason for its appointment was the unrest in the fishing industry in Nova Scotia. That commission has made its report and this afternoon the Prime Minister said in answer to a question by my hon, friend from Halifax (Mr. Black) that the government are not going to act upon the report this session.

I just wanted to state that absolutely nothing has been done in connection with the fisheries of the maritime provinces, as recommended by the Duncan commission. As I have said, it is not necessary for me to make any further remarks in connection with this matter because our case has been well put by the members who spoke last night. Our friends opposite are complaining because we have nothing further to say in the matter; I think we have said quite enough, and it will take the government some time to answer the case we have put forward.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, my observations will be very brief. In the first place we are told that the party which sits to your left opposed the appointment of the Duncan commission. The Conservative party of that day expressed its grave doubts and apprehensions as to what would be the result in dealing with the grievances of the maritime provinces if we left it to a commission and the Liberal government. That commission was appointed; will my hon. friends now name to me any Liberal who appeared before that commission to assist in

the solution of those problems? Will my friends from Prince Edward Island tell me that any of them were present to help solve the problems of that province? Will any members of the Liberal party state, as members of this parliament, that they were present? Were any members of the Liberal party in Nova Scotia or in New Brunswick present?

Mr. RALSTON: Is my hon. friend asking that as a question?

Mr. BENNETT: Certainly.

Mr. RALSTON: Mr. H. J. Logan, K.C., a distinguished member of this house for many years, who had held the important position of president of the Maritime board of trade, a gentleman who is supposed to be a Liberal, was before that commission.

Mr. BENNETT: I was just waiting for that answer; look at the report of the proceedings before the commission and see what Mr. Logan's contribution was. The case was presented by the government of Nova Scotia, and in the main by Colonel Phinney.

Mr. ILSLEY: It was their business to do so.

Mr. BENNETT: My hon. friend says it was their business to do so. Methinks, having heard the hon. gentlemen from Prince Edward Island this afternoon, that it was their business also, but now the hon. gentleman claims it was the business of the provincial government. That is the position; the whole point is that the Conservative party is responsible for having presented the grievances of the maritime provinces to this house month after month and year after year. Nothing but a delegation from the province of Nova Scotia was responsible for the ultimate appointment of that commission, and when that commission was appointed those in this house who supported the Liberal government were notable for not being present.

Mr. RALSTON: Will my hon. friend permit just one question, and I will not interrupt him again. To what delegation does he refer?

Mr. BENNETT: I mean the members who came here from Nova Scotia, the parliamentary delegation.

Mr. RALSTON: I thought perhaps he had in mind a delegation headed by ex-Mayor John Murphy of Halifax, who was a Liberal candidate.

Mr. BENNETT: One of the reasons why the head of that delegation was not a Liberal member was because it was realized that as far as he was concerned the delegation was nothing but an open gesture.

Mr. RALSTON: Who?

Mr. BENNETT: Ex-Mayor Murphy.

Mr. RALSTON: I heard him congratulated by a number of Conservatives on his presentation of the maritime case.

Mr. BENNETT: Surely, because that ensured that he would not be a member of this house. I well recall that the Prime Minister, in dealing with this matter, very properly pointed out that the report of that commission might well be likened to the report of Lord Durham on dealing with the problems of upper and lower Canada. So we have a very great state document prepared by a commission presided over by Sir Andrew Rae Duncan who, fortunately, was not one who was influenced in any sense by local considerations or, shall we say, by antecedent prejudices with respect to the claims of the maritime provinces. That report was presented to this parliament and was accepted both by the government of the day and the opposition of the day; in other words, it was unanimously adopted, and this parliament was anxious by its expressions of opinion, both formal and informal, that the recommendations of the report should be carried out.

We get that far in unison. Now, when the promise is made that the recommendations will be carried out it is equally important that they should be all carried out as that part of them should be carried out. This greatly reminds me of an accused person charged with theft on twelve counts. He is acquitted on eleven of the charges and the defence for the twelfth is that, having been acquitted on eleven, he should be acquitted on the twelfth. Or take it the other way; he is found guilty on eleven counts, and it is argued that having been found guilty on eleven counts he should be found guilty on the twelfth. That argument would not go very far in any court of law in which the Minister of National Defence might appear. The fact is that many recommendations were made by this commission, some of which have been carried out while some have not. For instance, yesterday some discussion arose between the Minister of Finance and one of the speakers as to whether or not the subsidies had been paid when they should have been paid. All I know is that the minutes of the Dominion-Interprovincial conference held here last fall indicate that one of the responsible

ministers from the province of Nova Scotia urged that on the true construction of that report the first instalment of the increased subsidy under that report should have been made in 1926, in other words, at the date of the making of the report. The Minister of Finance or the Minister of Railways certainly did not advance the case by saying, as the Minister of National Defence said, that every recommendation made by the report had been carried out.

The amendment moved yesterday deals with that very phase of the report; it does not deal with railways, or it does not deal with other matters. It contends that the government has declined or refused to give effect to the recommendations in the report with respect to the steel industry.

After the whole of yesterday afternoon had been taken up in discussing among others the question of a car ferry between Prince Edward Island and the mainland, I was amazed to hear the Minister of Railways say that the government had placed a provision of a million dollars for this car ferry in the supplementary estimates. Then this afternoon I heard one of the hon. members from Prince Edward Island saying that it was not their place to disclose what was given in confidence.

The British North America Act provides that any moneys expended by this parliament shall carry with them the recommendation of His Excellency the Governor General, and that the estimates shall reach this house in certain well defined ways. For the first time in my limited experience, and I think in the experience of the oldest member of this house, a responsible minister of the crown rose in his place and told the house that a million dollars has been placed in the supplementary estimates for a given work. It is true that the question was asked whether it would be done or not, but the correct answer was that the matter was under consideration. Instead of that, the minister of the crown discloses what is to be in the supplementary estimates. When he was reminded of the fact that the oath of a cabinet minister should prevent the disclosure of what takes place in council, he said he had the permission of the government to make that statement. That makes it even worse, because the oath of office of a privy councillor—I have taken the trouble to look it up—is very clear upon that point. He swears:

> You will serve His Majesty truly and faithfully in the place of his council in this His Majesty's Dominion of Canada, you will keep close and secret all such matters as shall be treated, debated and resolved on in Privy Council, without publishing or disclosing the same or any part thereof, by word, writing, or any otherwise to any person out of the same council, but to such only as be of the council.

How does the hon. gentleman justify his position in turning to the members from Prince Edward Island yesterday afternoon and saying that a million dollars has been provided in the supplementary estimates, when to make such announcement is a violation of the provisions of the British North America Act and of the oath of a privy councillor of this Dominion? One of the first gentlemen to claim that in this house was the right hon. the Prime Minister himself. In connection with the Petersen investigation I recall that it was successfully urged that even the names of the men who appeared in council should not be given out. The Prime Minister during the present session said, when a question was asked as to the government's intention, that that was a matter which must be settled in council and could not be disclosed before determined, and he did the proper thing with respect to that matter. When you ask questions regarding policies that are under consideration by His Majesty's Privy Council for the Dominion, it is improper to disclose them, because it is a violation, when it involves the expenditure of money, of the British North America Act itself and of the oath of a privy councillor. Perhaps the new status of Canada may explain that violation of the provision of the British North America Act.

Mr. DUNNING: I am sure that my hon. friend will permit me to interrupt him. My hon. friend has attributed to me words which I did not use yesterday. There is an important distinction between the words he attributed to me and the words which I actually used. What I said appears in Hansard at page 3282, and is as follows:

> I may say quite frankly that I have, as Minister of Railways and Canals, recommended to my colleagues a provision in the supplementary estimates for the sum of one million dollars for a new car ferry for the Prince Edward Island-mainland service.

My hon. friend then interjected, and, referring to the oath of office and the disclosure of discussions between my colleagues, I then said:

> My hon. friend is quite correct; but I may tell him that the cabinet to-day decided I should make the statement that I have just made.

I had the permission of the government of Canada to reveal to the house the recommendation I had made to the government,

that a sum be included in the supplementary estimates for this purpose. I submit, Mr. Speaker, that there was no impropriety and no violation of my oath of office in indicating to the house what the government had decided I should indicate.

Mr. BENNETT: At page 3282 of Hansard it appears that the Minister of Railways said:

> My hon. friend is quite correct; but I may tell him that the cabinet to-day decided I should make the statement that I have just made.

That is in answer to a statement that he recommended to his colleagues the inclusion in the supplementary estimates of the sum of one million dollars for a new car ferry for the Prince Edward Island-mainland service. Surely the hon. gentleman realizes that he has disclosed to this house a recommendation made to his colleagues in council, which is a communication in council. He must realize that the cabinet cannot release him from his obligation, because the British North America Act provides that any resolution for the expenditure of public money must be preceded by a message from His Excellency the Governor General. Suppose that His Excellency the Governor General did not approve of that estimate—it is not conceivable that that would happen—it is anticipating the approval of the crown to the expenditure of money which may not be made except in the manner and form provided by our rules and regulations.

It will be borne in mind that the hon. member from Prince Edward Island made this statement, "It was not our place to disclose what was given to us in confidence."

Mr. SINCLAIR (Queens): The railway management recommended that.

Mr. BENNETT: The management do not recommend the expenditure of public moneys in this country.

Mr. SINCLAIR (Queens): We have to have the recommendation of the management.

Mr. BENNETT: That is what the hon. gentleman said; "It was not our place to disclose what was given to us in confidence." I will leave that, because it is only incidental to what I have to say, and I am moving away from the main theme of my discussion.

I point out that last evening we had for the first time a violation by a minister of the crown of his oath of office, and of the provisions of the British North America Act.

Mr. DUNNING: That is not so.

Mr. BENNETT: I observed the anxiety of the Minister of National Defence to indicate to us last evening and to-day that the government had under consideration the providing of a deputy minister of fisheries, and that they had appointed a commission and the commission had recommended the appointment of a minister of fisheries. I have never seen such willingness to serve in that capacity from members of parliament as I have seen during the last few hours. The only thing that is lacking is to have the hon. member for Antigonish-Guyborough (Mr. Duff) in his place, and then we would have it a quartette instead of a trio.

Mr. McLEAN (Prince): There must be a lot of the members on that side of the house trying to qualify for the position of minister of fisheries.

Mr. BENNETT: The hon. gentleman in his modesty is trying to say that he has no desire to be appointed. Perhaps another one will follow in his footsteps and relieve the Prime Minister of any difficulty in making the selection. All you have to do is to get three more to say they have no interest, and the matter will be complete.

Attention was directed to the steel industry. I am not going to traverse any ground that has already been covered, and waste time as the Minister of Finance would say, but I would like to point out that the Duncan report recommended prompt action, and the word used is "prompt." That was in 1926, and we are now told that nothing can be done until 1929. If three years constitute promptness, what would constitute slowness?

Mr. YOUNG (Weyburn): Conservative rule.

Mr. BENNETT: The hon. member for Weyburn has just answered, and he gives me the opportunity to direct attention to the fact that while he has been contending that the steel industry requires no assistance, the Minister of National Defence and the Prime Minister have been promising that something will be done. But I suppose, as is usual, the hon. member for Weyburn will stand up at the critical moment and vote whatever may be decreed in that regard, and while he will have the satisfaction of indicating to his constituents the speech that he made, he will also be able to point in another direction to the vote that he gave.

Mr. McINTOSH: Especially the vote.

Mr. BENNETT: Yes, for that after all is what counts. He reminds me of the hon.

member for Antigonish-Guysborough (Mr. Duff) who said the other day: "I am voting for this because I am a Liberal but I certainly do not believe in it." That is the sort of thing, I take it, my hon. friend has in mind.

The Minister of Finance yesterday was not in that agreeable mood that so often characterises him. He seems to have had some difficulties. What they were I cannot say; I trust they were not in regard to increasing judges' salaries or anything of that sort; but he certainly seemed to have some difficulties yesterday afternoon, because in a moment of petulance he described those who were striving to remedy their grievances as being given to—well I hesitate to use the word by which he described them, and I will leave it at that because I fear those who are of the same ancestry as himself in those sections of the Dominion that are called the maritime provinces will not cease to recall, not with pleasure, the way in which he has stigmatised the efforts they are making for the benefit of the country. The minister said that those who come from the maritimes and sit on this side were present because of the grievances that they had really manufactured with respect to the maritime provinces. Let us put this single question and leave it at that. If they were imaginary grievances, why has the government taken so long to explain what they have done towards remedying them? If those grievances were purely imaginary, as was indicated by the Minister of Finance yesterday; if they were manufactured for the occasion, as he said, why has parliament been endeavouring so anxiously to satisfy the just demands in accordance with the recommendations made in this report? If this was Tory propaganda, why is a Liberal government giving effect to it? Those complaints were made time after time by men of the lower provinces and at last they succeeded, by sending to parliament a delegation such as I have mentioned opposing the government, in bringing about the creation of this commission, which they did not then think would be the best method of dealing with the matter, but which, in the light of subsequent events has turned out to be very satisfactory. Now the government has spent the last hour in explaining how it has endeavoured to implement the recommendations contained in the report while the Minister of Finance says that these are nothing but purely imaginary grievances that the people have.

Mr. DUNNING: He did not say that.

[Mr. Bennett.]

Mr. BENNETT: I took down his words with respect to grievances. He said that these gentlemen owed their seats in the house to those grievances. He did not use the word "imaginary". I think "fancied" was the word he used.

Mr. DUNNING: Will my hon. friend permit me to quote the exact words?

Mr. BENNETT: Yes. He used the expression twice.

Mr. DUNNING: This is what the Minister of Finance said:

> My hon. friends the mover and the seconder of the resolution laboured long and hard to convince themselves that they really have a grievance. They know better than that; they know that the people in the maritime provinces are not in sympathy with all these continual whinings for something more to be done in addition to what has already been done.

Mr. BENNETT: Mr. Speaker, you from your wide knowledge of classical lore will remember the case in which a man said: "O save me from my friends." I had declined to use the word "whinings" out of regard for the Minister of Finance, but it remained for his colleague, anxious on his behalf, to speak of these "continual whinings," words which I am sure he is sorry he used.

Mr. DUNNING: Whinings, not of the people of the maritime provinces but of hon. gentlemen opposite.

Mr. BENNETT: Quite so, elected to their seats in parliament by as highly respectable and educated constituents as those represented by anybody else in the house.

The hon. member's amendment dealt with the question of steel. Sir Andrew Rae Duncan investigated the matter and he made a recommendation that prompt action should be taken. I have already indicated that the report was made over two years ago. The steel matter is not a question of politics. I say that to the hon. member for Weyburn. It is a question of taking such legislative action as will place that steel industry in a proper position with respect to the country. The coal, iron and steel industries of Nova Scotia are the lifeblood of the eastern provinces. I wonder if the hon. gentleman has recalled what was said in the United States in the era of their greatest prosperity, namely, that "steel is king." I direct the attention of the Minister of Finance to this consideration. The report of the Department of

National Revenue brought down for April indicates that of iron and its products we imported the following amounts:

Year	Free	Dutiable
1927	$3,615,193	$19,032,371
1928	3,677,768	21,145,646

Mr. MANION: For one month.

Mr. BENNETT: For the month of April. Further, in the report that came to us this morning I find that the imports for Canada for the month of April are the highest they have been since 1925-26. They have risen from $59,104,651 to the enormous sum of $78,490,470, or an increase of nearly $19,000,000 from April, 1926, to April, 1928, and for the twelve months ended April 30, 1928, our total imports have increased by nearly $100,000,000 over the twelve preceding months, being the largest that we have had since 1925. Our exports for the month of April as the figures indicate, show a decrease as compared with preceding years; for the twelve months ending April 30, 1928, we had total exports amounting to $1,209,844,957, or an increase of much more than $100,000,000 over those for the twelve months ended April 30, 1925, but unfortunately a decrease of $106,000,000 from those for the twelve months ended April 30, 1926, and a decrease of $60,000,000 from those for the twelve months ended April 30, 1927.

There is not a banker, not a man who is engaged in dealing with money, business or industry on the American continent who is not looking to the future with grave anxiety. We know that by these increased importations during the last month we have had, not dumped, but sent into this country increasing quantities of goods from other countries and that our exports are diminishing. What does that mean? We have for the month of April an adverse balance of trade amounting to a very large sum of money. In fact, as perhaps the hon. gentleman has seen, it amounts to about $20,000,000. For the first time in many years we have a monthly adverse trade balance of $20,000,000, and yet in the month of April we increased our importations of iron and its products by more than $2,000,000. What does that mean? With the United States Steel Corporation showing that their bookings are $400,000,000 less than they were in the preceding quarter, with everywhere apprehension on the part of business men as to the future, with the gravest anxiety as to where we are heading, with stocks pyramiding at a price never heard of before in this country or indeed on the American continent, we find that our importations of iron and steel, largely from the United States, show an increase of more than $2,000,000 for the month of April. Is that not a good reason why this recommendation of Sir Andrew Duncan should be carried out? He recommended prompt action with respect to this industry, and the Minister of Finance (Mr. Robb) will say that nothing has been done because he has left the matter to his tariff advisory board. What did he tell us about this tariff advisory board? He told us that he preferred to trust his own common sense in other matters, and the house agreed with him, for thus far on any matter submitted to the board no findings of fact had been made which would enable the government to arrive at a conclusion. He has told us that this matter was before the tariff advisory board. Sir Andrew Duncan has also said that it was before the board. But nothing was done, nothing has been done, nothing is being done, and this country is faced with the fact that unless something is done, the reaction that is now setting in in the United States will be followed by depression in this country, such as has always followed depression in the United States. But if we now take the action that we are capable of taking in Canada, if we call up all our reserves, if we face the situation as we should, if we deal with conditions as Sir Andrew Duncan pointed out we should, we will develop our iron and steel industry in Cape Breton and be able to meet the situation, instead of buying increased quantities of goods from the United States in the shape of iron and steel.

Remember this, that the steel question was the first matter submitted to this tariff advisory board, and it has not yet been dealt with. The minister himself has afforded to us the best reason why he should not rely upon that board. Any hon. member who followed the discussion with respect to the tariff advisory board when the textile schedules were before this house realizes that the Minister of Finance was more willing to trust his own common sense in dealing with those matters than the meanderings of this tariff board, which dealt with everything and found nothing, which laboured all night and produced nothing, like the fishermen upon the lake; they caught nothing, and this tariff board found nothing.

It is for that reason that I venture at this time to point out to this house the urgent necessity of action being taken. If three years ago, before economic and commercial conditions had reached the state they are now in, if the anxiety which was then not great but has become as great as it is now, if there is the greatest and gravest anxiety, not in this country, we will say, but in the republic to

the south of us with respect to what the immediate future will be, and by immediate future I mean within the next year; if they fear it, as they do—read their financial journals or the financial columns of their papers, and you will find that they are all apprehensive—if they are apprehensive, let us get our house in order so that when depression strikes them, we will not have the reaction here. You can do that only by dealing with these matters as Sir Andrew Duncan pointed out, by taking the necessary legislative action to see to it that this great industry in Nova Scotia functions as it should, and not only that industry, but the great industry at the Soo to which reference was made yesterday. In other words, the deposits of raw material that are being worked up and fabricated into the various products of iron and steel should, so far as possible, be fabricated in our own country, and we would not then send out of this country, as we did in April, upwards of $24,000,000 for iron and its products. It is for that reason that we urge as strongly as we can, not in any political sense, but with an earnest desire to point out the dangers that lie in our pathway. The economic condition of the American continent being what it is, we would be derelict in our duty, we would be faithless representatives of the people, if we did not point out that condition and ask this house to take the measures which Sir Andrew Duncan said should be taken, and taken promptly, mark you, with respect to this industry in order to save it from disaster.

That, Mr. Speaker, is the reason we make this motion on going into supply. The Minister of Finance was finding fault about the loss of time. It may be a loss of time, but in order that Canada may be able to face the conditions which will be upon us within a reasonable time unless all signs fail, unless the business barometers cannot be read as they should. Unless the predictions made by great business executives of the United States are not worthy of consideration, we should take steps first of all to curtail our expenditures and see to it that not a single dollar of the public money is spent unless it is productive; in other words, unless it will pay the interest upon the expenditure made. That is the first consideration.

Secondly, we should see to it that such legislation is placed upon the statute books of this country so that when the storm breaks and economic disaster or difficulty or setbacks threaten our nearby neighbours, we shall be fortified and strengthened to meet the storm without in any sense having disaster upon us.

[Mr. Bennett.]

That is the reason I venture to urge this matter upon this house at this time. It is not a matter of whether you shall have a wharf here or a ferry there or a narrow-gauge railway yonder; these are insignificant administrative acts with respect to the Duncan report. The great problem is the development of the raw materials that Providence has given to us, the opening up of our great resources, the providing of employment for our people, the making of greater opportunities for our people in Canada. That is what the Duncan report dealt with, in order that the maritime provinces might become what they were intended to be—not that somebody might have a dollar spent here and somebody else have a dollar spent there, not that $50,000 should be spent for a wharf here or a bridge there. That is not what Sir Andrew Duncan was talking about, but large problems of constructive statesmanship, and there is no larger problem of constructive statesmanship than the development of the iron and steel industry of this country, whether it be at the Soo, in Cape Breton, or at Hamilton. It is essential that that industry should be developed because under modern economic conditions steel is the life blood in the development of a country. For these reasons, Mr. Speaker, we urge upon this house that action should be taken, not next year, but this year, to remedy this grievance, and that the report made by the Duncan commission should be implemented and prompt action taken, not in 1929, but in 1928, while there is still time before the economic storm bursts upon this country.

The house divided on the amendment (Mr. MacDonald, South Cape Breton), which was negatived on the following division:

YEAS

Messrs:

Anderson (Halton),	Garland (Carleton),
Arthurs,	Grimmer,
Barber,	Harris,
Bell (Hamilton West),	Hodgins,
Bell (St. John-Albert),	Kaiser,
Bennett,	Ladner,
Black (Halifax),	MacDonald (Cape Breton South),
Bowen,	Macdonald (Kings),
Boys,	Macdonald (Richmond-West Cape Breton),
Brady,	Macdougall,
Cahan,	McGibbon,
Cantley,	McQuarrie,
Casselman,	Matthews,
Chaplin,	Maybee,
Charters,	Pettit,
Cotnam,	Quinn,
Cowan,	Rennie,
Edwards (Frontenac-Addington),	Ross (Kingston City),
Edwards (Waterloo South),	Ryckman,
Esling,	Senn,
Fraser,	Short,

Sinclair (Wellington North),
Smith (Cumberland),
Spence,
Spotton,
Stinson,
Stirling,
Thompson,
Tolmie,
White (London).—51.

NAYS

Messrs:

Adshead,
Allan,
Bancroft,
Beaubien,
Benoit,
Bird,
Bissett,
Blanchard,
Bock,
Bouchard,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bowman,
Bradette,
Brown,
Campbell,
Cannon,
Cardin,
Carmichael,
Casgrain,
Coote,
Delisle,
Denis (St. Denis),
Denis (Joliette),
Desaulniers,
Descoteaux,
Deslauriers,
Donnelly,
Dunning,
Dussault,
Elliott,
Evans,
Fafard,
Fansher (Last Mountain),
Fansher (Lambton East),
Forke,
Foster,
Gardiner,
Garland (Bow River),
Gershaw,
Gervais,
Girouard,
Glen,
Goodison,
Goulet,
Hall,
Heaps,
Hepburn,
Howard,
Howden,
Jelliff,
Jenkins,
Johnston (Long Lake),
Kellner,
Kennedy,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacombe,
Laflamme,
Lanctôt,
Lapierre,
Lapointe,
Lavigueur,
Letellier,
Lucas,
Luchkovich,
MacLean (Prince),
McLean (Melfort),
Macphail (Miss),
McDiarmid,
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Mercier (St. Henri),
Millar,
Milne,
Morrissy,
Motherwell,
Neill,
Parent,
Perras,
Power,
Prévost,
Ralston,
Rinfret,
Robb,
Roberge,
Robitaille,
Ross (Moose Jaw),
St-Père,
Sanderson,
Séguin,
Smith (Stormont),
Speakman,
Spencer,
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Telford,
Thorson,
Tobin,
Totzke,
Woodsworth,
Young (Saskatoon),
Young (Weyburn).—109.

PAIRS

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

Messrs:

Duff,
Dubuc,
Bothwell,
MacNutt,
Veniot,
Dickie,
Guthrie,
Embury,
Ilsley,
Hanson,
Blatchford,
Lacroix,
Boivin,
Euler,
Vallance,
Malcolm,
Fiset,
Sinclair (Queens),
Edwards (Ottawa),
Chevrier,
Lang,
Hay,
Kay,
Cahill,
Marcil,
Fontaine,
Verville,
Morin (Bagot),
Raymond,
Howard,
Wilson (Vaudreuil),
Auger,
Taylor,
Cayley,
Odette,
Rutherford,
Pouliot,
Guérin,
Mercier (Outremont),
Baldwin,
Heenan,
Dionne,
McRae,
Rowe,
Hocken,
Manion,
Clark,
Stevens,
MacLaren,
Jones,
Preston,
Stewart (Leeds),
Young (Toronto),
Hubbs,
Wilson (Wentworth),
Simpson,
Perley,
Anderson (Toronto),
Price,
Peck,
Bell (St. Antoine),
Casselman,
White (Mount Royal),
Ernst,
Ryerson,
Smoke,
Robinson,
Gott,
Lennox,
Maloney,
Geary,
Johnstone,
Black (Yukon),
McGregor.

Mr. DUFF: I was paired with the hon. member for Nanaimo (Mr. Dickie). Had I voted, I would certainly have voted against the amendment.

Mr. BOTHWELL: I was paired with the hon. member for Hastings-Peterborough (Mr. Embury). Had I voted, I would have voted against the amendment.

Mr. GUTHRIE: I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted, I would have voted for the amendment.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted, I would have voted for the amendment.

Mr. MANION: I was paired with the Minister of National Revenue (Mr. Euler). Had I not been paired, I would have voted for the amendment.

Mr. CLARK: I was paired with the hon. member for South Battleford (Mr. Vallance). Had I voted, I would have voted for the amendment.

Sir EUGENE FISET: I was paired with the hon. member for St. John-Albert (Mr. MacLaren). Had I voted, I would have voted against the amendment.

Hon. Mr. SINCLAIR (Queens): I was paired with the hon. member for Royal (Mr. Jones). Had I voted, I would have voted against the amendment.

Mr. PRESTON: I was paired with the junior member for Ottawa (Mr. Edwards), otherwise I would have voted for the amendment.

Mr. STEWART (Leeds): I was paired with the senior member for Ottawa (Mr. Chevrier). Had I voted, I would have voted for the amendment.

Mr. GOTT: I was paired with the hon. member for Kent (Mr. Rutherford). Had I not been paired, I would have voted for the amendment.

Hon. Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted, I would have voted against the amendment.

Mr. BLATCHFORD: I was paired with the hon. member for Vancouver North (Mr. McRae). Had I voted, I would have voted against the amendment.

Mr. BOIVIN: I was paired with the hon. member for Toronto West Centre (Mr. Hocken). Had I voted, I would have voted against the amendment.

Motion (Mr. Robb) agreed to on the same division reversed.

SUPPLY

DEPARTMENT OF RAILWAYS AND CANALS

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

Canals—Ontario—St. Lawrence canals, improvements, $17,500.

Mr. STEWART (Leeds): Would the minister explain this item?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The $17,500 is required to construct seven cribs, floats and booms at the upper entrance to the Cornwall canal, where, on account of the swift current at lock 21, vessels have great difficulty in tying to the entrance to the lock. In order to obviate this difficulty it is intended to construct a series of cribs, floats and support booms against which vessels may tie up to meet the requirements of safe navigation.

Item agreed to.

Port Colborne elevator, improvements, $24,400.

Mr. GARDINER: What is the nature of these improvements?

Mr. DUNNING: The vote is made up as follows:

Item	
1.—3-150 h.p. motors for receiving lofters complete with starters, conduits and new cable	$ 8,100
2.—Replacing 4-100 h.p. marine log drive motors with 4-125 h.p. motors removed from lofter drives, and installing new bearings, etc	1,000
3.—Brakes for 9 lofter drive motor shafts	1,300
4.—Mechanism for pulling marine leg in and out	4,000
5.—Re-constructing 9 lofter heads to have them vented through roof.	5,000
6.—Concreting existing bin walls in old house between top of trough plates and floor	5,000
	$24,400

The whole expenditure is designed to speed up the operations of the Port Colborne elevator.

Item agreed to.

Quebec canals—Carillon-Grenville improvements, $3,500.

Mr. STEWART (Leeds): What improvements are being done on this canal?

Mr. DUNNING: This is to build a scow.

Item agreed to.

Trent canal, improvements, $269,600.

Mr. McGIBBON: What are the improvements here?

Mr. DUNNING: The amount required is made up of the following items, $61,400 being a re-vote:

Item	A.—Eastern Division		
1.	To provide gate building plant and construct six spare gates	(revote $10,000)	$16,000
2.	Dredging and excavation	(revote $14,000)	24,500
3.	To construct public wharves at Thurstonia and Greenhurst		4,000
4.	To complete concrete dam at Hawk river logslide	(revote)	5,000
5.	To construct concrete dam at outlet of Big Bear lake		3,800
6.	To construct concrete dam at outlet of Maple lake		2,500
7.	To rebuild dam at outlet of Grace and Dark lakes		1,500
8.	Rebuilding and repairs to reservoir dams		10,000
9.	Miscellaneous	(revote $3,700)	5,300
			$72,600

Item	B.—Western Division		
10.	To complete dam at Lock 24.. .. .. (revote $20,000)	$45,000	
11.	To construct dam at Lock 25..	65,000	
12.	Cement..	16,000	
13.	To build house for marine railway operator at Big Chute..	4,500	
14.	To build derrick scow for Severn subdivision..	1,800	
15.	Removal of rock and other excavated material.. .. .. (revote)	4,000	
16.	Engineering staff, salaries and working expenses..	56,000	
17.	Miscellaneous and unforeseen.. .. .. (revote)	4,700	
			197,000
	Total..		$269,600

Mr. KAISER: Is there anything in the estimates to cover the balance due on the Atherley bridge?

Mr. DUNNING: No.

Mr. GARDINER: Is this canal used for commercial purposes, and if so, to what extent?

Mr. DUNNING: I will give the particulars of traffic. In 1927, which is the last year of record, 2,577 Canadians vessels and 79 United States vessels passed through the canal. The freight carried amounted to 27,754 tons originating in Canada, none originating in the United States. I have given the numbers of vessels; the tonnage of the vessels was 82,411 tons for the Canadian vessels and 2,042 tons for the American vessels.

Mr. ADSHEAD: What are the dues?

Mr. DUNNING: All the canals operated by the department are operated free of charge as far as navigating vessels are concerned.

Mr. ADSHEAD: Then the cost would be over $9 per ton.

Mr. DUNNING: I do not understand my hon. friend.

Mr. ADSHEAD: There were 27,754 tons of freight carried through the canal and the vote is for $259,600, which would work out at over $9 per ton.

Mr. DUNNING. Yes, that is one way of figuring it. Of course my hon. friend is aware that there is a very substantial revenue to the department from the Trent canal.

Mr. ADSHEAD: That is what I asked, and I thought my hon. friend said no.

Mr. DUNNING: We are misunderstanding each other. My hon. friend asked if there was any revenue from the boats passing through. There is no toll charge; the Canadian canals are operated free as far as that is concerned, but there is a revenue from the rental of shore property, from water powers created by the canal and so on.

Mr. ADSHEAD: How much?

Mr. DUNNING: Our total revenue from all sources received from the Trent canal for the year ending March 31, 1928, was $95,644.52. That was the aggregate revenue from water powers, rent of boat houses and other forms of revenue.

Mr. McGIBBON: Is it the intention of the government to complete this canal. I think I can guess what the minister is going to say; I think no sane man would advocate building this canal if it were to be started to-day. It has been on the go for about 150 years, I believe, and is nearly through to the Georgian bay. I understand that in one or two remaining places it is operated by a marine railway, which does not permit the rather expensive boats to come up the canal. It does appear to me that outside of the power question the future of this canal is wrapped up in the tourist trade which, as everyone knows, is probably the third or fourth revenue producing industry, if you might so call it, in this country. If this canal were finished it would greatly stimulate that trade. People with large, valuable boats will not bring them up over these marine railways, yet we are right at the door of a nation of 115,000,000 people, many of whom want to spend their vacations in this way. I should like to ask the minister if it is possible to finish this canal.

Mr. DUNNING: I got into trouble a little while ago for telling the house something I had recommended to my colleagues, and I am wondering if I will get into equal difficulty if I discuss something which I have not recommended.

Mr. STEVENS: Be very careful and it will be all right.

Mr. DUNNING: The fact is that in 1922 it was estimated that it would cost $3,000,000 to complete the Trent canal, and the government have not yet decided to expend that money.

Mr. McGIBBON: What has been the total expenditure to date?

Mr. DUNNING: It is a lot of money, $3,401,204.76.

Mr. McGIBBON: Is that all that has been spent on the Trent valley canal?

Mr. DUNNING: That is only one division; I am sorry, but I had the wrong page. I find that this goes back to 1868.

Mr. McGIBBON: Further than that.

Mr. DUNNING: That is so, because $309,000 was spent on the canal before confederation. The total cost of construction up to the end of the last fiscal year was $19,359,000; betterments, $3,069,000; maintenance, that is repairs and so on, $1,661,000, and operation, $1,673,000, or a total for all expenditures connected with the canal and including the cost of operation of $25,763,847.72

Mr. STEWART (Leeds): The minister was good enough to give the revenue from all sources; could he give the expenditure for the corresponding period? I would also ask if the improvements contemplated will in any way increase the amount of water power developed on the canal?

Mr. DUNNING: Yes, in some particulars. Of course my hon. friend must understand that there is a distinction between expenditures of the kind now being voted, which are for maintenance of the present work, and those voted for new work.

Mr. STEWART (Leeds): I refer to the expense of maintenance and operation.

Mr. DUNNING: I will give the figures in a moment. In respect to the water power, of course my hon. friend can see that unless we maintain the dams and renew old ones we will lose the revenue now derived from water power. Much of the expenditure, the details of which I gave a few moments ago, is for those improvements and renewals. I can run over them individually, but in the meantime the operating cost for 1927-28 was $152,329.25.

Mr. STEWART Leeds): I was only anxious to know whether there would be any increased development of power.

Mr. DUNNING: No, there is no increase contemplated.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. PECK: I do not rise to take exception to this item; in fact I thoroughly approve of it, and I hope that while I am a member of the house I shall have the opportunity of voting for a very much more substantial sum to complete this work. The purpose of the undertaking is to connect the Georgian bay with lake Ontario, using the various waterways and lakes which are to be found in the interior of Ontario between these points. The total length of the canal when completed will be 240 miles, but so extensive are the lakes and rivers which can be utilized that there will be only thirty-five miles of actual canal in the system when it is completed.

This work has been under consideration for a very long time. It is just one hundred years since the advantage of building the canal commended itself to the government of the day, and steps were taken to survey the system. The work was not immediately undertaken, but later on certain locks were built linking up a portion of the system. Then there was a long wait and finally, forty-two years ago, the work was again taken into consideration, and progress has been slowly made. The system is practically complete now except for a small portion of development required on the Severn river, and it would have been completed but for the intervention of the war.

The canal links up several important municipalities, such as Trenton, Campbellton, Lindsay, Orillia, Barrie and numerous other places. The lake system is a very extensive one. Lake Simcoe, of course, is very well known. The next largest lake is Rice lake, twenty miles in length and from two to three miles wide. Then there is Balsam lake, Stoney lake and others; and hundreds of other lakes find an outlet into the canal system. The district has become a very attractive one for tourists, and all along the canal system you will find summer cottages and hotels. If the canal were completed I think it would be a still more attractive place to the tourists. We cannot overlook this trade; it brings millions and millions of dollars annually into this country, and it should be encouraged. I understand that the minister is contemplating a visit to the system. I extend to him my endorsement of the invitation which has already been given him, and I am quite sure that after he has spent two or three days examining the system he will consider favourably the final construction of the Trent canal.

Mr. DUNNING: There was a question before recess regarding power sites. In connection with this undertaking there are power sites available for lease representing, without further conservation works, about 11,000

horse-power. The completion of the canal would not add to the available power, as the power sites on the proposed locks at Swift rapids and Big Chute are already under lease.

While I appreciate the invitation to visit this beautiful section of Ontario, which I have received from those interested in promoting the completion of the canal, the very frank confession on the part of those giving the invitation that it was for the purpose of endeavouring to convince me that $3,000,000 ought to be spent makes it a little embarrassing. I hope to have the opportunity, if not this summer, on some occasion in the not distant future, of seeing that particular canal. Last summer I made a trip over our commercial canals with a view to familiarizing myself with them, and I hope to have a look at the Trent canal in the not distant future.

Mr. BROWN: Would the water-powers on this system be in any way involved with the question now before the Privy Council? Perhaps that is a question that cannot be answered.

Mr. DUNNING: That is a matter on which lawyers differ.

Mr. PECK: All the water-powers still available will belong to the Dominion.

Mr. DUNNING: We think so.

Mr. PECK: That was agreed to between the province and the Dominion several years ago.

Mr. BENNETT: On this canal.

Mr. THOMPSON: I should like to endorse what the hon. member for West Peterborough (Mr. Peck) has said in connection with the completion of the canal. It seems too bad that where so much money has been expended only a short length should be left uncompleted. If this short length were completed it would mean that millionaires living in New York could pass up the Hudson river, through the Erie canal, on into lake Ontario, and then enter the Trent canal at Trenton and pass up to lake Simcoe towards Georgian bay.

The tourist trade of this country should be encouraged. It is estimated that we received last year in Ontario alone $100,000,000 from the United States tourist traffic. If this canal were completed that trade would be enormously increased by many hundreds of thousands of dollars every year, and I am sure the minister will see the necessity of it.

Mr. KAISER: I should like to ask the minister whether he proposes to bring down an appropriation for the amount of money which three counties claim that the government honestly owes and has promised to pay in regard to the building of the big Atherley bridge. This is an acute question and one that we are urged to bring to the attention of the minister. The canal happens to strike the corner of three counties, and a large bridge had to be built over the canal. The cost of the bridge was estimated to be about $100,000. The government agreed to pay 40 per cent and the counties to pay 60 per cent. I understand the government has claimed that the costs were to remain at $100,000; but owing to demands made by the engineers the costs ran considerably more than $100,000, and the government have, as I understand the matter, refused to acknowledge their share of the balance. There are on file letters in which I understand promises have been made and the counties are urging their members to endeavour to secure an adjustment of the account. It is only right that the minister should make a statement to the committee whether there will be an adjustment in connection with the balance. The counties are still carrying this debt, paying interest upon it, and to my mind the evidence is absolutely in favour of the government paying its share.

Mr. McGIBBON: As representing one of the ridings where this bridge has been built; I should like to endorse the sentiments of the hon. member for Ontario (Mr. Kaiser), that the matter if possible be cleaned up. I recognize the difficulties of the department in bringing these matters to a final conclusion, but had it not been for this canal, such an expensive bridge would not have been required, and when the counties agreed to pay 60 per cent of the costs I think that was quite fair. It is quite true that the cost overran the estimate and I think that is where the difficulty lies, but it is not impossible to arrive at an equitable solution of the question. In the meantime the counties are carrying this debt and paying interest on it and I should like to know how far the minister is prepared to go in the matter.

Mr. DUNNING: It would always be very pleasant if one could accede to requests of this nature. I have gone very carefully into the question of the Atherley bridge and I think all ministers who have examined the matter, regardless of which party they might belong to, would confirm what I am now saying, namely, that there never was any real obligation on the Dominion to contribute anything towards the bridge in question. If we

leave that aside for the moment, the fact remains that the Dominion agreed to pay 40 per cent, not to exceed $40,000 of the cost, and the bridge was built, I believe, by the counties themselves. Unfortunately, in the first place they did not accept the lowest tender for the bridge. Later the cost overran $100,000 and they came back asking the Dominion to pay an increased share. The treasury board has never been able to see any reason why the Dominion should pay more than the $40,000 which has already been paid and which, as I say, in the opinion of the department, was in the first place really an act of grace as there was no real obligation resting upon the Dominion. The bridge is not over a canal. Of course I know the claim of the counties and I appreciate the force of it, namely, that the effect of the canal some distance away was that a swing bridge was required. If I remember correctly, that was the argument.

Mr. McGIBBON: The minister is absolutely wrong. The bridge is right over the canal.

Mr. DUNNING: It is not over the canal. It is over a navigable stream which is being used for navigation and not for a canal.

Mr. McGIBBON: It is part of the canal.

Mr. DUNNING: The navigable stream was there before the canal was built. However that may be, the Dominion, rightly or wrongly, agreed to pay forty per cent of $100,000, and the Dominion kept that agreement to the letter. The counties concerned in building the bridge did not, as I say, accept the lowest tender. Whether that was the reason why the cost overran $100,000, I am not in a position to say. The fact remains that the cost exceeded $100,000, but the Dominion fulfilled every obligation it ever assumed in connection with the Atherley bridge. The question now is: Should the Dominion be even more generous and share in the expenditure over and above the $100,000? The matter has been before the treasury board on more than one occasion and the treasury board has not seen fit at any time to recognize the claim. I regret that I cannot say anything more favourable than that to my hon. friends.

Mr. McGIBBON: May I correct the minister? I do not know for the life of me how he can say that the Dominion has no obligation in the matter. The extra expenditure was incurred owing to the fact that they had to have a swing bridge or the canal would have been blocked. The counties did not need a swing bridge; the swing bridge was built for the purpose of navigation only and it does go over part of the canal. It is the part connecting the two lakes. After the agreement was entered into the department insisted upon some changes which helped to run up the expense. For instance they had to have an electrical apparatus installed to turn the bridge in one minute instead of having it turned by hand. That accounts for part of the extra expense. Surely the minister cannot deny that the government is responsible for part of the extra expenditure, because if that swing bridge had not been built there, the canal would have been useless; it would have been blocked. I cannot see the force of the minister's argument.

Mr. KAISER: The point that seems to confuse both the minister and the counties is whether there was an absolute statement on either side that the costs were to be held down to $100,000 and that the government were obligated to pay only forty per cent of that amount. I submit that the letter which was written by the department distinctly gave the counties to understand that the government would pay forty per cent of the total cost.

Mr. DUNNING: I should like to see such a letter, because if any undertaking was given by any government to pay more than the $40,000, I would consider it my duty to recommend that that obligation, entered into in that manner, be implemented. But I have no knowledge of such an undertaking as that to which my hon. friend refers. If he can produce an authentic or official document from this or any other government committing the government to more than has already been paid, I shall be glad to have the matter considered again in the light of that undertaking.

Mr. KAISER: I do not think anybody could expect any government or any person to take a sounder stand than the minister has taken, and I would humbly request him to ask the department to show him the letter which was written and which is in its possession, that misled the counties.

Mr. DUNNING: My officials inform me, as they have done on former occasions, that there is no such letter, but that the order in council authorizing the expenditure makes it very clear—and of course the expenditure was authorized a long time ago—that the federal government's proportion shall be forty per cent, not to exceed $40,000, and that amount has been paid. I shall have a further investi-

gation made in the department and if there are any commitments by any government, before the contract was entered into or as a part of the contract, that more than $40,000 should be paid with respect to the bridge, I shall be glad to bring the matter once more to the attention of the treasury board.

Mr. KAISER: I should not like to say that such a promise was made definitely in the contract. I submit that there is a letter on file. It was read in my presence. I cannot say at the moment whether it was read by the solicitor for the counties or by an official of the department. But I do not think the counties misunderstood the matter in the slightest. They were given to understand that the government would assume 40 per cent of the total cost.

Mr. DUNNING: I will have that further looked into.

Mr. THOMPSON: When the agreement was entered into, the county was to pay 60 per cent and the government 40 per cent, but later the government insisted that a swing bridge should be built. That increased the cost, and I think it is only reasonable that the government should bear its share of this increased cost.

Mr. DUNNING: My hon. friend forgets that the stream in question is a navigable stream. At that point it is not canalized, and regardless of whether or not the canal had been built, the counties could not build a bridge which would obstruct that stream. They would have to make provision for the navigation of the stream, and they did. The fact that a swing bridge was put in has nothing whatever to do with the building of the canal further along the same watercourse. On no navigable stream may a bridge be built which has the effect of obstructing navigation. The argument that the swing bridge was put in because of the Department of Railways and Canals is entirely erroneous. So far as the swing portion of the bridge is concerned, I am advised that the department looks after its maintenance, and also pays the cost of keeping a man to operate it. On the whole, I must say that by comparison with similar matters elsewhere, I do think these counties were very generously treated by the particular government and minister who entered into that agreement in the first place. But if there is any commitment by this government, by a minister, or by an official who was authorized to enter into such an arrangement at the time, or anything of the kind, I shall be very glad to have it looked into again. I am not speaking of any promises which may have been made since the bridge was built; that is another matter entirely. But with respect to the arrangement which resulted in the building of the bridge, if there is anything of the sort in existence we will have the whole matter reconsidered.

Mr. McGIBBON: Is it not a fact that the changes were made at the instance of the government after the agreement was completed, changes which increased the cost?

Mr. DUNNING: My officers inform me that the plans were submitted in the usual way, but as the bridge was being built certain defects were found owing to the nature of the ground underneath the piling, and it was insisted that stronger piling should be used in connection with the centre portion of the bridge; otherwise, the bridge would not have stood.

Mr. McGIBBON: That would increase the cost to that extent. That was done after the agreement was made. I am also credibly informed, and I believe it is a fact, that the government demanded other expenditures, for instance, on electrical machinery, instead of hand power for turning the bridge. That also was done after the agreement was made, and it considerably increased the cost. As the government insisted on that being done, I think it should pay the whole of that extra expenditure.

Mr. DUNNING: That was part of the original agreement.

Mr. McGIBBON: I am told not. It was long after the original agreement was confirmed, and for the life of me I cannot see how the government can get away from bearing its fair share of this increased cost. It is true that the ground proved to be rather unsuitable for the foundations, and that increased the cost. The government, according to the original agreement, bear 40 per cent of the cost and the counties 60 per cent, and I think any additional expenditure should be borne in the same proportion. These unforeseen expenditures cannot be looked after at the time the bargain is made, and since part of this increased cost is due to the demands made by the government, and the government's demand increased the cost tenfold, I think the government should at least bear its share of this extra cost.

Mr. DONNELLY: This vote seems to meet with a lot of contention, and we in western Canada can hardly understand it. A lot of money is voted by this house for the east, for canals, bridges, breakwaters, dredging

and wharves, and we have none of those things in western Canada. The only thing we can get is an odd public building here and there. In fact, in the constituency I represent there has not been a dollar spent by the government, but we are quite satisfied and contented out there. But now we have members from the east complaining that there is not enough money being spent down here. Already over $230,000 has been spent on this proposition. Canals such as this are out of date anyway. I think this canal should be modernized. It should be drained out and filled in and turned into a public highway. Then it would be of some use to the public. A canal six feet deep in only used for pleasure. Turn it into a public highway, make it into a good automobile road, and then the public will use it. It is no good as it is. If there is to be any contention over this item, let the canal stay the way it is and become a nuisance. I think the best thing to do is to reduce this item to one dollar.

Mr. McGIBBON: I presume we may now all sit down and sing the doxology. The hon. gentleman has spoken; the last word has been said. The hon. member does not know that along this canal we have some of the best power houses in the province of Ontario.

Mr. DONNELLY: Could you not still have them if it was filled in?

Mr. McGIBBON: I suppose the hon. member could have a windmill without any wind, if he was behind it.

Mr. DONNELLY: You could furnish the wind.

Mr. McGIBBON: If the hon. member was there, that would be sufficient.

Mr. DONNELLY: That is all you can furnish.

Mr. McGIBBON: The hon. member talks about the money that is being spent in the east. I should like to remind him that according to a return made by his own government, by the Department of Railways and Canals, two years ago, this country was carrying the wheat from the west at a loss.

Mr. DONNELLY: That is a mistake, and it was proved to be a mistake by one of your own party last year.

Mr. McGIBBON: The hon. gentleman, I see, wants to quarrel with his own government and with his own Minister of Railways.

[Mr. Donnelly.]

I take the time off their clock. I say that the return was made by the hon. gentleman's own government. Evidently he is not in accord with his own minister.

Mr. DONNELLY: That is a joke. You have said that fifty times.

Mr. McGIBBON: The hon. member is a joke.

Mr. DONNELLY: He is not sore, anyway.

Mr. McGIBBON: If the hon. member would speak so that he could be heard, I might perceive whether there was any intelligence in his remark. I would again ask the Minister of Railways if he will not agree to the government paying at least 40 per cent of the additional cost of this work, and let the municipalities be responsible for the other 60 per cent?

Mr. CHURCH: The midland counties have a legitimate grievance against all the governments so far as this particular canal is concerned. It has cost this country $25,000,000. What are the rentals and dues of this canal? On page 77 of the annual report of the department they are: dues $37 and rentals of—

Mr. DUNNING: I gave the information this afternoon—$95,644.

Mr. CHURCH: I was just going to say that dues were $37, rentals $95,644.02 a total of $95,792.02. This odd figure of two cents in the total seems to me to be all the value that the midland counties have derived from this canal. It has been nothing but a political canal. We have had enough of these political canals. There is the Newmarket canal, of sacred memory, where the people were told they would see ocean liners plying. The district on the Trent canal from Trenton to lake Simcoe should be industrialized. The government are holding property there to-day and nobody can get an industrial site. If you had a publicity agent to take up this question something could be done. If there was more co-operation between the federal government, the provincial government, the Hydro-Electric Commission, the municipalities of these midland counties, the national railways and other railways for the development of the district served by this canal the midland counties would become a great industrialized area. This is what the canal was intended for. I pass by the canal two or three times a week and I never see a boat there. In my opinion there should be some forward policy worked out between the federal government and the parties I have named. Trenton, an industrial town

itself, is going ahead by leaps and bounds, but if something is not done soon this canal will become Newmarket canal No. 2 so far as Ontario is concerned. I do hope the minister will have an opportunity during the recess to visit the Trent canal district and meet the municipal authorities. I know they will be glad to see him up in Simcoe and the other counties. The tourist trade alone would contribute a very large revenue if there was less red tape in getting boats through the canal and more business methods. In that area they have cheap light and power second to none in Canada. With the co-operation I have suggested the revenue would be increased two or three times.

Miss MACPHAIL: I agree with the first part of the speech of the hon. member (Mr. Church) who has just sat down. I really think that canals for transportation purposes belong to the day of the ox cart, and that is quite a piece behind us. I do not think we should continue sinking money year after year into these small canals. The Newmarket canal has this advantage over our other canals—they never turned the water into it. It is our only dry canal. I understand it served the purpose of helping to elect a Liberal candidate on one or two occasions. I think that is what it is built for. Apparently there is a large increase in this vote, and I do think it is about time that all parties in the house made up their minds whether it is worth while spending more money year after year on this canal. With the price of labour to-day I should think it would pay to save time by another route rather than to take boats through the canal locks. I agree with the member on the Liberal side (Mr. Donnelly) who thought we should fill up this canal and make a good road of it.

Item agreed to.

Welland canal—improvements, $35,500.

Mr. CHURCH: Five thousand two hundred ships went through this canal last year. The tonnage through the Welland canal, if I remember rightly, is about five and a half million tons a year. There has been considerable delay in getting ships through the locks, and the tonnage has fallen off. According to page 97 of the last report of the Department of Railways and Canals, the tonnage was 5,214,514 tons, a falling off of 425,784 tons from the last year of record. The people of Canada have spent a large sum of money in this district which is one of the finest industrial areas in Canada, supplied with an abundance of cheap light and power. In the past few years, owing to the cheapness of light and power there, the whole Niagara district has become industrialized, especially between Niagara Falls, Welland, Port Colborne and the village of Port Dalhousie. I urge the minister to do something definite under this item. The question that occurs to me is this: What is going to become of the existing canal in 1930 when the government opens the new Welland ship canal? When that takes place we shall have three canals altogether, including the canal of 1870, the existing canal and the Welland ship channel. There is a vast amount of waste land in that locality which should be turned into sites for industry. It is with the utmost difficulty that you can obtain a site in that district to-day owing to the fact that the government has tied up half the country through which these three canals pass. I would suggest to the minister the possibility of building a great boulevard between lake Erie and lake Ontario on the new Welland ship channel although the province might be the proper authority to take into consideration a proposition of this sort in conjunction with the province. I certainly think that the federal government, at any rate, should consider the construction of a boulevard parelleling the new ship canal.

Speaking about industrial development, there are many small power sites that could be obtained to-day for industry if the land were available. The government should make it known that there are certain sections along these two old canals that are available for industrial purposes. There is no reason why there should not be considerable industrial activity in that district, when you consider the cheap light and power facilities which can be taken advantage of. Active measures should be taken this summer to get rid of the congestion which exists at the present time on this existing canal. I visited the district some fifteen times last summer, and, so far as I could see, the congestion appeared to be at both ends of lake Erie and lake Ontario. That canal will be utilized next summer almost every moment of the night and day and I trust that in the coming summer additional money will be forthcoming for further dredging at the lake Ontario end of the canal at Port Dalhousie and at Port Arthur and on the central section. It is important to know what action will be taken in regard to the lake levels. I do not know what the reason is, but the levels have gone down and there are many complaints in this regard from Thorold, St. Catharines and other places of shallow water in this channel. Many ships have been delayed in their passage through the canal. Whether this condition is due to the Chicago

diversion I do not know, but I do know that there has been a good deal of complaint regarding the levels there. I hope the minister will spare no effort, in view of the heavy tonnage passing through the canal, to get rid of the congestion which to-day is hampering the movement of vessels. Action should be taken at the earliest possible moment to cope with the very heavy tonnage that is sure to go up this year. A revenue of $574,113 is derived from this canal alone out of a total revenue of $961,694 from all canals. The government can well afford to be liberal and keep the work going on repairs and renovations at this busy canal all summer and also hasten as much as possible the completion of the new Welland ship channel, as it will not be completed one day too soon to cope with the huge volume of tonnage congesting the present canal all the time by night and by day.

Mr. DUNNING: The committee ought to have some information bearing on the operation of the canal, in view of the remarks of my hon. friend; because I am bound to say, after paying the matter of Welland some rather close personal attention last year, the whole Welland operation—both the operation of the existing canal and the construction of the new canal—reflects very great credit indeed upon the Canadian engineering profession. That can be best illustrated in relation to the existing canal when I point out that there was a considerable increase of tonnage passing through the present canal in the calendar year 1927. In 1926 there passed through 5,214,000 tons of cargo and in 1927, 7,247,000 tons, or an increase of over 2,000,000 tons in one year of cargo passing through the existing canal. When one takes into account the fact that the operation of the existing canal is hampered very considerably by immense construction works going on in some places, crossing the existing canal, and that it is necessary to pass ships through the existing canal while at the same time constructing new works, one can appreciate the nature of the work that is being done. Engineers who have come from other countries in the past year have expressed in the very highest terms their opinion of the engineering importance of the great work which is being accomplished in the construction of the new Welland ship canal—with which I shall deal under another vote—by the Canadian engineers. By way of illustration of the volume of business, I would point out to those members from the west, who know something about the handling of grain through elevators, that the 3,000,000 bushel elevator operated by the Department of Railways and Canals at Port Colborne handled last year 77,600,000 bushels of grain. That was the extent of its operations during the last calendar year. I do not think there is a piece of grain-handling machinery in the Dominion that can show a record superior to that—a complete turnover, twenty-six times, in the handling of this grain. The previous year the amount handled was 62,535,000 bushels as compared with 77,621,000 in the last calendar year, with a capacity, as I have indicated, of approximately 3,000,000 bushels of storage. Of course, it is a transfer house; but these figures will give an indication of the importance of this artery.

With reference to my hon. friend's question as to what we shall do with the existing canal when the new canal is completed, I may point out to the committee that there have been four Welland canals, including the new one. Parts of three of them are still in existence, and it is somewhat of a problem to work out to the best advantage the utilization of the channels, the water, and so on, of the former canals. As an engineering matter it has not yet been fully worked out what we shall do with the present canal when the new one is completed.

Mr. BENNETT: But all the water will be diverted finally through the new canal.

Mr. DUNNING: There are qualifications even to that; from Thorold to Dalhousie that is the case. However, these problems are being looked into continuously by our engineering staff, and the fact that we have not yet reached a conclusion as to exactly what shall be done in connection with a matter of such magnitude does not indicate dilatoriness on the part of those responsible. I assure the committee that due care and consideration will be given the problem.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

National Defence—militia services—administration, $317,000.

Mr. WOODSWORTH: I do not wish to go into the details of this item but I do desire to protest against the very heavy increases which are manifest in the national defence estimates this year. I presume that some of the papers will say I am making my annual protest, but I am very glad to be able still to protest against these expenditures, and there is a very real reason for protest this year since in the last two years the estimates for this department have increased almost fifty per cent.

Last year the minister rather resented my references to professional militarists; he said

he had yet to meet a professional militarist. I should like to say that when we speak about professional militarists and their influence we simply mean what we mean when we speak of other professional men; we refer to a man who is a professional soldier, whether he is a private or an officer. I think possibly the minister himself is a splendid example of a man whose job it is to magnify and efficiently run his department. I have every admiration for a man who wishes to make a success of what he undertakes; I think we would not admire a minister if he did anything else, but since there are men whose job it is to make a success of military things; since there are officers who very naturally, from their viewpoint, are trying to make their military establishment efficient, we who are opposed to military expenditure can quite rightly suggest that undoubtedly their continual effort is to increase expenditures, just as is the aim of officials in other departments.

Last year the minister stated:

> I am presiding over the Department of National Defence, not over a department which has to do with the propagation of the principle of abolition of war.

I think that is a clear-cut statement; in fact I am inclined to think it a little nearer the truth than the statement he made during another debate in this house, when he described himself as the minister of peace. I wish he were the minister of peace; in that case I would be very glad to entrust to him a good deal of money in order to create an effective peace department. But let me repeat what he said last year:

> I am presiding over the Department of National Defence, not over a department which has to do with the propagation of the principle of abolition of war.

So he is very clearly at the head of that department, trying to make it effective from his standpoint. He went on to say that he proposed:

> —to see that we have at least some form of defence such as that which is regarded as necessary, having regard to conditions in the world.

In this connection I noticed a very good statement in the Toronto Daily Star, to this effect:

> So far all attempts to disarm even partially have been doomed to failure because the international representatives who meet to discuss the problem have been admirals and generals professionally interested in improving the world's war preparedness, and incapable of believing that the whole thing ought to be, or could be, ended.

That is the point I should like to make, and in this view I think I am sustained by no less an authority than Lloyd George, who in one of his recent letters made the following statement:

> In every country, it is a part of the business of the fighting staff to work out plans for defence against all conceivable enemies. Their minds get absorbed in these brilliant schemes. They gloat over their efficiency, and like every inventor, yearn to put their machine to a test. In the secrecy of their department, the possible war soon becomes a likely war, and the likely gradually glides into the inevitable war. It is at first discussed in whispers behind locked doors. Then at clubs where gather together men whose patriotism is above any suspicion of being tempered by discretion. . . The next stage is always the after dinner speech.

Then, as he says, comes the surrender to fools. William Leach, when Under Secretary for the air ministry for England, suggested that if peace were wanted peace must be prepared for. Let me give a comment on this from the Manitoba Free Press:

> Naturally such a revolutionary proposal—

Such as was made by Mr. Leach at that time.

> —namely, reliance upon Christianity to attain peace, provoke a storm of protest. Major General J. E. B. Seely, Liberal member of parliament, and Rear Admiral N. F. Sueter, Conservative, were among Mr. Leach's opponents in the debate, the former exclaiming: "If the empire is to be defended by Sermons on the Mount, God help them."

The Free Press goes on:

> It is easy to picture the righteous indignation of choleric political colonels, retired admirals and many others who pride themselves upon being practical men, living in a practical world. In spite of the ghastly failure of the policy of just such very practical persons in 1914, they are back to the same old cry of preparedness for the next war to ensure peace.

The minister does not like quotations. I gave him some last year, and I give these tonight simply because while a good many people may not particularly care what I say with regard to these things, they cannot altogether disregard the opinions of men who stand high in the councils of the nation, some of whom even stand high in military matters. Let me quote an authority whom I think the minister will recognize. Sir William Robertson, speaking before the chamber of commerce at Lincoln, England, said:

> We no longer agree that the best way to prevent war is to prepare for it. Instead of preventing war, we know that preparations are likely to precipitate it.

So I ask the reason for the development of militarism in Canada—because let us make no mistake; there is a steady increase in our military expenditures, and these expenditures are a very fair indication as to where our interests and our policies really lie. I happened to be in Montreal only last Sunday;

there I watched a long parade which took almost an hour to pass. The newspapers said there were nearly 10,000 people in that parade. The salute was given to the Minister of National Defence, and we almost seemed to be back in the days from 1914 to 1918. It is quite true there were only a few veterans in that parade, but unfortunately we had a great many young chaps and even young boys parading. I cannot but think that this kind of thing is encouraging the military spirit. Why are we seeking to develop that spirit in Canada? I cannot but recall some words of Dr. E. J. Dillon in The Inside Story of the Peace Conference, as follows:

> Imperialism and militarism are striking roots in soil where they were hitherto unknown. In a word Prussianism instead of being destroyed has been openly adopted by its ostensible enemies.

It is all very well to say that our militarism in Canada is very different from Prussian militarism. I am firmly convinced that militarism is very much the same the world over, whether in Germany, Great Britain, France, Japan, or in Canada, for that matter, although I am thankful to think that so far we have not progressed as far as some of the older nations. But we are on the way, unless there is some very definite check given to present tendencies.

In the old days in which many of us grew up in Canada we did not have these military ideals to the extent we have to-day. We did not have the military spirit that has been fostered in the last few years, and we did not have these very heavy expenditures for war. Immediately after the war we said that we had learned our lesson—that the world had learned a lesson—and we were proceeding to try something better. It would seem that even though we talk peace, even though we are a member of the League of Nations and are talking these days of arbitration treaties, we in Canada are still pursuing this military idea.

We all want peace; the minister agrees with that. But the minister and his department, and a considerable number of people in Canada, believe that peace can be secured by military armaments and by defence. They are sincere; I grant them that. They consider themselves patriotic. But those of us who differ are also sincere, and we believe that their policy will lead this country to ruin. We have the right, I would say the duty, to defeat that policy.

The Minister of Finance has made the statement that half our natural revenue goes to pay the interest on the debt incurred in the last war. In spite of the futility of that war—its failure to settle any of the grave economic or international questions, we are preparing to assume our share in some next war that will not be very long in coming if other nations adopt the policies that we are adopting. In every other estimate that comes before this house we ask the purpose of the expenditure. I think we should be distinctly told, in connection with these estimates, against whom we are preparing to fight. Some of the militarists accuse us of being dreamers and impossible idealists. I accuse them of being romantic sentimentalists, and I would say to them, against whom are we in Canada preparing to fight?

Mr. STINSON: Anyone that attacks us.

Mr. WOODSWORTH: Anyone that attacks us! We are making our preparations to-day and we are looking around for potential enemies who are likely to do the attacking. Can you imagine that we are going to be drawn into another great European war? I can hardly think that when I talk with the men who returned from the last war. I had a letter the other day from a returned veteran of the war, and in speaking of his own boy he said, "I will never let him go to war. I have done my bit for the both of us, and before he goes I would do something desperate." That is the opinion of not a few of the returned men.

Mr. STINSON: Very few.

Mr. WOODSWORTH: I say not a few, and I know whereof I speak. I have spoken with hundreds, and I think into the thousands, who have expressed this view to me.

Are we going to war against the United States? If we are, let us come out frankly and say so. We say that war between Great Britain and the United States is unthinkable, but someone has very well remarked that when people say a thing is unthinkable it means they are thinking very seriously about it. Are we preparing for war against the United States? In a recent book by Commander Kenworthy, entitled Peace and War, I noticed the following:

> So strong a part does sentiment play in such matters that the great majority of Canadians would probably decide for immediate intervention on the side of the mother country.

That is in case of war between Great Britain and the United States. Then he goes on:

> Yet this would mean a terrible war on Canadian soil. Automatically the Americans would invade Canada, and Britain, fighting in both the Pacific and the Atlantic, would forego other naval campaigns, including colonial raids and

trade attacks so as to permit the throwing of as many British troops and aeroplanes from all parts of the empire on to Canadian soil in as short a time as possible. . . If Canada were invaded, a long-drawn-out and bloody land and aerial war would follow to add to the horrors of the naval campaigns.

Later on he says:

For the benefit of humanity and the good of the people concerned it would be better on the whole if Canada declared for neutrality. Such a declaration would limit the area of the struggle and make an earlier ending to it easier. Once Canada were in, the most appalling war in history would have commenced and the world war of 1914 to 1918 would be far surpassed in moral horror, material loss and human misery.

And again he says:

But there is something greater than nationalist patriotism; and taking a long view, which is also a more humane view, it would be better for Canada to keep out.

When we have such advice from a Britisher of the standing of Commander Kenworthy, I think we might very well ask whether we are right in preparing for a possible war with the United States.

Are we preparing for war in the orient? Again, very few of us in Canada think that that is the way in which we can settle our problems on the Pacific. The most clearcut statement for armaments that I have seen from a Canadian source is that contained in a document published by the Navy League of Canada. It is entitled Interdependence of Canadian Industry and Naval Defence. He says that national security—

—may some day lie in mutual treaties for ever lasting peace based on international economic adjustment; to-day unfortunately, it lies only in a proper measure of armed defence.

I think that is a fair statement of the case from the standpoint of the militarists. They talk of arbitration in order to wave it aside; they talk about treaties and say that treaties offer no security, and they come back again and again and say that the only way in which we can have world peace, the only way in which we can attain national security is by force of arms. It is that position that some of us challenge to-night. The document to which I have referred admits that the provision of armaments has not in the main prevented war, but warns that when a clash occurs, as it inevitably will under the existing economic system—

—stability of industrial commitments will lie only with those in a position to maintain their sea communications.

Again going back to the old and indefensible British position with regard to sea power.

Mr. IRVINE: May I ask the hon. gentleman a question? Does he not think an examination of the territorial lines which resulted from the Versailles treaty would show that many other wars would be inevitable in consequence of that treaty?

Mr. WOODSWORTH: That is a rather large question into which I am not prepared to go to-night. It seems to me that the boundaries as drawn in Europe after the war were very arbitrary and in themselves are likely to provoke war in the future. I should like to see an early revision of the Versailles treaty. I am not, however, so sure that the drawing of new political boundaries will be the way to ensure peace. I think we shall have to go deeper than that and get at the underlying economic causes. In that connection I should like to quote one other sentence from this statement of the Navy League:

It is the everlasting economic war which prevails, in time of nominal peace, which has produced, and will produce, physical war.

There, it seems to me, is a clearcut statement, a frank recognition of the real cause of modern war, namely, the everlasting economic war which prevails in time of nominal peace. In view of such a situation, may we not ask whether there is no way out. Are we to go on forever exploring blind alleys? Are we to go on forever in the old ways that have proved absolutely futile in the settlement of these great economic problems; or have we not come to the time when we can tackle the big economic questions and attempt to discover some solution along other lines than those of the past?

I want to give one other quotation from the Manitoba Free Press which sets forth the position of a large number of Canadian citizens to-day:

It may take some time possibly several years, to get national animosities worked up to the due pitch for another war. But, in the economic conflict, the warfare for markets and concessions abroad, the activities of financial groups are more apparent than in the ten years or so leading up to the last war.

The pressure on the financial system has been intensified. The capacity of industrial nations to increase output has been enormously increased. The belief is commonly held in every country that wider markets must be found: the industries have to take care of increased overhead charges, due to recent industrial expansion, and industry everywhere is saddled with the burden of war debt.

As the system is operated at present, the only outlet according to orthodox financial belief is in exporting to markets abroad. But the markets abroad are being reduced, by reduced purchasing power, and themselves becoming industrialized. More nations than ever are looking for markets abroad, or preparing

to cut into the business of competitive exporting. The belief that it is vital to secure control of such an outlet as the untapped resources of Asia Minor is based on falsehood. It is one of the fallacies of orthodox finance. But it is leading to war, unless the lead is given by some nation towards a policy of increasing purchasing power at home—to open up the home market.

There we have a suggested solution of the great economic problem. Instead of making every effort to solve that economic problem, which is to-day not merely a national but a world problem, we are now turning back and attempting to prepare to fight those enemies with whom our present industrial and financial policy may bring us into conflict.

We who protest may be small in numbers, at least in this chamber, but I urge that in this matter we represent a very large section of the people of Canada. Canada has an opportunity for leadership in the campaign for peace. As I have said on previous occasions we are in a very unique position. As a member of the British Empire and as a member of the League of Nations we are linked up with the great majority of the nations of the world. On the other hand we live side by side with the great United States republic which is recognized as being a leading force in international finance. We are, a natural link, between these two great groups of powers. We are safe as regards invasion from the United States. No one to-day thinks that the United States are going to attempt a political invasion of Canada. There may be peaceful penetration by finance and industry, but we are safe from political invasion. Why cannot we take a bold step and lead the other nations along these lines of peace? To-day by permitting ourselves continually to increase our armaments, we are simply preparing the way for further trouble. You remember, Mr. Chairman, those lines of Israel Zangwill on "The God of War".

> "To safeguard peace, we must prepare for war"
> I know that maxim; it was forged in hell.
> This wealth of ships and guns inflames the vulgar
> And makes the very war it guards against.

I have every respect for the way in which the minister is carrying out the work of his department; I can quite understand his ambitions to make that department effective; but I would urge upon the house that it is not the professional soldiers nor the Department of National Defence that ought to determine the extent to which we prepare for war in this country. That is a matter of policy which ought to be decided by the house. More than that, if in some way the public at large could directly voice its attitude on this question, I have not the slightest doubt that the referendum would indicate opposition to the extension of military expenditures.

Mr. CHURCH: We are having once again the annual debate on peace and war. I may say to the hon. member for Winnipeg North Centre (Mr. Woodsworth) that the soldiers who fought for Canada were just as fond of peace as he is or anybody else who is preaching peace in this country to-day. Since I have been in the house these estimates have been cut down from $15,000,000 to $10,000,000 and to-day they are so cut to the bone that unless you want to cut the whole thing out altogether, you cannot cut another dollar off. The minister has been a very economic minister; he has held an even balance between the peace and the war party; he has gone over his department from coast to coast, and he has brought his estimates down to-night In answer to that all we hear is about war debts and authorities on peace. The hon. member for Winnipeg North Centre does not require to quote any authorities on peace. He and the League of Nations are the most shining authorities on peace. He argues that we should cut the whole thing out and work for peace. The minister is working for peace on a preparedness basis. We have had enough Monroe doctrines and scraps of paper like the Washington conference and the Kellogg scrap of paper to be. We have the League of Nations which is the most troublesome institution in the world to-day. The only real League of Nations is the British fleet which in the last war protected our shores and protected us from slavery worse than anything in the history of the world. Had it not been for the British fleet in the late war we would have experienced the awful horrors of war on our own soil in Quebec, Montreal, Toronto, Hamilton, Winnipeg and Vancouver. As for what Canada does in a militia sense, as compared with the motherland and Australia and New Zealand, Canada gives in money a contribution of two pence halfpenny to militia and defence. The motherland pays the whole cost of a magnificent fleet to protect our shore, to maintain our trade routes and to enable us to do business on the seven seas of the world, while we who in the darkest hours of the war were prepared to accept the protection of the British fleet and all the privileges we enjoyed as part of the British Empire should now be prepared to accept some of the responsibility which that incurs

and contribute adequately to maritime freedom. Yet we do nothing but sponge on the British taxpayer for our protection and whine and complain about our mythical status.

Canada has failed as no other country in the late war has failed to give places in the armies of industry to Canadians who gave themselves places in the armies of liberty. Talk about peace and war! Let me tell the gentlemen of the Labour party that I do not believe that they are expressing the real views of the labour men of this country. The labour men, the trades unionists, of this country and the working classes enlisted as did no other class of the community. There were 50,000 of them who joined the colours and were killed, fighting for their country. Talk about the United States! Over 100,000 of the men who left for the front to fight this country's battles, when they came back here, could find no work to do, and they were driven out of Canada to the United States, by the economic policy of free trade which the hon. gentlemen of the Labour party advocate, to seek a living in the United States.

What do my hon. friends propose as a substitute for these estimates? The Monroe doctrine? Will that protect the shores of Canada? No. Will the new peace proposals of Mr. Kellogg protect this country? No, that, like the Monroe doctrine, will be another scrap of paper. It seems to me that every time they have an election on the other side of the line the Democratic or the Republican party spring a new league of nations or a peace pact or peace note of their own, and they put it over England and France and all the fellows who did the actual fighting, while they themselves were too proud to fight. They had a Washington conference in the days of President Harding, whereby Great Britain and France and the United States were to build no more capital ships for about forty years. Did the Americans keep that pact? No. Immediately after the war they turned all their war-time plants on the Atlantic ocean, at New York, New Haven and Savannah and other ports, into peace-time plants, and they started building a merchant navy by twenty-five and fifty and a hundred ships at a time, so that in a few years they will be equal to the British Empire in that respect. That is the way they kept the last pact. Did the Americans keep the Washington conference of five years ago? No. A bill was brought into the last congress, at the instance of President Coolidge, calling for a large expenditure for new capital ships for the navy and ships for the merchant marine and a huge navy vote, so much so that their expenditure to-day is the largest of any nation in the world. Now that another election is coming on across the line, they put their heads together and evolve a new scrap of paper called the Kellogg plan, to end war until after the next presidential election when the jingoes will again be on top.

It is said now that we are a new nation. If we are a nation, we can declare war and are a sovereign power. The Kellogg note says we are or thinks so. The people of this country have never been asked to vote on this magnificent new status which we are supposed to have. It is a mere mockery, a sham, and a humbug all along to talk of our having a different status and being a nation. We are not a nation. We are part of the British Empire to-day, and when Britain is at war Canada is at war. We are a link in a chain of free commonwealths within and making up the British Empire. We are not a free and independent nation. We are sponging to-day on the motherland for the cost of the protection of our Atlantic and Pacific coasts and our shipping on the seven seas. We contribute not a cent to the British fleet. We have a contemptible little navy of three or four stone hooker boats that hug the shore and are too proud to go out on the ocean and fight, and if they do go out on the ocean they have under the Laurier navy to send a wireless to Ottawa and have an order in council passed before they can fight when they see the enemy coming. I was on the Pacific last March at the time of the threatened war with China, and a Vancouver paper came out in a special edition headed "War is to be Declared," and asked what was going to protect the Pacific coast. The British Empire got out of its alliance with Japan, mainly owing to Canada's falling down.

The British Empire was also urged by Canada to drop its plans for a naval base at Singapore for the protection of our Pacific province, Australia and New Zealand in the event of another war. There will be wars as long as time lasts. You can talk about the mythical League of Nations, but I believe that there will be war as long as time lasts, and the country that prepares itself for war is doing more for peace than all the so-called peace agencies and talkfests on peace which I have heard in this house and out of it ever since I came into it.

Let me tell my hon. friends who are shouting from the house tops about peace that the half a million soldiers who fought for this country in France and Flanders are just as strong for peace, and ten times stronger, than those in this house and out of it who are shouting peace, because they went to the front

and experienced the horrors of war. Canada lost fifty thousand men in the great war; many thousands more came back wounded and are now lying helpless in the hospitals, and some of them cannot get into the hospitals; some are starving and out of work because they are not one hundred per cent efficient, while we can spend nearly two millions on a farcical League of Nations. Many of these soldiers had to go to the United States to look for a living. The Canadians who joined the Canadian expeditionary force and served overseas from 1914 to 1918 have done more for peace than all those who stayed at home and are shouting peace from the house tops and served Canada better than Canadians on the voters' lists have served Canada in the polling booths from 1919 to 1926.

This League of Nations provides a fine Cook's tour for government officials and ministers. The League of Nations has provoked more strife than it has settled. It is the disturber of the peace of the British Empire, this so-called League of Nations to which my hon. friend from Winnipeg North Centre is so fond of referring and similar mock debating societies on peace, and one day the British Empire will wake up and realize that they have been living in a fool's paradise as they were in 1909 if they listen much longer to the League of Nations and the peace party and the pacifists. We have spent $1,600,000 on the League of Nations, in joy rides and trips for officials and tourists. Talk about having a seat in the League of Nations; you might as well have a seat in the American baseball league or the National league. These leagues do more for peace with the Americans than the League of Nations. The League of Nations has done nothing for Canada and the empire but cause trouble and provide nice soft jobs and travelling expenses for officials and those who shout peace from the house tops in this country in season and out of season, while others who did the real work of protecting the people of this country, in the darkest hours of the war are driven in peace to the United States looking for a job and are exiled from Canada.

I am sorry that the minister has not included in his annual estimates a table showing the comparative contributions to defence that are made by the motherland, Canada, Australia, New Zealand and South Africa. Our contribution amounts to about two shillings per head; in fact I do not think it is that much; I had the figures here, but unfortunately I have mislaid them. The figures for Australia and New Zealand are five or six times what ours are. They are paying for the Singapore base. We pay nothing. New Zealand, a country with a population less than the city of Montreal, is contributing $5,000,000 over a period of years for the support of the Singapore base, and has contributed battleships to the British fleet. The Pacific question will be the great question before the people of this country to-morrow. I believe that the minister has pared his estimates down to the bone. You, Mr. Chairman (Mr. Power), know more about war than all the peace parties put together, because our gallant chairman as a young man sacrificed his position and went to the war, and I do not believe he will ever be the same man again. You, Mr. Chairman, have seen the errors made by the people of this country in the lack of preparations for war, and the cost of unpreparedness, and you know what it has cost the people of this country at Valcartier and in other parts of Canada in training as a result.

The cadet movement in this country is very largely paid for by the boards of education throughout Canada and the municipalities. Ontario will support the cadet movement as long as time lasts. That is the policy of the government at Queen's Park and through the municipalities they are spending a large amount of money on the cadet movement. Those who are in the non-active militia—I see my hon. friend from Parkdale in the house, but I did not see him in the war parade last Sunday. I know that in his Irish regiment and in many other units in Toronto the officers, the non-commissioned officers and men have to dig down into their own pockets to provide part of the uniforms, equipment and stationery, and almost everything else for their units. That is what they have to do in the soldier city of Toronto. These are men now in the active militia at Toronto. They admire the present minister and the support he is giving them. He is holding the balance very evenly between the war party and the peace party in this country. The peace party are those who depend on the Monroe doctrine, the League of Nations, the Kellogg note and similar scraps of paper to say nothing of the Washington note of five years ago. In my constituency in the Earlscourt section there are twenty-four war widows in one block; they know something about war. Many of them have to go out to work, as a result of Canada's failure, and they are just as strong for peace as my hon. friend who has just spoken. Notwithstanding all this dream about our new status, notwithstanding the fact that last year we spent from $300,000 to $400,000 celebrating Dominion day, many of the returned men who fought the battles of their country have had to go

to the United States to find jobs. Talk about what the United States is doing for peace! I know no country in the world that is doing more to prepare for war in their army and navy votes. Preparedness will do more to ensure peace than any other agency, as the late Lord Roberts pointed out years ago. The minister has not enough backing; his estimates are not half large enough to put the militia on a proper basis. The item for spring camps is not half large enough. Only a few units are taken care of and the camps are small and not what they were. Many units cannot drill in camp; they have to drill in their home towns by night, as a result of such false economy.

Then we are spending nothing on maritime freedom; we are loading those bills off on the hard-pressed taxpayers of Great Britain. In the province of Ontario the population is mostly British born and they know something of what the mother country has done for maritime freedom. Certainly, had it not been for the British fleet, neither Canada nor the United States would have been able to send any troops overseas or send supplies or keep our trade routes open. There should be a day of reckoning for the peace party in this country. We can no longer continue to sponge on Great Britain for naval defence. Take the Pacific question: the teeming millions of China and Japan are within a few days of our western shores, and yet on the Pacific we have only one or two ships recently purchased. True, we have a few fishing and rowing boats, but so far as a fleet is concerned, we are not even a twenty-fifth class naval power.

I think these votes have been very carefully prepared and the only fault I have to find is that they have been cut down too low. But I shall support the minister. In the province of Ontario, which pays over 40 per cent of the cash taxes of Canada, 95 per cent of the people are in favour of these votes. I know something of the Trades Union movement in the city of Toronto. No movement in this country contributed more men to the Canadian Expeditionary Force, and they are the backbone of the militia, rank and file. I repeat, I shall support these votes, but they are not half enough. So far as they go, however, I think they will commend themselves to the wisdom and the judgment of the country generally.

Miss MACPHAIL: Mr. Chairman, when in 1925 I made my first speech against cadet training the total vote was about $11,000,000; this year it is $18,726,946.42. That is a very large increase. This is done under a government which on every possible occasion protests that it is a peaceful government. Well, looking over the treasury benches one would agree that at least it is a peaceful looking government. Yet these national defence votes have gone on increasing year after year. We used to have a Minister of National Defence who though he looked like a Prussian war lord, did not act like one; but to-day we have as minister of the department a gentleman who looks peaceful enough but acts like a Prussian war lord. Again, I entreat the Prime Minister to transfer his Minister of National Defence to a department where his great ability and driving force will be of greater benefit to Canada. Naturally the minister wishes to make a success of his department, but to the extent that he accomplishes this he makes hypocrites of Canadians, for all the time we are protesting that we are trying to promote the peace of the world as we listen to plans for peace made by leading Britishers and Americans and also by some of our own countrymen. And we have a place on the council of the League of Nations. It is a farce for us to send representatives to the League of Nations unless we back them up by peace sentiment in Canada. And if they are so backed up, why in the world do we not show that peace sentiment in the estimates? This fact is abundantly clear: Supposing preparedness does bring peace—and I do not think for a moment it does—under the new methods of carrying on war all the amounts of money we are voting for old methods are a straight waste. Training men to ride horses beautifully, dressing them up in blue and red coats, and putting on high class military parades such as the one put on last Sunday in Montreal, glorifying the whole spectacle and making it appear a grand thing—all this is just so much waste. We might as well use the money for some sensible purpose in Canada, because wars are no longer carried on in that fashion. Even since the last war a great deal of progress has been made. Only yesterday we all read in the newspapers of poisonous gas escaping accidentally from a tank in Germany, and finding its way, through open windows, into private houses, killing some people and destroying horses, cattle and vegetation everywhere. This is the new method. In the future wars will be carried on largely from the air, so that all this silly swank, this dressing up in pretty uniforms and parading on beautiful horses, will be absolutely useless. What will be the sense of a lot of men going around on horses, all dressed up, and thinking themselves fright-

fully big fellows? I say, it will be just so much waste of money. I do not know how much this demonstration in Montreal cost the country, but no doubt it took a good deal of money. They had the cadets out and the minister of peace was present to inspect the whole affair. They simply glorified the whole devilish thing. Now, there is nothing glorious about war, and what is the use of entertaining that stupid idea any longer? I know, as other members know, of returned broken and sick soldiers who have to support families although they are receiving no pension, not having applied in time. There are thousands of men who are now going around, wrecks of the last war, and there is no use saying that it is a glorious thing so far as they are concerned. Yet everyone who saw this spectacle in Montreal was stirred by it. I too might have been stirred by it, had I allowed myself to forget what it leads to, because military music does stir people; that is why they have it; otherwise men could not be induced to go into battle and kill one another.

It is rather interesting to look over this pamphlet, for which, I suppose, the country pays. On the front there is an advertisement of Molson's ale and on the back one of the Royal Bank of Canada, and between the two there is the military display. Let me give the names of some of the patrons of this peace spectacle which Montreal saw last Sunday: Their Excellencies; the Lieutenant Governor of Quebec; the Archbishop of Montreal; the Bishop of Montreal; the Premier of Quebec; the Minister of National Defence, otherwise known as the minister of peace; the Minister of Marine; the Secretary of State; the Mayor of Montreal; the Minister of Roads, Quebec; the Provincial Secretary; the Chief of General Staff; the Chief of Naval Staff—and a couple of other fellows. These are all peace people.

Mr. CAMPBELL: Did it include the member for Southeast Grey?

Miss MACPHAIL: No, they missed me. Now, why can we not be out and out about this thing? Why can we not be absolutely honest? There are two schools of thought in Canada in regard to security. Both I believe are absolutely honest. One school believes that you will get security through military preparedness, and to that school the minister of this department belongs. He believes that if you prepare for war you will get peace. I do not belong to that school. I belong to the school—and it is growing in Canada—which holds that if you want peace you must prepare for peace. And the methods whereby peace is secured are not the same as the methods used to promote war. This peace sentiment is growing in Canada. I recall the time when some of us first tried to say things like this in the house, particularly the hon. member for Winnipeg North Centre and myself. When we made statements of this sort a gentleman, now a judge in the maritime provinces, shouted "bolshevik" and many other things like that. We were laughed to scorn; we were supposed to be fools who somehow or other by mistake had got into parliament. But to-day that attitude is not evident in the House of Commons; it is not seen to-night, although it is true there is a more or less empty house. Why? The answer is that after all parliament is but a reflection of the Canadian people and members dare not take that attitude. They were elected by the people and the people believe that war brings nothing but destruction and disaster not only, as the Secretary of State said the other day, to the vanquished but to the victors as well. War is an outgrown institution, as every advanced writer in every country agrees; and I do not know why in the world we cannot act on some of the best thought of the best people. For my part I would absolutely cut out every bit of national defence. The air force may be of some use at least in peace; it might be of some use in war, although I do not know. But certainly the other displays are of no use whatever, and when you come to items such as this the thing is simply vicious. It is a hypocritical attitude for the government to say and to expect any sane person to believe, that they are working for peace while at the same time they are poisoning the minds of the youth and making it impossible for these same youth, if they take training as cadets, seriously to promote peaceful ideas.

I do not wish to prolong this discussion, but there was one thing in connection with this parade in Montreal which is too good to miss. No doubt it was lovely as a pageant, but they concluded with the following words, sung to the accompaniment of massed bands:

Abide with me; fast falls the eventide;
The darkness deepens; Lord with me abide;
When other helpers fail, and comforts flee,
Help of the helpless, O abide with me.

I fear no foe with Thee at hand to bless,
Ills have no weight, and tears no bitterness;
Where is death's sting? Where, grave, thy victory?
I triumph still, if Thou abide with me.

Was that not a wonderful thing to trail that in at the end of this glorious parade of military achievement? At least they held death up as the great ideal and aim of military preparedness.

Mr. IRVINE: I do not know whether the minister desires a discussion on the subject of defence; I do not know whether this is the proper time to bring it on. I doubt whether the committee is in the proper mood to go into the theme as thoroughly as the theme itself merits. But I find myself between two extremes to-night. On my right I find an hon. gentleman who holds, I believe, that some preparation will probably help to keep war off, although he thinks war is absolutely inevitable in all time to come. On my left are members who think war can be abolished and should be abolished, and that one way to abolish it is to stop making preparation for defence, and if necessary to throw away our arms and to declare to the world that we do not think we need fight any more.

I am between these two extreme points on the floor of this house to-night and I find myself having to take a more or less middle path philosophically. If I had to make a choice. I would not hesitate to line up with the hon. lady to my left. But I think I have a sound position, because the great philosopher Aristotle once took the same ground; he said that truth was to be found in the grand mean. And we have a more recent example in the Prime Minister and his party who have taken that position as between the extreme left and the extreme right; they say that they will go between the two, following truth in that path. If therefore I cannot get the ear of the minister in what I shall say to-night surely in view of the position I have adopted I ought to be acceptable pro tem at least.

First of all I want to pay the highest possible compliment to and express the deepest appreciation of the splendid idealism and sincerity of hon. members to my left who from time to time have stated, as they have done to-night, their absolute opposition to war in any shape or form, believing as they do, that we can get along without it; that we are more able to defend ourselves without the means of preparation than we are with them. I do not know whether or not they are correct in that position, but I do know they are doing a very great deal to stimulate the imagination of the people and create that will to peace without which peace on a permanent basis will never be achieved. In that great work I certainly congratulate them; I hope they will continue it and I hope they will be encouraged from every section to continue it. On the other hand, I want to say that I have no longer any allusions about the possibility of stopping war so suddenly, in view of the actual conditions which I see in all parts of the modern world. While I think this idealism is admirable and necessary, nevertheless we cannot close our eyes to the great facts which scream at us from every section of the known world. I had the most profound admiration for the splendid fourteen points of the late President Wilson, but how far did they go? I think we would have to say that he overlooked the fundamental propositions, which were economic; those points, however sharp they were and however splendid, were absolutely doubled up and rendered useless by the economic forces with which they had to contend.

Therefore I submit that our consideration of this great problem of peace and war must extend, if it is to reach sound conclusions, to the real causes of war. I think the hon. members to my left who have emphasized peace as they have done, creating in the minds of the people of Canada a will for peace, will ultimately lead us to an understanding of the conditions which produce war and which make war absolutely inevitable. I know some people believe that Christianity can stop war; I think some hon. member mentioned that to-night. Obviously we have no Christians; that is the trouble. The only Christian of whom I ever heard was Jesus Christ himself; I never met another, never read of another, and do not believe there was ever another. We cannot stop war in that way; there are no Christians, so they cannot stop anything. Some people thought the international labour organizations could stop war. Until 1914 I had a profound faith in those organizations myself, but they did not stop war. Things went on as usual, and the very men who belonged to that international fraternity competed with each other in their mad rush to get at each others throats.

Then some say that if we get rid of our arms we will stop war. You might just as well tell me that the reason I do not hit the man sitting in front of me is because I have no arms. If you cut off my arms and I desired to hit him I would kick him; if you cut off my feet I would bite him; no matter what you did I would find some means of attacking him. I do not think you can stop people from fighting even if you do not spend another penny on military preparations.

Miss MACPHAIL: Save your money.

Mr. IRVINE: Yes, I think we might save it pro tem. I am not defending these expenditures; I am discussing the question academically. I do not think we can stop

war by any idealism of that kind, nor do I think we can stop it by ceasing our preparations or by destroying the implements which for the moment we use in fighting. I think war goes deeper than that.

Let me say now, so that I shall not be misunderstood, that my antipathy to war is not less than that of the hon. member for Southeast Grey, nor is it less than that of the hon. member for Winnipeg North Centre. I do not think war is a sensible thing; in fact I think it is a most impractical thing, but perhaps that is why it appeals to the house. I think we use the most impractical means possible in order to attain the most practical ends. War has no justification other than the fact that it is inevitable and that we do not know how to stop it; that is its justification. It has no moral justification; it has no economic justification; it has no human justification, but we do not know how to stop it, so we have to prepare for it. That is the position in which we find ourselves.

Now I wish to say one or two words further. I want to suggest that a study of war, which perhaps every hon. member has made to some extent, must lead us to the conclusion that its chief cause is essentially economic. If that is true, if economic conditions cause war, the abolition of armaments will not stop it. If economic conditions cause war, the preaching of peace will not stop it, because you cannot reach economic conditions by talking about peace. So the only thing for us to do is to make a real, sincere attempt to go a little deeper than that and get at the economic causes. Let me suggest something along this line to the Minister of National Defence; I know he is against war just as much as the rest of us, but he finds himself in a position of responsibility. I also find myself in a position of equal responsibility, although I do not get the name for it; I am responsible for conditions just as much as he is, and I am not going to shirk my responsibilities. However, I want to make a suggestion to the minister, as a means of ultimately leading to that condition which hon. members to my left visualize for us so often. I think Canada to-day would be one of the first countries to be attacked; we have territory, and territory is what some of the nations of the world need most. If they go on breeding their populations at the present rate, they will have to have additional territory if they can get it by force. The hon. member for Winnipeg North Centre asked against whom we were preparing to defend ourselves; my reply is that we are preparing to defend ourselves against the first nation which so overruns its own territory with its own population that it has to find additional space. I do not know which country that is going to be; I could name a few who are in a neck and neck race for the position, but that is one real cause.

Now I suggest to the minister that he endeavour to do a little good work along this line in connection with our immigration policy. I suggest that he get in contact with the Minister of Immigration, and that they say to Great Britain, "During the next thirty years we are prepared to take the surplus population which you now have provided that you will stop being an incubator for us. We do not want incubators. We will take your surplus provided you adopt a policy which hereafter will limit your population to your own resources." Just ask them to take an intelligent view of the question. Their population increases by about 400,000 every year; they have now a population of about 43,000,000, while they could not feed 25,000,000 on a high standard of living. What is the use of our taking the surplus population and relieving the pressure, while they keep on constantly increasing their population without knowing how they are going to feed them? That is a condition which leads inevitably to war. In addition to that, it is not an intelligent policy. I do not say Great Britain is the only country doing that; all Europe is in the same position, together with Japan, India and China, and we will be in a similar position some day if we follow this rigorous immigration policy now in force. I submit that if any farmer in western Canada tried to raise more pigs than he had swill for he would have the humane inspector at his door when that fact became known. However, the nations go on increasing their populations to such an extent that they scarcely have standing room for them. They say, "We must have no war," but the natural law steps in and says there must be war as long as nations blindly go on in disregard of the need to regulate population in relation to resources.

I suggest also to the minister that he use every possible effort to promote a policy which will lead to intelligent economic co-operation among the nations of the world. I think the Prime Minister, when he was speaking in reply to the resolution moved by the hon. member for Southeast Grey (Miss Macphail) put the situation correctly when he indicated that peace came about not by having any definite department to carry it into effect, but by the general policies for either peace or war which were carried into effect. That is just as true on this side of the argument. War will not come about by

having one department for defence, but it does come about by the general policy of all governments. So I would suggest that an outlook towards the economic co-operation of all countries of the world should be entertained as a general policy, internationally speaking, by the present government.

In the third place, we should continue to promote the ideal of good will amongst all the peoples of the world in a positive way, such as the hon. member for Southeast Grey never fails to do, and such as the hon. member for Winnipeg North Centre never fails to promote.

In conclusion I want to suggest to the minister another thing which I have already brought to his attention through a resolution. In order that he might do the best with the money at his disposal, and in order that the preparations which we make may not incite to war but have the opposite effect. I urge that he follow the suggestion of the resolution which I brought before this parliament some time ago. I ask him now—not at some time in the future, not when war has broken out, but at this moment—to make it known that should Canada be led into future wars, immediately every agency that may be required for war purposes shall be conscripted. I do not propose to repeat the argument I made when addressing the house on that resolution, but I considered the minister's reply made on that occasion to be weak. I had not the opportunity at that time, but I now take the opportunity to tell him that I think it was weak. He said he was afraid to take such steps as the resolution referred to proposed—these may not be the exact words, but it is the idea—lest it should appear to other countries that we were trying to encourage war. Mr. Chairman, I think it would be a simple matter for the minister to get over that difficulty. If the Secretary of State were to indicate to all nations just what we were doing, and ask them to do the same thing, there would be no real doubt about our intention. I submit that the other countries would be more likely to think we were preparing for war if they happened to look at our estimates for this year and find that we have increased them enormously and taken no steps towards peace at all. If they knew that the Minister of National Defence had taken such a democratic and a fundamentallly better step than any other minister in the world holding a similar portfolio, namely, to put the entire nation in the same position in the case of war as the soldiers have been in all wars—placing them at the command of the state—I think it would make for peace. I do not think the Minister of National Defence can defend the attitude which we had to take in the last war. I do not think it was fair to have allowed a few men to control money during the war—men who by manipulation of credit or lack of intelligence to control it were the means of doubling the war debt of Canada. I do not think it can be justified that men who happened to be in charge of factories manufacturing war munitions should be permitted to make enormous profits while soldiers died at $1.10 per day. I do not think the people of the next generation will stand for that kind of thing. If you want to have a united Canada in the case of a war coming upon us; if you want to have the very best type of preparation, now is the time to take the step to make it known everywhere that this is our policy. We do not want war with anybody, but if we have to fight we will all fight, and there will be no millionaires as a result, and no special privileges as to those who shall go and those who shall not go.

Mr. BOURASSA: Suppose we come back to the consideration of the estimates of the Minister of National Defence. The hon. member who has just taken his seat mildly reproached the member for Winnipeg North Centre (Mr. Woodsworth) and the member for Southeast Grey (Miss Macphail) for being idealistic.

Mr. IRVINE: No.

Mr. BOURASSA: In his interesting but somewhat rambling speech he has traced a pretty broad program for the government, as well as for parliament. I do not propose to follow him through all the ground that he has covered or explored, but there are two points I think are worth while considering.

He says that war is unjustifiable morally, economically, and in every respect, but that as it is unavoidable we must prepare for it. There was a time when it was said that plagues were unavoidable, and that the people had therefore to prepare to receive the plagues and inter the victims—out of reach if possible—but that was all that could be done. If war is unjustifiable, then it behooves every parliament, every government, and every member of any representative body of the people, to try to find some practical means to prevent the evil of war reaching the country they are responsible for.

I do not propose to speak to-night on the doctrine of war or peace; I do not propose to consider the conditions of Europe and endeavour to find out whether there is likely to be a war in five or ten years. I simply desire the members of the government to consider

their responsibility to the people of Canada, in view of the attitude which most of their supporters took in the last election, and the previous one. Let them ask themselves if the attitude they take in this chamber, or in the country, outside of election time, coincides with the position they took when they appealed to the people. As far as the province of Quebec is concerned, I noticed that in the last four elections all the candidates of the Liberal party were elected on a peace program, and on a denunciation of the war spirit and war policy of the Tory party. They made solemn pledges that they would endeavour to prevent the recurrence of any such thing as happened in 1914. They denounced the military expenditures of the Tory government and they promised to reduce those expenditures. The Liberal party is pledged to a peace policy and a reduction of military expenditure. I now ask the Liberal members of this house, as one of their free friends, to stand by their promises to the people of Canada, and especially to the people of the province of Quebec. That is one point.

The second point is: Is there anything in the international situation, so far as it concerns Canada, that justifies an increase in military expenditures? Has anything happened since 1917, or 1921, or 1925, to justify the Liberal party, brought to power under the conditions I have just mentioned, in increasing the military budget, under the pretence that we must keep in a state of preparation? Are the relations of Canada with any country on earth such as to justify our taking that position? Does the position taken by our representatives at Washington, Geneva and London, justify our going on with war preparations? Does the intention already expressed by the Prime Minister, that we are prepared to adhere, as a nation, to the proposal of the American government for universal peace and arbitration, justify our increasing our military budget from what it was last year, after it had been increased last year over that of the preceding year? I say, no, no, from a moral point of view, with regard to the pledges given by almost every supporter of the government to the people who have sent him here. I say, no, with regard to the position which we have taken in international circles, in Geneva or elsewhere, as well as towards the United States of America. The geographical position of Canada is such that there is less risk for Canada in standing squarely for a peace and disarmament policy than there is, not merely for any other British country, but for any other country on earth; and more practical results are to be derived, not by mere verbal assertion, sanctimonious declarations of love for peace, while we bring in from year to year increasing estimates for war, but by proving in fact that what we say we mean; that we disarm, first, because we do not believe in war, and, second, because we do believe that the position which Canada occupies enables us to take that stand.

If you believe in preparedness, then I agree entirely with the hon. member for Toronto Northwest (Mr. Church). If you believe in preparedness; if you believe it is the duty and the interest of Canada to prepare for any war emergency, then this military budget is a farce. If you believe in preparedness, as every country in Europe believed before the war and as some of them still believe, rightly or wrongly,—and I am not going to discuss to-night the policy of any country in Europe or elsewhere—then, do as do the countries that believe in a military policy. Know what preparedness is, and prepare seriously; but face the people of Canada honestly. Do not tell them at election time that you believe in peace and disarmament, and then come to parliament and say that you believe in a policy of preparedness. You cannot stand both for those who believe in a war policy and for those who believe in a peace policy. It must be one or the other. Neither this government nor any other can play with those feelings, those opinions, those principles. The hon. member for Southeast Grey and the hon. member for Winnipeg North Centre are absolutely right when they say that the consciousness, intelligence and common sense of the people of this country are growing. Of course it is true there are still a number of people who believe in war and perhaps a larger number of people who believe in preparedness, although they hate war. I have no grudge against them; I respect their views; but you cannot be at the same time with those groups and with the other growing group who believe that Canada is so situated that a bold, courageous and practical policy for peace is the best move you can make at the present time in international affairs.

It was but this last fall that I went over all the western provinces, and some of my experiences there remain very vividly in my memory. I know the feelings of the people cannot be judged by one experience or two or ten experiences, but after all there is something in taking the pulse of the people in a most spontaneous way. I happened to address in Calgary a very large meeting, having regard to the conditions under which I spoke there. It was in the midst of harvest; the season had been bad, nevertheless people

crowded in from thirty miles around to meet, not a man who had anything to offer to them, not a minister of the crown, nor a prospective minister, thank heaven! but just a simple individual who had been depicted to them for years and years by the press of all shades of opinion as an enemy of everything British, as a trouble maker, as the stormy petrel of the politics of Canada, who had been described to them more or less under the colours with which my good friend the hon. member for Frontenac-Addington (Mr. Edwards) covers me periodically. Nevertheless they came; and I thought I would make an experience. I delivered there the most anti-militaristic, anti-imperialistic, and some people would call it the most anti-British speech that I ever delivered in my life, a speech such as I never would and never did deliver in Quebec. I appealed to the sense of nationhood, the sense of racial fraternity, the sense of Canadian nationalism. Then I passed over the various causes of the last war, the arguments that had been used to justify us in going into the war, and later to justify us in adopting conscription. I did my best to show that all those features of our military policy before, during and since the war, were bad, were inimical to the interests of Canada and really inimical to the true interests of the British Empire. I appealed especially to men who had been in the war and to their relatives; and the great consolation I had was, that after that meeting about fifty persons, veterans of the war, fathers and mothers of dead soldiers, with tears in their eyes, thinking of the boys who had sacrificed their lives because of the infernal propaganda carried on before the war to bring them into it, came and shook my hand and told me: "At last we have heard expressed what is in our bosoms and what has been in our thoughts for ten years. At last we find a public man who has the courage"—I repeat their language as it was—"to tell what we think". They had never dared say so because they would have been accused of lacking patriotism, of being untrue to their duty to the empire; but they began to realize that there is some other way of working for one's country and even for one's empire than by getting drunk with the wine of militarism, and fighting, and dying. There is living for one's country, working for one's country, endeavouring to increase by a useful life the moral and economic patrimony of all the races that inhabit Canada. Yes, the peace-loving sentiment is growing!

But there is more than that. Take our relations with the rest of the world. Let us consider the situation of Canada, not as we imagine it but as it stands in the eyes either of the people of the United States or of the British people who know what it is. You hear it every time you go to London, every time you meet some of those clear-sighted men who know the real conditions of the British Empire and of the world. Every one of them will tell you: Of course the case of Canada is entirely different from that of Australia and New Zealand. As regards Canada being obliged, even for imperial purposes, to make the same military expenditure as Australia and New Zealand, situated as they are on the border of the Asiatic continent, and having of necessity to rely upon outside help from a very distant country, your situation is so entirely different that the best service which you can render us is, so to speak, to wipe off from your political and international activities any possibility of your being a cause of war to England and the British Empire. Often, in the old chamber, I heard some of the most loyal leaders of the Tory party charge the British government with lack of love for or interest in Canadian affairs because they were always ready to disarm or to give way to United States pretensions and claims, disregarding our own claims and pretensions. I never could take that view. Opposed as I was, in those days especially, to the imperial policy followed in London, particularly under Tory governments, I always held and I repeat to-night that the best service England has rendered us has been precisely, after the war of 1812-14, to give way to the United States, because she realized that another war between the United States and England would be a piece of foolishness and a crime, and that Canada would be the sufferer by it. Those men who have a true sense of national pride, not the childish, not the noisy and cheap form of jingoism which can be put up so easily, but which we would have to put down so quickly in case we made good our childish provocations to the great nation to the south of us, those thoughtful men realize that a war between Great Britain and the United States, under all circumstances, would be a crime and a folly, and so long as Canada is connected with the British Empire, would be absolutely suicidal on our part. Therefore it would be true, and truer to-day than ever, that even if Great Britain were the victor in such a war, whether the British Empire was the victor or the vanquished, Canada would be the victim.

With regard to the rest of the world, what must logically follow, if the doctrine is held on the other side of the house that there is

absolute solidarity among all British countries, if the Tory party has definitely abandoned the old national policy of Sir John A. Macdonald and Sir Charles Tupper that every self-governing dominion of the British Empire has the right to be neutral in the case of a war in which Great Britain alone is involved, a policy which Sir John A. Macdonald put in practice when he refused to supply troops for the British government in the Soudan? And he refused not because the war did not call for it, but because he upheld the doctrine of nationalism as it was held and practised by the old Liberal-Conservative party for thirty years, prior to confederation as well as afterwards. Of course if the new Tory doctrine is to prevail that every time England is at war Canada must be at war, then the argument of the hon. member for Toronto is absolutely right, and in that case your militia estimates are absolutely inadequate. But if you believe in what most of your candidates have stated, especially in the province of Quebec; if you mean to keep those pledges which several of the members of the government have given most solemnly to the people at large, if you are going to stand by the principles which you succeeded in having enunciated and carried at the imperial conference, if you are going to stand by those principles not only here and there, but stand by the underlying principle which directed the course of this government in the Lausanne affair or in the Chanak incident, then you must have the courage to declare that when England is at war and Canada is not concerned Canada is not at war. It is about time we should abandon the hypocritical attitude of being more nationalistic in the province of Quebec than the most rabid French-Canadian has ever been, and then turning around and putting on a coat of imperialism in all the English-speaking provinces. You will never form a national sentiment that way. You must be one or the other. You must either stand by the principle of nationalism which was upheld by the Tory party for thirty years, or abandon it. You cannot be fish to one and flesh to the other. You must be one or the other. Are you going to be a peace or a war government? If you mean to be a war government, and to help Great Britain in some war in which she may be engaged, not necessarily in every war, but if you want to prepare for sharing in Great Britain's wars, prepare for it, but prepare for it seriously. Go to the people in that case and ask for a new mandate, because your present mandate does not entitle you in honour to pursue a mild and weak war policy.

That is the only thing I want to say tonight. I do not propose to dwell on the general merits of a peace and a war policy, nor to dispute every single item in these estimates. I simply wanted to repeat here what I have said to the people who have elected me, to repeat it here as I told it there, and to ask those who took the same pledges and the same attitude to stand by the people who have sent them here, just as they stand up against the bad Tories when they are in the province of Quebec.

Mr. BELL (Hamilton): Will the hon. gentleman allow me to make an inquiry, not in any spirit of challenging what he has just said, but because I would like to have the information? What were the peace pledges given by political candidates in the last election in the province of Quebec, to whom were those pledges given, and where and when?

Mr. BOURASSA: It was the attitude taken by almost every Liberal, and by almost every Conservative candidate too, for that matter, by every Patenaude candidate, and every Monty candidate. They said that Canada had had enough of war in the last war, and that Canada had no business to be in any future war of Great Britain's, and that the doctrine that when Great Britain was at war Canada was at war was not a Canadian doctrine. That was the position taken by almost every candidate in the province of Quebec, to whatever party he belonged.

Mr. BELL (Hamilton): Will the hon. gentleman tell me further if there is a record available of any such pledges, and the terms in which these pledges were made, and where I could find them?

Mr. BOURASSA: If my hon. friend knows French he has only to read all of the French papers published in the province of Quebec during the three last electoral campaigns, and he will find plenty of evidence.

Mr. BELL (Hamilton): Perhaps my hon. friend will send me some.

Mr. BOURASSA: They are in the library. I should like to oblige my hon. friend because I like to be as agreeable as possible to the hon. member, whom I hold to be one of the true Conservatives of the old school, and whom I know to be a gentleman. At the same time, however, I am not in a position to act as his private secretary and read these

papers for him. He could read, for instance, Le Soleil, Le Canada, Le Devoir, or even the Star and the Gazette, though in the Star and Gazette he will find something that is very strange. For example, when the Star stood for Mr. Patenaude and his candidates, there might be a different theme in the reports of the speeches than would appear in the Montreal Gazette, or in the second election, when Mr. Patenaude stood as a supporter of the Meighen party, which he had denounced the year previous, there would be another theme. But if my hon. friend would read all these papers, and especially if he had listened to the speeches that were made during these campaigns, he would be fully convinced. In fact it has always been so much the atmosphere in the province of Quebec that no party and no candidate could take any other attitude.

Mr. BELL (Hamilton): I thought the hon. member was speaking of pledges.

Mr. BOURASSA: It is a general conviction which has been ingrained into our minds by the leaders of both parties for years and years. When for the first time we shared in an imperial war, in 1899, the only excuse given by the Liberal candidates in the province of Quebec was that the hands of Sir Wilfrid Laurier had been forced by Lord Minto and the Conservative party, and that if he had not given way the Tory party would have done much worse, whilst on the other side the Conservative party were denouncing Sir Wilfrid Laurier for having done what he did. In my constituency, for instance, I was fought by an official candidate of the Conservative party, who was supported by a very distinguished member of that party, a late minister of the crown in the province of Quebec, who accused me of being insincere because, having denounced the participation of Canada in the South African war, I did not go over to the Conservative party which he said would have done nothing of the kind. So that has been the atmosphere—and not only in the province of Quebec. If my hon. friend—I know he is a little younger than I am, and perhaps with his various literary pursuits he has not had the same time as I have had for reading old political records, and I do not blame him for not having the same tastes as myself—but if he would dig up the speeches that were made both in parliament and outside of parliament before confederation and after confederation by such men as Sir John A. Macdonald, Sir Alexander Campbell and the most distinguished leaders of the Conservative party, he would find that they enunciated the very doctrine I have upheld this evening, that Canada is not obliged to participate in imperial wars. More than that, after confederation, Sir Alexander Campbell stated again in England, in the presence of all the representatives of the various Dominions and of the British government, that the pledge upon which confederation was made in 1865, as between the representatives of the imperial government and the representatives of United Canada, was that England, being the sole cause of possible wars for Canada, was morally obliged to stand by Canada in every war that could be declared by or against England and threaten Canada, but that Canada had no other duty than to defend her own territory. That was good Conservative doctrine for thirty years. I do not claim that hon. gentlemen opposite have not the right to renounce that doctrine, but I do claim that the people of Quebec, both Conservative and Liberal, have the right to stand behind that old policy. Similarly for many years they stood for the old, sane and moral policy of temperance as against the Yankee policy of prohibition, and they were denounced; but to-day their policy is being followed by the sister provinces, including the very moral province of Ontario. My hon. friend should remember the time when the province of Quebec was denounced for opposing conscription. I think, now the war fever has cooled, it is generally admitted that Quebec's opposition to conscription spared the lives of many of the youth of this country, not only in that province but outside, and that Quebec was no more criminal in taking that stand than were the people in Ireland, in Australia, in New Zealand and in South Africa, with the approval of the British government; that the people in Quebec were not necessarily the slackers and sluggards that they were depicted in the Tory press of Ontario because they chose to exercise their rights of citizenship in the same way as, for example, the Irish and the Australian people. I do not see why they should have been denounced as they were. This is the way of thinking in Quebec, and it does not seem to me that a government which has been elected and retained in power by the solid phalanx of the Liberals of Quebec, supported by what Liberals were left in the other provinces, should now be ashamed of that attitude and not place itself solidly on the ground defined to-night by the hon. member for Winnipeg (Mr. Woodsworth) and the hon. member for Southeast Grey (Miss Macphail). If the government should

do so it would be coming back, not only to the old Liberal policy, but would be simply resurrecting the dead policy of the old Conservative party.

Mr. BELL (Hamilton): Can the hon. member name one Liberal candidate who in the last election gave a peace pledge?

Mr. BOURASSA: Every one.

Mr. BELL (Hamilton): My friend is generous almost to a fault. Will he give the name of one Liberal candidate who gave a peace pledge?

Mr. BOURASSA: Let my hon. friend take the Parliamentary Guide, and, with the exception of three or four who were more concerned with local questions, he will find that practically all the Liberal candidates took that position.

Mr. BELL (Hamilton): Give me one.

Mr. BOURASSA: All of them took the position that if the electors wanted Canada to be at peace they should vote for the Liberal party, because Mr. Meighen wanted to throw Canada into war over the Chanak affair, and the Liberal government prevented it; and that if the people wanted to have terms of peace accepted in London at the next imperial conference, they must stand back of the Liberal government. I think they were right. If that is not a pledge—

Mr. BELL (Hamilton): Where is the pledge?

Mr. BOURASSA: I am not a lawyer, but I have always considered that when a candidate defines his position he is giving a pledge. I have enough confidence in the sense of honour of members of parliament—even of members on my hon. friend's side—not to consider it necessary to have them go before a notary public and sign and seal a document that they will not do this or that, or that they will stand by this or that. I do not believe that candidates for political honours and responsibilities should ever come to the point with their electors of being obliged to send for a notary public to witness their signature to a document defining their attitude.

Mr. BELL (Hamilton): We will let it go at that—no pledge.

Mr. RALSTON: Mr. Chairman, I want to go back to the item before the committee and to deal with some of the matters that have been brought forward to-night. Let us understand what this so-called increase is. Taking the militia vote, the figures we are dealing with total $11,035,800. I want the committee to go back to 1913-14; they will find the corresponding item at that time was $11,243,540. In other words, notwithstanding that the cost of material, of living and of salaries has increased at least 50 per cent, the vote this year is less than it was in 1913-14. I want further to call attention to the fact that in 1914-15 the militia vote totalled $11,593,696—also more than the present estimates.

Mr. QUINN: I see the total is $18,720,000 for this year.

Mr. RALSTON: I am talking about the militia vote. There was no vote for the air service in the estimates in the earlier years. Let us discuss the militia vote, because after all that is the military vote which is engaging our attention. I am asking for $11,035,000 as against $11,243,000 in 1913-14 and $11,593,000 in 1914-15. I undertake to say that if this vote were calculated in the dollar and cent value of 1913-14 it would not amount to more than $7,000,000.

Now, the increases which have been spoken of in a sort of offhand way as if they had been made without any reason at all, can be explained if the committee will look at the facts for a moment. There is about a $6,000,000 increase in the two years. $3,000,000 of that is for the air service—increased expenditure in connection with aviation. We are being constantly reminded of the fact that we are not spending enough on aviation, that we are not getting ahead fast enough.

Mr. ADSHEAD: Civil aviation?

Mr. RALSTON: Yes. At Camp Borden we have training for both civil and military aviation, in order that we may have the benefit of the combined training and save the overhead of two establishments. Part of the training at camp Borden is devoted to civil aviation, but it is included in the military vote. Consequently a portion of the vote for military aviation should be allotted to civil aviation.

Mr. ADSHEAD: Do those who take the course in civil aviation get their certificates without being under any obligation whatsoever for military service? They are not on the reserve force at all?

Mr. RALSTON: I can assure my hon. friend that that is so. Another million dollars in this vote, as hon. gentlemen know, is on account of the cost of one destroyer to replace those which are now obsolete. There is $4,000,000 accounted for right off the bat. I do not think we ought to worship the fetish of no increases. Increases should be granted if there is good reason for them. I do not think there is very much in the point that there happens to be an increase over last year, or

that there is necessarily any virtue in a decrease. The item should be justified on its merits.

Every opportunity will be given to deal with each item separately, but at the moment I wish to run over the vote roughly and compare it with that for last year. There is an increase under the heading of general stores. At the close of the war we had a lot of stores on hand, but they have been gradually depleted, and last year we had to increase our supplies to make good those withdrawals. We have been using ammunition each year in connection with the rifle training and in connection with the general work of the department and we are not making even enough to keep up the stock of ammunition supplies. We had but a small amount of ammunition on hand and it seemed to me only the part of efficiency and economy that we at least should see to it that we made as much ammunition as we used.

In reference to the non-permanent active militia there is provision for an increase of three days in respect of such units as go to camp. Let me give the committee an idea of what our establishment consists. There is an establishment of 126,000 men, and an enlistment of between 60,000 and 65,000; and only 33,000 men are trained. Of these 33,000 some go to rural camps while others train in armouries; the urban units are trained for the most part at local headquarters. What has been done in connection with these rural camps? Last year the men went for nine days, which meant only about seven days of work. Previous to the war they went for sixteen days. I am asking that they be given twelve days, because that means that they will have only about nine days' training. Let us leave the men out of consideration altogether: nine days' training in the year is not too much for officers who have to assume some responsibility in connection with their units. Indeed, it is a very small amount of training, and it is the best opportunity the officers have for training.

A good deal has been said about military swank and all that sort of thing. I have not the time to deal with the many witty remarks—which I do not think add very much to the discussion—that have been made in this regard. I never was in the militia myself before the war, but I do not think there is necessity for any man to apologize for the Canadian militia, when we consider the contribution which this country made to the war. The Canadian militia and the officers who had attended the camps, many of them having given their services free, acquitted themselves well; and it was the fact that they had been trained that enabled this country to get together a large number of men in a very short time at the outbreak of the world war. I urge therefore the importance of this provision for three days' additional training.

Miss MACPHAIL: Does the minister say that the majority of the men who went overseas had trained before the outbreak of the war?

Mr. RALSTON: I am not talking about the men, but the officers. I thought I had made myself clear.

Mr. CLARK: Is it not a fact that almost 90 per cent of the first Canadian contingent had trained in the Canadian militia before the outbreak of the war?

Mr. RALSTON: I cannot tell my hon. friend; nor can I answer the question asked by the hon. member from Southeast Grey (Miss Macphail). I would think that there could not be a large proportion of the Canadian expeditionary force who had trained with the militia because the number training yearly was comparatively small. To-day we are training only 33,000 men in all, both at local headquarters and in camps, so that there could not be a large number of those in the ranks who had previously been trained. But there was at least a large number of officers, among those who went overseas, who had had militia training; and these officers as well as the men, I think, played their part and well justified the training they had received. I want the committee to understand that I have in mind primarily the training of officers. But, in order that there may be an opportunity for proper training, these additional three days are included in the non-permanent active militia vote.

With regard to the permanent force, there is an increase that represents an addition of about ninety men. I find, in connection with the Royal Canadian Artillery at Halifax and Esquimalt, that we have not enough men to man the defence lights. These two places are points of important contact with the outside world. These are two important focal points that should be defended, and I am asking for an additional vote in this connection to bring the permanent force up, not to strength nor to authorized establishment, but in order to fill up certain gaps where necessary so that the force may be rendered reasonably efficient. I have found in the year's experience I have had that in connection with some of the units we have had merely a skeleton. There has been too much overhead and the supplying

of these men will make for economy and enable us to take on services that we cannot now undertake. Perhaps the committee may know that the military are furnishing signal services in connection with the Hudson bay expedition. It was necessary to have a personnel to do that, and I am taking on technical men particularly in order that we may have a larger force for these various purposes, especially at Halifax and Esquimalt.

There is a vote of $10,000 extra for the Royal Military College. The topographic survey has also made a strong case for an increase of $5,000 which, after consultation, I have agreed to put in the estimates. In connection with transport and freight, the vote has been absolutely too low and I have increased it to provide reasonably for an account which I must admit has been overdrawn in the matter of transport and freight largely for those going to camp.

These are the items in connection with which an increase is made. Let me assure the committee that these increases are not made in any militaristic spirit; they are not made because anyone here is glorifying war. I heard the remarks of my hon. friend from Labelle (Mr. Bourassa), whose sincerity I respect, as I respect the sincerity of hon. members across the floor. But when I hear an hon. gentleman speaking of somebody coming forward—I think this was the expression he used—with a sanctimonious declaration of love for peace, I do not think it is quite fair to members of the house generally who have just as sincere a desire for peace as he has, notwithstanding what he may think. We have some responsibilities in this country as well as our desire for the idealistic. We realize that we are living in a world where we must keep our feet on the ground. I hope my hon. friend from Southeast Grey has accepted my apology—which I intended to make as abject as I could—but I want to assure her that this department is not being run with a view to bringing some personal glory to the minister or in order that the minister may make a success of it. My hon. friend might as well suggest that my colleague the Minister of Justice (Mr. Lapointe) was anxious to encourage crime in order that the penitentiaries might be filled, so that his department would be magnified.

Mr. QUINN: Is the minister apologizing to the hon. member for Southeast Grey with regard to the statement that officers were not men?

Miss MACPHAIL: I didn't say that; I only asked, were they?

[Mr. Ralston.]

Mr. RALSTON: My hon. friend heard what I said. I say, this department is not run in order to aggrandize the present minister. But it is necessary that we should have a reasonable degree of efficiency. I do not agree with either the hon. member for Southeast Grey or the hon. member for Labelle, one of whom says that these expenditures are an absolute waste while the other suggests that the present provision is a farce. We are trying, on the best advice we can obtain and after consultation, not simply with military people but with those who take a deep interest in the defence of the country, to provide a reasonable service, to the end that we in Canada may hold up our heads and not only be prepared to defend our country but for another purpose which I am afraid some members of the committee do not realize is essential, namely, that we should be prepared to maintain our position as neutrals should the occasion arise. Because we happen to see a soldier on the street we need not conclude that we are going out to look for a fight. That is not the idea at all. The object is that we shall provide a reasonable force for defence and to maintain our neutrality if an emergency calls for it.

Now I should like to say just a word with regard to the remarks of my hon. friend from Southeast Grey referring to the military tournament at Montreal. I want to tell her that that tournament was not held at the expense of the department or the country in any way; I understand it was arranged by the officers and men of the Montreal militia units who gave a great deal of time and effort to it. I hope the hon. member was there; I would commend the show, if I may call it so, to anyone who would like to see good, clean, wholesome entertainment. I would commend it ahead of a good many other entertainments which were no doubt attended by respectable people in Montreal on that particular evening. If anyone wanted to see good gymnastic exhibitions, good drill and good equitation that was the place to go, and the good people of the city of Montreal did not seem to fear that their militaristic spirits would be unduly roused. I think the attendance the first night was 6,000 or 7,000; on the second night I understand 9,000 people were there, and on the third night the attendance was about 12,000.

Miss MACPHAIL: Will the minister admit that was glorifying war just the same?

Mr. RALSTON: I am sorry, but I cannot admit that at all. I want to say that there are a good many members of this house who

have reasons for not glorifying war just as keen as those held by some of the hon. members who have spoken to-night. There is no attempt and no intention to glorify war, but there is some reason in this country for young men, having the idea that they have some duty to their country other than to simply get their living from it—

Miss MACPHAIL: Is the minister inferring that those of us who talk as we have talked to-night are only here to get our living out of the country?

Mr. RALSTON: The minister is not inferring that at all, as I am sure my hon. friend knows.

Miss MACPHAIL: That is what one would infer.

Mr. RALSTON: I am sorry my hon. friend took that inference, because there was no ground for it. I am only saying that a person is not necessarily glorifying war because he happens to put on a military uniform. While we have been carrying on military operations in a small way, I have not heard of very many Canadians who are anxious to go to war simply for love of it. I do not think that because you train a boy to use boxing gloves he is naturally going to become a pugilist or that he will be wanting to fight all the time. If we are going to adopt that sort of reasoning it seems to me that training in athletics or any kind of physical exercise is going to train the boy to use violence instead of the ordinary peaceful methods of life. I do not think there is much fear of producing that mental attitude simply because a man may happen to spend so many days in camp, or because he shoulders a rifle a few times.

Then I wish to say just a word with regard to this matter of peace and war and the conflicting policies suggested by my hon. friends, and I commend these remarks to my hon. friend from Winnipeg North Centre. For five, six, seven or eight years we have been talking disarmament; we have been working hard for it. When I say "we" I mean Canada; we are a member of the League of Nations, and the commissions of that league have been working with all their strength towards a position by which disarmament may be brought about. As yet that result has not been attained; I do not want to be discouraging or blue about it, but at the same time the prospects are not any too bright, judging from the last meeting of the preparatory conference on disarmament. But then along comes the United States with a proposition out of the blue, not that we should disarm but that we should become parties to a pact for the renunciation of war. Does my hon. friend suggest that because the United States have taken that step they are inconsistent or hypocritical when, almost at the same moment, they increase their naval estimates by almost a quarter of a billion dollars? They realize that there is still a practical situation in the world.

Mr. WOODSWORTH: May I ask the minister if the cutting down of the naval estimates so drastically was not quite in line with that very movement?

Mr. RALSTON: Perhaps it was, but I am only saying to my hon. friend that there does not seem to be any immediate prospect of disarmament, notwithstanding the fact that the United States is sincerely endeavouring to bring about peace. We are still in the world, and we have to remember that this utopian situation has not come about as yet. I do not want to take time to quote figures, but I think we have the smallest per capita expenditure in the world with regard to militia expenditures, and when we ask for a vote of $1.70 per capita, that should be compared with the per capita expenditure of France, which is $7.60; of Italy which is $6.11; of Japan, which is $3.91; of Germany, which is $2.60; of the United States, which is $5.07; of Great Britain and Northern Ireland which is $13.03; of New Zealand, which is $3.07; of South Africa, which is $3.55 and of Australia, for which I have not the figure for this year, but which was $4.58 last year.

Mr. CAMPBELL: Has the minister the figure for Denmark?

Mr. RALSTON: No; I am sorry, but I have not that figure. I submit that we are not travelling very fast along the road towards militarism when we request that amount.

Mr. WOODSWORTH: May I ask if the minister has the figures for the Scandinavian countries?

Mr. RALSTON: No, I have not.

Mr. WOODSWORTH: Why give the figures for the militaristic countries instead of the figures for those countries which are striving for peace?

Mr. RALSTON: I should have thought, from what I have heard, that Belgium is striving for peace; the United States is striving for peace, together with Australia, New Zealand and South Africa. I did hear that Russia was striving for peace, but I see that the per capita expenditure of that country is $3.06.

Mr. WOODSWORTH: I wonder why the minister gives us that figure?

Mr. RALSTON: Because I notice it here, and Russia is a country which made a proposition only a short time ago for complete disarmament. At the same time, she spends $3.06 per capita on this account.

Mr. WOODSWORTH: Then the minister is accusing Russia of insincerity because of that act?

Mr. RALSTON: I do not know what my hon. friend means by that. I will undertake to say that the actual expenditure is much more than the figure I have given, because Russia pays part of her military expenditures in kind which does not appear in dollars and cents at all.

Mr. WOODSWORTH: Is not the minister accusing Russia of insincerity?

Mr. RALSTON: No. I say that a country which is held up before the world as one which proposes disarmament is herself spending $3.06 per capita on this account.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, May 25, 1928

The house met at three o'clock.

RADIO—CANCELLATION OF LICENSE

INTERNATIONAL BIBLE STUDENTS ASSOCIATION

The clerk of the house laid upon the table the twenty-ninth report of the clerk of petitions stating that he had examined the following petition:

Of H. Bishop and 11,576 others, radio fans, of South Vancouver and other places in British Columbia; praying the Prime Minister of Canada not to give any heed to the protest made to him regarding the character of the radio programs of the International Bible Students Association, but that the said association may be encouraged to continue their programs of music, education, and religious instruction, in the interest of British fair play and freedom of speech and religion.—Mr. Ladner.

This petition is irregular inasmuch as it is addressed to the Prime Minister of Canada and not to "the House of Commons in parliament assembled" and should not therefore be received.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I have the honour of presenting the Prime Minister with a petition signed by J. B. McCoy and 59,283 others, protesting against the cancellation of the radio broadcasting license of the International Bible Students Association.

[Mr. Ralston.]

Mr. SPEAKER: I must declare the petition to be out of order because it is not addressed according to the rule of the house, which requires that:

Every petition should commence with the superscription: "To the Honourable the House of Commons in parliament assembled." Then should follow the formula: "The petition of the undersigned. . . humbly sheweth."

I may inform the hon. gentleman and other hon. members who have presented similar petitions this week that I shall be pleased to find space in this building for the storage of those documents.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, I have a petition to present on behalf of a number of people in British Columbia, relating to the same subject matter. May I ask as to the form of presentation. If a petition is addressed to "The Right Honourable Mackenzie King," as he is the Prime Minister, is it not in effect a petition to the head of the government, and therefore suitable for presentation in this house?

Mr. SPEAKER: The time honoured practice is that petitions should not be addressed "To the Prime Minister of Canada," but "To The Honourable House of Commons in parliament assembled." I refer the hon. gentleman to page 207 of Beauchesne's Parliamentary Rules and Forms for fuller information.

Mr. LADNER: May I follow the same procedure as the hon. member—

Mr. SPEAKER: Same ruling.

NEW EDINBURGH MILLS PROPERTY

Hon. J. C. ELLIOTT (Minister of Public Works): Mr. Speaker, I desire to lay on the table information regarding the New Edinburgh mills property at Ottawa, asked for by my hon. friend from Vancouver Centre (Mr. Stevens).

BUSINESS OF THE HOUSE

KING'S BIRTHDAY ADJOURNMENT

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

That when this house adjourns on Saturday, the 2nd of June, 1928, it stand adjourned until Tuesday, the 5th of June, 1928.

Hon. R. B. BENNETT (Leader of the Opposition): Will the house sit on Saturday, the 2nd of June?

Mr. MACKENZIE KING: Yes, unless hon. members desire that it should not.

Motion agreed to.

SUSPENSION OF ELEVEN O'CLOCK RULE

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, in view of the tremendous growth of the crops in western Canada, may I ask if the government have any intention of suspending the eleven o'clock rule in order to let us get home before harvest?

Mr. MACKENZIE KING. I should like to be able to assure my hon. friend that the house will be agreeable to his suggestion, but I am not in a position to do so at the present time. I would suggest that the whips confer with a view to reaching some agreement whereby the session can be brought to a close without unduly hastening any feature of it. The government is quite prepared to have the eleven o'clock rule suspended, or to sit in the mornings if that suits hon. members. But this must be with the concurrence of the house as a whole.

SITTING OF SATURDAY MAY 26

Hon. H. H. STEVENS (Vancouver Centre): Is it the intention to follow to-morrow the hours of last Saturday, that is, from two to six instead of from three to eleven?

Right Hon. W. L. MACKENZIE KING (Prime Minister): A motion will be necessary to change the hours if the house is to be in session from two to six only. If that is the wish of hon. members I shall with unanimous consent, be pleased to make such a motion. As the matter now stands, however, the house will meet at three and sit in the evening.

TRADE AGREEMENT WITH RUSSIA

On the orders of the day:

Mr. HENRI BOURASSA (Labelle): May I ask the Prime Minister (Mr. Mackenzie King) if he has received permission from his Imperial masters with regard to the production of those despatches exchanged between the English and Russian governments on the 3rd July, 1922, relating to the establishment of a Russian trade office in Montreal?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I do not know to whom my hon. friend refers by "Imperial masters."

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: If he is referring to communications exchanged with the government of Great Britain, I may say that they are in form similar to the request made to any government for permission to lay on the table of the house documents with which they are concerned. As to the exchange of notes regarding the establishment of a Russian trade office in Montreal, a reply to our request for permission to bring down these documents has not yet been received.

TRANSPORTATION OF COAL

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I find it necessary to ask the hon. Minister of the Interior (Mr. Stewart) if any action has been taken by the government in connection with the movement of coal from Alberta to eastern Canada. In consequence of the interpretation placed upon the order of the Board of Railway Commissioners by counsel for the railway companies, it would appear that the movement is being retarded. I thought the hon. gentleman might make a public statement that could be heeded by all concerned. I hesitate to trouble him at this time, but I have been pressed by telegrams to ask him if it is possible to secure a statement of the position.

Hon. CHARLES STEWART (Minister of the Interior): I did not know the question was to be asked by my hon. friend.

Mr. BENNETT: I mentioned it to the hon. minister before I came in.

Mr. STEWART (Edmonton): I have had representations made that the order did not provide for transhipment. I took the matter up with the Board of Railway Commissioners by letter, and apparently they feel that they had sufficient authority to order the transhipment of coal, and they did so under an order issued less than ten days ago. All I know about the matter is that we are receiving wires that counsel for the railway companies are objecting that the railway board has no jurisdiction. Mr. Camsell is in communication with the Board of Railway Commissioners, and to-morrow I may be able to answer my hon. friend more fully.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, may the house take it for granted that if any confusion has resulted from the drafting of the order in council in this respect, an amendment thereto may be expected?

Mr. STEWART: I should not like to give that promise, for it might involve the government in very considerable cost. Before we do that we want to be sure of the steps we are taking and what the cost will be. Speaking personally, and not for the government, I may say that I think the interests would be well advised to continue the single line haul in order to establish a lower rate. However, I hope to be able to make a more complete answer to-morrow.

INQUIRY FOR RETURN

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I desire to ask the Secretary of State (Mr. Rinfret)—but as he is not in his seat may I ask the Prime Minister to draw it to his attention— to expedite the placing on the table of a return that was moved and accepted by the house a few days ago in regard to the case between the Post Office Department and the Civil Service Commission relating to R. E. Hall. The subject matter was discussed the other day.

IMPORTATION OF CATTLE FROM UNITED STATES

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I am again compelled to ask the Minister of the Interior (Mr. Stewart) the following question: Has an order in council been passed permitting the importation in bond of American cattle into Canada for one year for pasturage or grazing on crown lands, and has the minister received a protest from the Western Stockgrowers Association against such an order in council being passed?

Hon. CHARLES STEWART (Minister of the Interior): I have never heard of it. However—

Mr. BENNETT: Has such an order in council been passed?

Mr. STEWART (Edmonton): No, certainly not.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public Works—Quebec—harbours and rivers —Ellis bay, harbour improvements, $300,000.

The CHAIRMAN: On the last occasion the committee had under consideration the item, "Ellis bay, harbour improvements, $300,000". Shall the item carry?

Mr. LUCAS: Has the minister any information to give in regard to this item?

Hon. J. C. ELLIOTT (Minister of Public Works): Perhaps I shall give some information on this item if my hon. friend requests it. The report of the engineer shows that Ellis bay, formerly called Gamache bay, is situated near the southwest end of Anticosti island at a distance of 345 miles below Quebec. The island has an area of 31,000 square miles. All timber land is the property of a syndicate, the Anticosti Corporation, which is now developing the island for the purpose of settling it and for the production of pulpwood, which will be manufactured into pulp and paper at the following mills: the St. Maurice Valley Corporation, Three Rivers, Quebec; Port Alfred Pulp and Paper Corporation, Port Alfred; Wayagamack Pulp and Paper Company, Limited, Three Rivers. Port Menier on Ellis bay has been selected as the community and store centre where the town is being built, it being also the most protected place for the establishment of a harbour. The Anticosti Corporation has under way at the present time a scheme for the development of this harbour, which involves the expenditure of approximately $2,500,000 exclusive of railroads, dwellings and buildings which it will be necessary to construct on the island. Construction work was commenced by the company on December 1, 1926 and two ships berths were ready on June 1, 1927, a new commercial wharf on July 31 last, and harbour works completely finished by December 1, 1927. The report of the engineer is that this development scheme will be of great aid to shipping in the gulf of St. Lawrence, as it is proposed to make Ellis bay the provisioning centre for ships in the gulf where coal and fresh water will be obtainable at the new commercial wharf. There will also be adequate protection for shipping in time of bad weather and a sea-going tug will be kept on hand to render assistance to ships in distress in the gulf. District Engineer Sabourin reporting on March 23, 1927—that was before the vote came before the house—estimated that outgoing there were 1,000,000 tons of pulpwood, valued at $5,000,000, and 3,000 persons; and incoming 3,000 persons, 400 horses and 55,500 tons of fuel and machinery estimated at $2,000,000. The population at the present time is 3,000 which it is expected will greatly increase in the near future. I find that a few years ago the island of Anticosti, which is a Canadian island, formerly owned by Mr. Menier, who is not a Canadian, was used largely for pleasure purposes, although there were about 1,200 acres farmed. The report of the farming operations is that there were raised oats, wheat, barley and various garden vegetables. The island is reported to be suitable for farming purposes after the timber is taken off. The company propose to ship pulpwood to their own mills, the Wayagamack, the St. Maurice and the Port Alfred, situated at different places in Canada, where the pulp will be manufactured into paper in our own Canadian mills. A few years ago the population was from 250 to 400; already that has increased to over 3,000, and it is expected that before midsummer it will be over 5,000.

The estimate of the company is that there are 15,000,000 cords of pulpwood on the island; they were to ship 300,000 cords last year, the same amount this year and 420,000 cords in subsequent years, to these three paper companies. It is estimated that the re-growth each year will amount to 450,000 cords, so there will be a margin of 30,000 cords after taking off the 420,000 cords each year, which should provide for the continuation of this business for many years to come. That is the best information I am able to obtain on the subject. I understand the people working there are being well paid, and this is a reliable corporation. I had not looked up the matter for almost a year, and the other day I was under the impression that this was an American concern, but that is not so. It is practically an all-Canadian company, and it is expected that the 420,000 cords of pulpwood taken off annually, valued at about $5,000,000, will be manufactured into $25,000,000 worth of paper in Canada each year for many years to come. Then there is the additional consideration that this is very close to the main channel of the St. Lawrence and is recommended by the engineer as the best port of shelter in that district.

Mr. GARDINER: I would like to ask the minister if this company holds the island in freehold or whether it merely has timber rights?

Mr. ELLIOTT: They bought it out absolutely.

Mr. GARDINER: Then this town which is being built will be what is termed a company town?

Mr. ELLIOTT: Yes, it will be largely a company town; the company will own the land and I believe they are giving their employees the houses. I understand a large number of houses have been constructed and more are in process of construction.

Mr. SHORT: The minister has said that he expects the population to reach 3,000 instead of the 250 to 400 people now there. Are these additional people to be immigrants or are they to be Canadians?

Mr. ELLIOTT: I understand that is the number there now, and they are nearly all Canadians.

Mr. SHORT: Are they immigrants?

Mr. ELLIOTT: No, I am told they are nearly all Canadians.

Mr. SHORT: Then this is merely shifting the population from one section of Canada to another.

Mr. ADSHEAD: After the explanation of this matter made by the hon. member for Quebec South, it is quite apparent to me that this vote is for a commercial company which is on the island with the express purpose of taking off all the pulpwood they can and then leaving the island. This is not an immigration scheme in any sense, and I do not know why this very rich company should not be able to dredge their own channel. Neither do I know why the idea of a shelter should be brought in now for the first time. I think this vote should be cut down considerably; in fact, I have a motion here that the vote of $300,000 be reduced by $290,000. I do not think this sort of thing should go on; we should not assist a private company of this kind when there are so many other things in Canada urgently needed.

Mr. EVANS: Here I believe we are face to face with one of the most deplorable features of Canadian development. After all the minister has said, apparently this is a foreign company which possesses this island as freehold property, and which has no further interest in it than to denude it of all its trees. When that is done it will be of no use either as a fishing centre or as a shelter, develop it as we may. I think before this vote is carried some assurance should be given that timber of a certain size will be preserved, and that sufficient timber will be kept growing to preserve the settlement which is already there and to leave the island in a habitable condition. In too many places in Canada the pulpwood companies are simply taking off all the trees and leaving the land fit for no other use. I think some assurance should be given that timber will be preserved on this island for all time to come.

Mr. POWER: I have in my hand the prospectus of the Anticosti Corporation, issued at the time the bonds were issued. It would appear that this corporation paid the Menier family $6,000,000 for the island, thereby obtaining all the rights to the hunting, fishing, farming and forestry previously held by the Menier family. As the minister has said, this corporation is composed of the Wayagamack Pulp and Paper Company, the St. Maurice Valley Corporation, and the Port Alfred Pulp and Paper Corporation, the last two being Sir Herbert Holt companies and the first an independent concern. As soon as they acquired ownership of this island

they issued bonds to the extent of $6,000,000; that is to say, they asked the public to subscribe $6,000,000, to enable them to pay for this island. All the common shares of the corporation are owned by these three companies, so with the public's money they purchased the property and now they want the public, that is to say parliament as representing the public of Canada, to make them a gift of some $500,000 more to help pay the interest on the bonds already issued. That is practically the situation from the financial standpoint.

With regard to the expenditure by this company at Ellis bay or elsewhere, I find in the prospectus that twenty-eight miles of railway have been built already, aparently out of the $2,500,000 mentioned by the minister.

Mr. ELLIOTT: No, that is not true.

Mr. POWER: Does the minister mean to tell me that over and above this $6,000,000 the Anticosti Corporation paid for a railway? If that were the case I would be very much surprised.

Mr. ELLIOTT: My information is that they are spending $2,500,000 exclusive of railways, and dwellings—this is the report from the engineer—and other buildings, which will be necessary to construct on the island.

Mr. POWER: I do not know whether they spent money on the harbour. There was already in existence one harbour with sheltered deep water at the time the property was purchased. If they are finding it necessary to build two more I do not see why the government should be called upon to help pay for them.

We have too many of these large corporations in Quebec—I am not opposing corporations because they are large, nor wealthy men because they are wealthy—who are constantly coming to the federal, provincial and municipal governments, asking for assistance, when people of lesser means are unable to obtain assistance. This Anticosti Corporation is possibly one of the wealthiest in Canada. It is not undertaking development or colonization work, and in saying that I am sorry to have to contradict the minister. Those who know anything about the lumber and pulpwood business in the part of the country from which I come know that it is the intention of this company simply to go on the island, cut off the pulpwood and then move away. I do not think anyone who has any knowledge of the pulp and paper situation, or the pulp and paper people in Quebec, will deny that statement. It is said that there are 15,000,000 cords of pulpwood on the island, but I doubt that very much. As a matter of fact, when this purchase was made, the people who knew simply smiled and said, "Ain't it costly?", and they called it the ain't-it-costly corporation. It was not costly to the companies themselves, because the public subscribed to the bonds and if there is any profit it will go to the common stock, which helps the companies.

I do not believe there is any intention of remaining there in perpetuity. No pulp mills are being erected there, but only wharves and railways to take the pulpwood from the forest, put it on the vessels, and transport it to Port Alfred and Three Rivers. The prospectus says that the total cut will be 420,000 cords. If they cut that much they are cutting far more than the annual growth. As I said before, there is not 15,000,000 cords, and in the second place, the annual growth would not be more than two per cent under very favourable circumstances. Under the conditions that obtain here the trees do not grow fast, and the annual growth would hardly be one-half of one per cent, so there is no possibility of this being a permanent settlement, or of people remaining there after the island has been cut over.

I would suggest to the minister that instead of pressing for this item he leave it over for another year and see whether or not the statements which I have made are true. If it can be shown to me that there is any question of colonization here, or a permanent settlement, I have no objection to any development being carried on. I am told that the amount for dredging this summer will be $200,000, and that all of last years' vote has not been expended. We could not spend possibly more than $200,000 or $250,000 this year, and I would ask the minister to reduce his estimate and if it is found at the next session of the house that there is really something worthwhile encouraging here, then we could vote more money.

Mr. ADSHEAD: Would you agree to the reduction I suggested?

Mr. POWER: What was that?

Mr. ADSHEAD: I proposed to reduce that by $290,000, making the amount $10,000.

Mr. POWER: If there is any real dredging to go on with, and if the dredges are there. I would suggest that possibly there be $100,000 or $150,000 expended this year. By next year we would know whether there was any real reason for it.

Mr. CASGRAIN: I do not want to prolong the debate or the session, because I know

everybody is anxious to get away, but I cannot let this matter pass without saying a few words, particularly in view of the fact that this item has reference to a place which is situated in the county which I have the honour to represent in this house.

At the outset of my remarks I may state to my hon. friend from Quebec South (Mr. Power) that I am very much surprised at the stand he is taking to-day. When there was a vote before the house that had to do with some appropriation for the province, when we were called upon to vote an item of $8,500,000 for the harbour of Quebec, at the head of which his brother presides, he did not object. I think it ill behooves the hon. gentleman to quarrel with other sections of the province and other parts of the community where necessary improvements must be made just as much as in the district of Quebec, and which in the future may be much more beneficial to the country than even those which are being carried on in the district he represents.

The question has been raised by the hon. member for Rosetown (Mr. Evans) and the hon. member for Quebec South as to whether Anticosti island would ever be colonized, and if there would be any farming carried on in that thriving community. I have a book here entitled Le Canada et l'Emigration Francaise, by Mr. Frederic Gerbie.

In 1881, long previous to the acquisition of the island by Mr. Menier, the French senator, colonization was going on. There were settlements and farms at that time. The reason these people ceased their operations was that when Mr. Menier took possession of the island he made it a sort of national park or summer resort. He filled the rivers and lakes with fish and used the island only for his own purposes for a few weeks in the spring, summer and fall. In 1881 there were 102 occupants, and 106 proprietors; there were 898 acres of occupied land, and 427 acres of improved land and pasture, including gardens and orchards. The crops at that time, in 1881, were 51 bushels of oats, 133 bushels of barley, 11,610 bushels of potatoes, 1,178 bushels of turnips and 58 tons of hay. Progress was being made steadily at the time Mr. Menier took possession of the island. When he did take possession he had certain lands improved, and conducted some farming operations himself, as is shown by the census of 1921. If hon. gentlemen would look at page 399 of the Census of Canada, 1921, they would see that Anticosti island had 1,246 acres of pasture, 196 acres of cereals and flax. There were further farm operations conducted at that time, as follows: 21 acres of forage crops, 24 acres of potatoes and roots, 100 acres cultivated for barley, producing 1,400 bushels, and 80 acres sown to oats producing 350 bushels. This was the development in the little village Mr. Menier had there, wherein was situated the church, the convent, the butcher shop, the grocery shop, the police station, the fire department, and the farm which he owned.

These things had been accomplished by Mr. Menier himself, and everything was turned over to the Anticosti Corporation for the sum of $6,000,000. This amount was paid in ready cash by the three companies mentioned by the Minister of Public Works, namely, the Wayagamack Pulp and Paper Company, the St. Maurice Valley Corporation, and the Port Alfred Paper Company, which are three of the largest pulp and paper companies in Quebec and perhaps in Canada. These companies have bought the island for $6,000,000. According to the figures which I have under my hand the corporation have spent $1,500,000 in starting the construction of two wharves in addition to the wharf that was built in the early days by Mr. Menier. These two new large wharves have been constructed in order to enable big vessels to come in and load cargoes of pulpwood for the three companies whose names I have mentioned. In addition to that the corporation have built houses for their men and an hotel for the people coming there. The expenditure on this work up to the present time is nearly $2,000,000. That has been done during the eighteen months that the new corporation has been in possession of the island.

If I remember well, when I was there in 1925 and 1926, at the time of the two last general elections, only Mr. Menier and those associated with his business were on the island, but in August, 1926, this corporation came into being and since then the island has been a beehive of industry, many people having found their way there and have been enabled to earn their bread and butter in that part of the province of Quebec. Had it not been for this undertaking many of them would have been turned away from Quebec and Canada and would have had to go to the United States. As the Minister of Public Works has said, there are on the island at present three thousand Canadian-born or naturalized Canadian subjects who are earning their living and receiving salaries running from at least $75 a month to as much as $15,000 a year, that being the salary which the general manager, Mr. J. H. Valiquette, is paid for the work of running the whole business of the Anticosti Corporation and developing the island.

As regards the question of colonization I have under my hand a letter from Mr. François Faure, General Manager of the company who is in charge of the operations of the whole island. He writes:

The first work done by the Anticosti Corporation was to make the necessary organization to exploit the forestry resources of the island, and the next step is the classification of the soil with a view to colonizing the island with good Canadians and immigrants.

A certain amount of this work had been done before Mr. Menier became the owner of the island and according to the company's letter, the original of which has been placed in the hands of the Minister of Public Works, it is their intention to do colonizing work later on when their activities in the pulpwood and lumber business have provided a sufficient area of cleared land to establish new settlements at different points. There was a miniature railway on the island when Mr. Menier was owner. Since that time larger railways have been built and in the very near future they will circle the island in order that the company may carry on their activities and accomplish the purpose for which they bought the island.

Mr. GARDINER: Can the hon. member assure the committee that any person can go on the island without the permission of the company, and without being an employee of the company?

Mr. CASGRAIN: Persons who want to go on the island must be connected with the company, or have special business with the company, or have permission of the company to go there. There is nothing unusual about the island. There are, I am told, in Ontario and other provinces, certain territories where larger corporations conduct activities similar to those conducted by this company, where they are owners and proprietors of the land and where they have the right to order out people whom they do not want to be on their property. They are proprietors and owners of the whole area of the land, the Iroquois Falls, for instance, where the Abitibi Pulp and Paper Company is established.

Mr. GARDINER: Does the hon. member know of any case of that description in Ontario where public funds are being spent for the benefit of a company alone?

Mr. CASGRAIN: I do not know what the practice is in Ontario or what is being done in the other provinces, but I know that last year when the Minister of Public Works was faced with a request similar to this one he inquired and found out what the proper procedure was and in what way these companies should be assisted if they were bona fide corporations that really wanted to do something to develop the country. They started on a plan similar to the one carried on, I am told, in the United States. The government helps companies that have certain financial backing and when it is sure that they really intend to do something to develop the natural resources of the country. The same thing has been done in other provinces and I think we in Quebec are asking no more than has been asked and done in other provinces.

As regards the number of cords of pulpwood that might be taken out of the island, before these people purchased the property an estimate was made of what they could get out of it in the way of timber. Mr. Piche, who I am told is one of the best authorities on the lumber industry not only in Quebec but in Canada and who it at the head of the forestry resources of the Quebec government, surveyed the whole island, and he gave his opinion that a minimum of 15,000,000 cords of pulpwood could be taken out of the island. Any person can estimate from the re-growth that will come later, there will still be on the island timber to be cut for pulpwood when nearly all the members of the present parliament have passed away.

As the Minister of Public Works has said, the wood is manufactured into paper in Canada, not a stick is being exported to the United States. This means that Canada reaps the full economic benefit of the whole territory. The management of the island of Anticosti is in the hands of a staff who are all Canadian citizens. Salaries and wages paid to labourers and others for the manufacture of pulpwood and other work in which the company was engaged during the operating season of 1927-28 amounted to about $2,000,000, and the raw material which is shipped to the different cities is manufactured there into paper which, as a finished product, is exported to the United States, or used in Canada when it is required by other paper mills in this country. This brings to Canada a revenue of approximately $12,000,000 per annum and this is the case when operations are not being carried on to full capacity because certain works have just been started.

What is the government asked to do? The government is asked only to dredge out a certain part of the channel so that it will be possible for the boats of the company to come with safety to the two new wharves that have been constructed by the company. The government is not asked to dredge a harbour for the sole benefit of the company. It is asked only to dredge a channel from the main

channel where the vessels come near the island to their wharves so that these vessels may come in to them with safety to load pulpwood and other products of the island. When I went there in 1925 and 1926 on the boat of the Clarke Steamship Company we had to remain about a mile and a half or two miles upstream and we had to be taken by gasoline launches to the wharf of the Menier family, because there was no channel by which we could reach the wharf in safety. The government and the country owe it to the company, which has invested $6,000,000 of its own money in the island, which has spent more than $2,000,000 this year, and which will spend more than $2,000,000 in salaries and wages every year if it wants to develop the natural resources of the island, to give it an opportunity to have a proper channel from the main channel in the river St. Lawrence in order that boats may reach the wharves with safety.

During the 1928 season of navigation ten boats per week carrying mechandise, coal, cattle, horses, pulpwood and passengers will pass through this port. The number of passengers it is estimated will approximate from five to ten thusand people going to and from the island. There are in addition the boats of the Clarke Steamship Company, which, under the terms of the subsidy given by this government, have to ply every week to these wharves. When there were hardly three or four hundred people on the island when it was owned by Mr. Menier, the vessel could anchor upstream, and that was sufficient for the small population of the island at that time, but now that the population has reached three thousand, and is likely to increase later on, it is necessary to provide facilities for the vessels of the Clarke Steamship Company and also for such vessels as will carry pulp and other products from the island, and as the Postmaster General reminds me, it will also enable the boats to carry the mails in safety.

This company has four vessels, one of which was recently built at a cost of many thousands of dollars: the George McKee, the Fleurus and the Savoy. The last two vessels were owned formerly by the Menier family. There is also the Sable "I", which is owned and operated by the Bras d'Or Navigation Company, but in which this company at Anticosti is interested, and which plies regularly from the spring right up until the fall, and even in the winter months, to that port and to the ports of Quebec and Montreal, with supplies of goods and passengers. The Postmaster General again reminds me that I have omitted to mention the revenue; he never forgets anything. In 1925-26 the revenue from the port Menier post office was $319.23; in 1926-27, $685.06; in 1927-28, $2,285.31; so the revenue is increasing year by year and has greatly increased over what it was in 1925.

Formerly, when Mr. Menier used to occupy the island, apparently it was his own private property and practically no customs and excise duties were collected; they amounted to $57.97 in 1925-26; $37.63 in 1926-27, and in 1927-28, $585.19 was collected and accrued to the national revenue, so there is business being done in a regular way at that place, and I think that this is a proposition that is worthy of consideration and encouragement by all the members of the house.

I have no particular interest in this proposition myself. I do not own a cent of stock or of bonds of the company. I have never had any dealings with the company. I have never been on the island since this company was operating. I was there in 1925 and 1926 when the Menier family were owners of the island. When a company such as this is ready to undertake a large work of this kind in developing the natural resources of this country, I think we ought to give it the fullest possible assistance, and make it easier for the company to go on with its business.

Mr. POULIOT: Do I understand from what the minister said that within a few years the revenue derived from the sales tax that will be paid on the sales of pulpwood or paper manufactured in Anticosti island will be sufficient to repay in full the amount that it is now proposed to expend on this work?

Mr. ELLIOTT: I cannot say just what the exact revenue will be, but I am told by the Finance department that the business of all such companies helps the general business of the country. There will be a sales tax on the paper when it is manufactured, and there will also be income tax. Work of this kind all contributes to the general business of the country, and the more business there is, the more revenue the Finance department gets. The revenue from $25,000,000 worth of paper manufactured in Canada will be a very important revenue. The collection of the tax on the profits of the corporation will also bring in a considerable revenue to the treasury of Canada. The business that this company will carry on will materially aid the financial situation in this country.

I want to say to my hon. friend who asked the question with regard to whether anybody else is getting similar assistance, that this is a principle that has been followed for over twenty years; that is, where a company or an individual was coming in and starting a concern which would employ labour and pro-

duce materials, tending to the general development of the country, the policy of the government has always been to help them by way of dredging, wharves, breakwaters and all that sort of thing. We are doing it for the Thunder Bay Pulp and Paper Company at Port Arthur. We are doing it for the United Grain Growers; we dredged a slip to their elevator at Port Arthur. We are doing it for the Saskatchewan Co-operative Grain Growers; we dredged a slip to their company elevator at Port Arthur. We did dredging for the elevator that was built in Sarnia. We are doing it for the Powell River Lumber Company in British Columbia. We are doing it similarly for coal companies. There is no difference in principle.

Mr. FANSHER (Lambton): Are not all these public ports, not private ports?

Mr. ELLIOTT: They are public ports, but my hon. friend does not get the point. The dredging we did was dredging to enable them to get from the main stream to their elevators. That is just what is being done here, only in this case there is an additional advantage. I want to say to my hon. friend, because I know he wants to be fair, when he refers to the fact that there was no reference the other day to the fact that this was a harbour of shelter, what I read to him to-day were the details prepared over a year ago when this matter was submitted to the house, and when the house committed itself to the project, and the contract was let.

Somebody asked how much dredging was done. There was $187,000 of dredging done last year. I want to explain to the house that if they do not approve of this sort of thing, it is going to affect all similar projects. It includes, for instance, the coking plant at Hamilton; it includes the Manicouagan Company, Trinity bay and various other works.

Mr. ADSHEAD: But in these other cases the companies do not own the whole town; they are not company towns.

Mr. ELLIOTT: They own the property to which the slip is being dredged, but in this case, it is very near the main channel of the St. Lawrence. The engineers report that it is the most suitable place for a harbour of refuge in that part of the river. I do think that the dredging should proceed this year, and that it should proceed to the full amount of the item mentioned here. If I thought it were possible for us to do with less money, there is nobody more anxious than I am that we should get along with the least possible amount, but this house committed itself, without any objection, to this work a year ago. I want the house to have all the information possible. I appreciate the discussion, because if this is the feeling of the house, then I want to know it.

Mr. ADSHEAD: The hon. gentleman made a statement a short while ago that nobody could go on the island without the consent of the company; that it was a company town and that the company owned all the stores.

Mr. ELLIOTT: Practically all the large concerns keep control of their own property. Where a company is carrying on business operations, it is absolutely necessary that the public should not wander about at will over the company's property. I think everybody will agree with that proposition. Take the steel companies, or the plant at Hamilton; take the Thunder Bay Pulp and Paper Company; take any of these works we are assisting, and the same rule applies.

Mr. BOYS: Are there not public highways through all the properties you are referring to?

Mr. ELLIOTT: I would not say so. I think the principle followed is exactly similar.

Mr. BOYS: It seems to me the only justification is that possibly they would have no right to do dredging themselves. As I understand, the whole island is privately owned, and always has been. Am I right?

Mr. ELLIOTT: Quite so.

Mr. BOYS: Then I take it for granted there has never been a survey resulting in highways which would be vested in the crown. The whole island is privately owned. That would not give the company the right to go out in navigable water and do work which is essential to the undertaking. It seems to me the vote must be justified on that ground. I do not think the minister would go so far as to suggest, that where an enterprise is privately owned, and the public have no right of access to any portion of the territory, it is the duty of the country to provide money for dredging. Another feature occurs to me in regard to the financing. I heard the hon. member for Quebec South (Mr. Power) intimate that bonds to the extent of $6,000,000 had been offered to the public. I gathered that the public had subscribed for them, and that the promoters would get the common stock for practically nothing. The minister has pointed out that this was undertaken last year, and it is important to know whether those who subscribed for the bonds did so

in the expectation that the dredging would be proceeded with. That is certainly a very important feature, because, if so, it might be considered a breach of faith if the work were not carried out. Personally I should like to be enlightened on those points.

Mr. ELLIOTT: I am not in a position to say whether any bonds of the company were sold on the statement that the government had made any promise to do dredging. Certainly no bonds could have been so sold except after the item was passed by this house a year ago. I may tell my hon. friend that the government did not decide upon this policy without considering it very carefully and ascertaining the merits. I was led to believe, after a very careful investigation, that this was one of the best investments by way of dredging as a public work that the department could do. I believed it was a bona fide concern and would give employment to 5,000 people at good wages for many years to come. That is only the smaller part of the business, because I felt the company would supply the raw material to be manufactured to the highest possible extent within Canada, thus employing a great deal of labour.

Mr. BOYS: Is not the labour absolutely in the hands of the company? In an ordinary community if a man loses his job he can get some other work in the locality; here he would have to get off the island.

Mr. ELLIOTT: My hon. friend misunderstands me. The pulpwood will be consumed in the paper mills at Port Alfred, St. Maurice and Three Rivers. It furnishes employment to the men on the boats engaged in moving the material and the men in the mills. Here is the situation: Instead of having the island of Anticosti absolutely unproductive, we now have a thriving population there, well provided for and receiving good wages.

Mr. ADSHEAD: Is it not a fact that the men must spend their wages in the company's stores at the company's own prices?

Mr. ELLIOTT: I think it is. Last year 55,000 tons of food products were brought in.

Mr. ADSHEAD: And sold by the company?

Mr. ELLIOTT: I have no doubt. However, Mr. Chairman, perhaps we can obtain sufficient information to satisfy everybody, and I am quite willing to suggest that the matter stand for further consideration.

Mr. GARDINER: One other question. The minister has attempted to bolster up his argument for the expenditure of the money by stating that it would make a good harbour of refuge for vessels. Remembering that this is private property, is there any agreement with the company to permit vessels to use the harbour in case of distress?

Mr. ELLIOTT: My information is that they have always had that right.

Mr. CASGRAIN: It is in the gulf.

Mr. ELLIOTT: There are two St. Lawrence routes, one north of Anticosti and the other south. If my hon. friend will look at Port Ellis on the map he will find that this harbour is only a little off the direct route. Some 3,000 feet of dredging has to be done to get to the dock, but that is partially along the main channel. This is what the engineer reported a year ago when the matter was under consideration:

> This development scheme will be a great aid to shipping in the gulf of St. Lawrence as it is proposed to make Ellis bay a provisioning centre for ships in the gulf where coal and fresh water will be obtainable at the new commercial wharf. There will also be adequate protection for shipping in time of bad weather and a seagoing tug will be kept on hand to render assistance to ships in distress in the gulf.

Mr. POULIOT: The minister's remarks are very interesting. I listened also to the eloquent speech of my learned friend from Charlevoix-Saguenay (Mr. Casgrain), but I was very much surprised to hear him complain that the item for $8,500,000 for the harbour of Quebec had been voted.

Mr. CASGRAIN: I did not say that. I said I was surprised to find there was not very much discussion of it at the time from the hon. member for Quebec South who is fighting this item now. Let us be fair with everybody.

Mr. POULIOT: Those two things are entirely different. The item for Quebec harbour is altogether different from the item for Ellis bay dredging. Now we are on the latter item. Because my hon. friend from Quebec South (Mr. Power) represents an important section of Quebec city—which is also represented by the Minister of Justice (Mr. Lapointe), the hon. member for Quebec West (Mr. Parent) and the hon. member for Quebec-Montmorency (Mr. Lavigueur)—and because money has been voted for the city of Quebec—and the fact of the matter is, it is not for the city of Quebec alone, but for the country at large—is no reason why any hon. gentleman should get up and suggest that the hon. member for Quebec South must necessarily remain silent in respect of any

vote for any other constituency. To say that because this house has voted $8,500,000 for Quebec, therefore the hon. member for Quebec South must necessarily keep his mouth shut when other items are under discussion, is no argument at all. When the item for Quebec was under consideration the hon. member for Charlevoix-Saguenay supported it; he voted for it. The hon. gentleman reminds me of that old maxim: Nemo allegans suam turpitudinem audiendus est—no one is allowed to allege his own turpitude.

The hon. member for Charlevoix-Saguenay should be glad to admit that light comes from discussion. The very interesting speech from the hon. member for Quebec South brought forth some illuminating explanations from the Minister of Public Works. Every hon. member is free to speak in this house as he sees fit, and because a certain item has been voted for his constituency that is no reason why anyone should say he has not the right to express his own views regarding the advisability or otherwise of some other item. I crave the indulgence of this house to defend the rights of any member; any member has the right to say what he thinks about any item before the house. Because I get an item of $5,000 or $10,000 or more in my constituency, why should I shut my eyes to everything else that goes on here? Because a member gets so much for his constituency is he to be blind to what is going on somewhere else? One should be more independent than that, and I am sure that if my hon. friend from Charlevoix-Saguenay will think it over he will agree with me, and that when he speaks afterwards he will congratulate the hon. member for Quebec South on his freedom of speech.

I am not acting as lawyer in behalf of the hon. member for Quebec South; he can defend himself. But I would point out that the hon. member for Quebec South has nothing to do with the spending of the money voted for Quebec harbour; he has no more to do with it than has the Minister of Justice (Mr. Lapointe) or the hon. member for Quebec West (Mr. Parent). It is true his brother is chairman of the Quebec harbour commission, but he does well; and the best evidence that he does well is the fact that he remains in office. But these two gentlemen are separate individuals, and I admire the hon. member for Quebec South for being so independent. I do not believe the hon. member for Charlevoix-Saguenay has any ground for complaint against the chairman of the Quebec harbour commission. If so he should state the fact. But whether he has any complaint or none in that regard why should he reproach the hon. member for Quebec South? This is something altogether different. The question he raised in the opening of his speech was more like the first course of a meal—hors d'oeuvres; it was really beside the question.

I am not particularly opposed to the vote, Mr. Chairman, but before we leave it I have two remarks to offer. The first is this. The population, we are told, has increased from 451 in 1921 to 3,000 at the present time—and 5,000 in midsummer. Well, I see the time when Anticosti island will be so thickly, so densely populated that it will be represented in the house by a distinct member. I do not know whether at that time the hon. member for Charlevoix-Saguenay will choose to represent Anticosti island or will devote his attention to Charlevoix-Saguenay. But there are a good many constituencies with a population of from 50,000 to 60,000; in my own constituency there are more than 50,000 people; and I wonder whether I should get ten times as much for my constituency—$3,000,000—because there is ten times the population there that Anticosti has during the summer. There is another thing, too. If any hon. member wishes to go to Anticosti island to get some idea of the improvements that will be carried on there next summer he will be barred. This is private property; you are not allowed to go there: "Keep off the grass; no trespassing allowed." But it is very strange. There is a sort of wall—

An hon. MEMBER: A wall of Jericho.

Mr. POULIOT: No, not a wall of Jericho, because that wall fell down. But there is a wall around the island and no one can get in. I say, it is entirely private property, and there is room only for public expenditure. It is very strange, I repeat. But in Quebec city anyone can walk about on the streets; it is public. It is interesting to note the difference between the two places. No one can step on to Anticosti island because it is absolutely private, whereas Quebec city is public and you can walk through the streets and view the fine improvements that are going on there for the benefit of the whole country.

I have little more to say. But before concluding I would point this out: in Quebec the American people are very well treated by the provincial government. Take Noranda and Arvida for instance: when these new towns were built the Quebec legislature appointed as mayors and councillors, Americans who were not naturalized as British subjects. And at the last session of that legislature a statute

was passed, in connection with the town of Racine in the Lake St. John district, enabling two Americans to be appointed as mayor and councillor, respectively—there is another member, a municipal councillor, also. These two gentlemen, one a Mr. J. Reidy Smith and the other a Mr. K. B. Bolton, are not naturalized as British subjects. I got this information from the Department of the Secretary of State. Now, according to the British North America Act aliens come under the jurisdiction of the federal government, and I wonder whether the federal government will veto such a law giving public rights to aliens, Americans, who are not naturalized as British subjects. I should like to have some information from the government on this point.

To sum up. The only reason why, in my opinion, there is an excuse for this vote is that it is expended in a semi-public way; in a few years the money will come back to the government through another channel. It will help some people to have work there for some time to come. That is the only reason and the only justification for this vote, but I ask the Minister of Public Works and the members of the cabinet not to be impressed by big corporations; they are entitled to justice, but they are not entitled to anything more than the man in the street is entitled to. I do not say that as a criticism; I say it from the bottom of my heart. I think there should be equal justice to all. I have no reason to complain in that respect about the present federal government, but the members of the cabinet should be careful and I hope they will be in the future to see there are no grounds for complaint of this kind, because in Quebec to-day there is criticism of the excessive powers given to private and foreign corporations by the local legislature.

Mr. GARLAND (Bow River): I understand the item is to stand, so I wish to make just a slight suggestion to the minister. I am informed that trading vessels are not allowed to enter the harbour to which this vote has reference. Will the minister kindly ascertain for me whether or not that statement is correct and whether, if this vote is passed, it will not be necessary to have some arrangement with the company which will permit the free entry of trading and fishing vessels to this harbour where we are to do the dredging?

Mr. ELLIOTT: I will be glad to obtain the information; I understand that these vessels have access to the harbour, but I will make certain.

Mr. POWER: Since my name has been brought into this discussion I might add just a few words. First I wish to thank my hon. friend from Temiscouata (Mr. Pouliot) for his able and eloquent defence of my conduct in this house. After what he said little remains for me to add except to say that I am very sorry I did not listen to the argument of my hon. friend from Charlevoix-Saguenay (Mr. Casgrain). I am sure that if his argument were as relevant and as pointed as the observations he made with reference to myself, the house must have been convinced that this vote should not go through. As I understand it, he said that because a certain vote was passed for the city which I represent, I should remain in my seat and allow all kinds of raids to be made on the public treasury.

Mr. CASGRAIN: I did not say that; I said that when the vote for the Quebec harbour commission was under discussion, my hon. friend from Quebec West was not so much concerned with the future, because that vote was passed very much on the assurance that later on there would be revenues coming from the harbour of Quebec. In this case my hon. friend from Quebec West was discussing the same point; he said we should be concerned about what will happen to this island in the future, when it will be depopulated, and I simply made a comparison in that way. I said then that I was surprised to find the hon. gentleman so concerned to-day with considerations of that kind when he was not so much concerned when the other vote was passed.

Mr. POWER: I accept the explanation made by my hon. friend in reference to his remarks concerning myself and other members of my family, although I do not know what they have to do with the future of Anticosti; as yet my brother has not been appointed chairman of the harbour board of Anticosti. However, if the minister who appointed him to the harbour board of Quebec thinks he can carry on the work at Anticosti, he may yet receive that appointment. In any case, as I understand the argument of my hon. friend it is that when we were discussing matters relating to the harbour of Quebec I did not oppose that vote, nor did I say that the harbour of Quebec was a paying proposition at present. That is quite true; I did not say anything like that but I did say, and I repeat, that Quebec is a national port, and even if it never paid interest on its debentures or on the money expended there it is the duty of the parliament of Canada to see that the harbour commission of Quebec has money with which to carry on the development of that port.

On the other hand this place for which it is now sought to vote money is a private enterprise, owned by a private corporation which keeps the inhabitants there almost in a state of peonage, and which will not allow an ordinary citizen of this country to land on the island without first receiving permission. I doubt very much whether those people living on the island can get married without permission; I know they must not have firearms or powder; I know that the animals which roam the forests cannot be shot by anyone landing on the island; I know that the fish with which the rivers teem cannot be touched and that no man going there may put a line in any stream under pain of deportation. It is even worse than somewhat similar laws we have in this country. If, forsooth any of the workmen dare to insult his majesty the governor of the island, they are deported by the next boat. That is the situation as it exists there, and I do not know a similar condition anywhere else in Canada.

Mr. STEVENS: Are they deported without trial by jury?

Mr. POWER: They have no such thing, and if they had the magistrates would be in the pay of the corporation. Now we are told that we should vote $500,000 for this work because the post office there pays $2,000 a year, but the hon. gentleman should know that we are paying subsidies for the air mail service to that island and also for the vessels which stop there to get the mail. If the post office even paid enough to cover these subsidies we might be satisfied, but it does not.

I want to conclude in this way: I am absolutely opposed to this vote, unless I can obtain from the minister a greater assurance than he has been able to give me so far that there is something solid in the way of settlement and development of our country to come out of this expenditure. Unless the minister can tell us that this island is not to be absolutely owned and controlled and that the inhabitants are not to be owned and operated, body and soul, by a corporation such as this, against which we cannot rise to say something in this house without receiving the expostulations of persons even within my own constituency, this vote should not pass. I will admit that as a result of what I said the other day and what I have said to-day I may have extreme difficulty in being re-elected, but in my opinion the time has come when members of this parliament and possibly members of other legislative bodies should say to the large corporations which are endeavouring to throttle the economic, moral and social life of the people of the province of Quebec, that the time has come to stop. We will support them so long as they wish to develop the province, but when strangers and foreigners come and dictate to us what shall be our course of conduct, I think we should call a halt.

The CHAIRMAN: Is it the pleasure of the committee that the item should stand?

Item stands.

Hudson—wharf reconstruction, $6,000.

Mr. STEVENS: Will you explain that please?

Mr. ELLIOTT: The engineers' report shows that this wharf is in very bad condition and will have to be reconstructed. It is so badly decayed that repairs cannot be made.

Mr. STEVENS: That is at the summer resort down the river.

Mr. ELLIOTT: Yes.

Mr. STEVENS: What are we building it for?

Mr. ELLIOTT: It was built years ago and has since rotted away.

Mr. BENNETT: Why are we putting up a new one with the public money, when the letter carriers only get $1,000 per year?

Mr. STEVENS: This is a luxury.

Mr. BENNETT: Absolutely.

Mr. ELLIOTT: My note shows that Hudson is a port of call for the steamer Victoria, and also for other steamers plying on the Ottawa river. The traffic at that place is quite heavy and consists of general merchandise for the stores, agricultural implements for the farmers, and flour, eggs, potatoes, cattle, and so forth.

Item agreed to.

Lake St. Louis—dredging, $56,000.

Mr. STEVENS: Has this item anything to do with the proposals of the paper company on lake St. Louis?

Mr. ELLIOTT: I understand it is for a boat channel out in the lake.

Mr. STEVENS: I understand they are diverting the channel, is that right?

Mr. ELLIOTT: No.

Mr. STEVENS: If the new scheme is carried through are they not going to divert the channel?

Mr. ELLIOTT: That is not my information.

Mr. STEVENS: It would be too bad to spend another $30,000 if they were; would the minister have that checked up?

Mr. ELLIOTT: Yes.

Mr. STEVENS: It might possibly be a serious matter.

Mr. ELLIOTT: This is in the lake and has nothing to do with the river at all. The object of this dredging is to facilitate the passage of boats drawing 14 feet of water. At present traffic is very often held up by boats grounding, and they are exposed to great danger.

Item agreed to.

Lower Miguasha—wharf, $2,000.

Mr. BENNETT: Does it cost $2,000 to repair these wharves every year; $2,000 last year and $2,000 this year?

Mr. ELLIOTT: They are usually built in sections. There was part done last year, and a part is to be done this year.

Mr. BENNETT: I know one wharf which was repaired last year down in the lower provinces, and the condition of the repairing was that any person who worked on it would have to promise to vote for the Liberal candidate. Has that anything to do with this being continued over from year to year?

Mr. ELLIOTT: I might say that these people insist on voting that way anyway.

Item agreed to.

Mal Bay—wharf repairs, $7,900.

Mr. LEMIEUX: There are two Mal Bays, and I would like to ask the minister if this is the real Mal Bay in Gaspe county?

Mr. ELLIOTT: It is the real Mal Bay, because it is in Gaspe.

Item agreed to.

Manicouagan river—wharf and dredging—one-third of cost to be contributed jointly by the Ontario Paper Co. Ltd., and the Anglo Canadian Paper Company, $100,000.

Mr. STEVENS: How much has been spent on this so far?

Mr. ELLIOTT: Nothing. It was voted last year, and this is a revote as the companies did not get sufficiently far with their construction work and the government did not proceed with the work. This revote is required towards the government's share of the cost of the construction of a wharf 1,085 feet long consisting of a stone approach 280 feet long by 40 feet on top and close faced cribwork for the balance, 37 feet wide. It will be 49 feet high at the outer end with a depth of 25 feet at low water and 39 feet at high water. This wharf is to be built in connection with the construction of pulp and paper mills and power development near the mouth of Manicouagan river by the Ontario Paper Company and the Anglo Canadian Pulp and Paper Mills Ltd., these two companies having agreed to contribute one-third of the total cost of the work.

Mr. BENNETT: Will the companies put in $100,000 each?

Mr. ELLIOTT: $100,000 in all.

Mr. BENNETT: Then we should not have to pay more than $50,000.

Mr. ELLIOTT: No, that is not right; the total cost will be $360,000, and they are to pay a third.

Mr. BOYS: Is there any limitation as to the contract? I do not know whether I make myself plain or not, but I happen to know of a somewhat similar case where there was an estimate put in on a one-third basis, and it was claimed, when it cost a little more, that the government could not exceed the estimate. Is there any limitation in connection with this?

Mr. ELLIOTT: They will pay a third, whatever it costs.

Item agreed to.

Richelieu river—improvements, $100,000.

Mr. SPENCER: Could we have some particulars about this item?

Mr. ELLIOTT: This work has been requested in numerous petitions since 1909, and is required as a part of a large scheme of improvements on the Richelieu river. The amount is required for the improvement of navigation, which is at present under study and investigation by the engineering branch of the department.

Mr. STEVENS: Why go ahead with it when it is only under study? Why not wait until we get a report? This is an old, long-standing matter. Surely there is no necessity of rushing through an appropriation a year before a full report is received.

Mr. BENNETT: If I understand the minister aright, if he has this appropriation passed, he has committed himself to a very large expenditure.

Mr. CARDIN: There is at present a certain amount of this work which should be undertaken. A certain amount of dredging is absolutely necessary from the St. Lawrence to the town of St. Ours, a distance of twelve miles. The channel in the Richelieu river is crooked and very shallow. Complaints have been made by the navigation company, more particularly the Sincennes McNaughton Line, Limited, which is navigating the Richelieu river with its boats and at present there is a need for deepening the channel on that distance of twelve miles from Sorel to St. Ours. There is also a certain amount of dredging to be done to improve the channel above St. Ours. This work contemplates the improvement of the Richelieu river which is the discharge of lake Champlain, and the Richelieu river crosses the counties of Saint-Jean, Iberville, Chambly, Vercheres and Rouville. This is a very important channel for trade and the work is in the interest of the farming communities established on the Richelieu river.

This need existed prior to 1909 and 1910. Certain works were started in 1909, 1910, 1911 and 1912, and the work was stopped owing to the expenditures which were necessary during the war. The government has already expended a couple of hundred thousand dollars in deepening and correcting the channel above the city of Saint Jean, in the county of Saint Jean, Quebec. This is an important work and with this amount we can take care of the most pressing needs, namely, deepening and straightening the channel from the St. Lawrence river up to St. Ours, a distance of twelve miles, and also deepening the channel above the town of Saint Jean. As has been stated, a certain amount is included in this appropriation to continue the studies of the proposal which was made for the construction of a controlling dam which was to be built at Saint Jean, Quebec, in order to regulate the flow of the river Richelieu and to permit proper navigation in that section of the river. The Richelieu river, if it is properly developed, can be a very important channel for trade, because it connects by water the St. Lawrence river and lake Champlain in the United States. This is important territory and I feel sure, if we could deepen and straighten the channel of the Richelieu river and construct a regulating dam, we could establish a very profitable trade in the Richelieu river. Canadian coal could very easily and profitably be taken up the Richelieu river by vessel and sold in the vicinity of lake Champlain, at least in that section of Quebec which is next to the United States boundary.

The river Richelieu has always been in the history of this country one of the most important channels of trade. It is one of the most important waterways we have in Quebec and it is proper that we pay some attention to the rural sections of Quebec and decentralize to a certain extent the expenditures that we have been making for a long time. We have been spending millions to develop big centres in Quebec and, indeed, in Canada as a whole, but the small sections, the rural communities, have not been developed as they should have been. They have lacked proper facilities. The town of Sorel in which I live has been keep at the same population for twenty-five years. Why? Because we have no transportation facilities, no proper railway accommodation, and the town of Sorel and all the surrounding farming communities have been kept in the same position for the last twenty-five years. My idea in advocating this expenditure is to help the rural sections of Quebec, to decentralize our expenditures so as to give a chance to people living in the smaller communities. The section through which the Richelieu river flows has not been making the progress which it should make. If it had been given the same facilities as those which other sections of Quebec have received. It would have enjoyed the greater progress which they have been enjoying. This expenditure to improve one of the most important channels of trade in our country is money properly spent and it will help very materially that section of the province which is deprived of proper communication and connection with the big centres such as Montreal and elsewhere, where the produce of the farm is sold. I think this appropriation is absolutely jusifiable.

Item agreed to.

Rimouski—dredging—to complete payments, $12,000.

Mr. STEVENS: What payment is being completed?

Mr. ELLIOTT: This was dredging done last year by the National Dock and Dredging Company.

Mr. BENNETT: But there must have been a contract and money paid for it. Perhaps this is like a case which arose not long ago where, because a contractor lost money, we passed an order in council to pay the money he lost, although he had tendered for the work. That was in conection with an elevator at Edmonton. If this is to complete payment

under a contract, well and good. If it is for extras, well and good. The question is not the size of the amount but the principle involved.

Mr. ELLIOTT: There were no extras. This is just to complete payment of the contract.

Mr. BENNETT: Was the contract let without an appropriation?

Mr. ELLIOTT: There was an appropriation last year. The total contract was let.

Mr. BENNETT: For how much?

Mr. ELLIOTT: $55,000.

Mr. BENNETT: And we have paid $30,000? With $12,000, that makes $42,000.

Mr. ELLIOTT: The final estimate was $55,110. The amount paid to the contractor was $29,054.86 and there are provided in the main estimates $12,000, making a total of $41,054 and leaving a balance of $14,055, which we are asking—

Mr. BENNETT: Has the work been done?

Mr. ELLIOTT: Yes.

Mr. BENNETT: Has the $12,000 been paid?

Mr. ELLIOTT: No.

Mr. BENNETT: What the minister did was to let a contract for $55,000 on the strength of a $30,000 appropriation?

Mr. ELLIOTT: Quite so.

Mr. BENNETT: The minister is now finding $12,000 of the money and hoping to get $14,000 in the supplementaries.

Mr. ELLIOTT: That is the intention.

Mr. BENNETT: That prinicple is all wrong. It is one of the things that make for trouble in this country, as perhaps the minister will learn by looking through the departmental records.

Mr. ELLIOTT: There are always difficulties about adhering to any principle—

Mr. BENNETT: Yes. That is right.

Mr. ELLIOTT: This has been the custom ever since confederation. Frequently when the estimates are passed you may be unable to tell just exactly what the tenders will be; they may be much higher. Even where you have reasonable tenders, they are frequently much higher than the estimate.

Mr. BENNETT: That is with respect to public buildings; but this is dredging.

Mr. ELLIOTT: That applies to dredging, too. This is a very proper subject for discussion by the committee. For example, we are voting $500,000 for the start of the Confederation block. That work will be let by tender perhaps in the course of a very short time, and on that vote of $500,000 we will sign a contract for perhaps $3,000,000. The same thing applies to dredging. Nobody would think of putting $3 000,000 in the estimates now for that work, or at all events, it has never been the custom, whether it should be done or not. That is done on the other side of the line, and it is perhaps worth considering whether it is the proper thing to do or not. Perhaps we should consider whether it is proper ever to let a contract for more than the amount of money parliament has provided, but that practice has been followed in this country since confederation.

Mr. BENNETT: The minister will realize the difference between public buildings and dredging. With respect to a public building, once we commit ourselves to it we vote each year a sufficient sum to meet the expenditure under the contract; that is, we know when we are voting $500,000 that the architect's certificate will not involve the payment of a larger sum than that during the fiscal year ending March 31, 1929. But with respect to dredging, that is done by the yard. You have $30,000 to spend, and you make a contract for $55,000. You have spent $29,000 and paid it. You have $12,000 in your estimates; that makes $41,000, which leaves $14,000 to be taken care of in the supplementary estimates, I presume. The work was done when the estimates were prepared, I take it. There is something about this that makes it very strange when you cannot place the whole sum of money in the estimates at once. With respect to dredging, you should not let contracts for a larger sum than parliament has appropriated the money for. Otherwise my friend from Huron, with an appropriation of $5,000, will spend $250,000 on Goderich harbour—money well spent, too. But this theory is all wrong.

Mr. ELLIOTT: When the main estimates were being prepared, we did not know what the expenditure under the contract would be up to the 31st of March. Let me make that clear. We could not tell at the time of the preparation of the main estimates how much would be spent under the contract to the 31st of March, and when the main estimates were being prepared, it was thought that $12,000, in addition to the amount that would be expended three months later—

Mr. BENNETT: There was no dredging going on in the winter months, was there?

Mr. ELLIOTT: I do not suppose so.

Mr. BENNETT: Then the work was done in the fall when the water froze up. When the main estimates were prepared, there was ice over that water. We are now asked to vote $12,000. My objection is to letting a contract for dredging for $55,000 on a $30,000 appropriation. With respect to a public building, I agree that the principle is sound. We vote the money year by year, and if we did not the contractor could not continue, and the contract would be outstanding. But with respect to dredging, you should not spend more than parliament appropriates.

Mr. McQUARRIE: Why is this work being done by contract? Why is it not being done by the departmental dredges?

Mr. ELLIOTT: We have not enough dredges to do all the dredging that is done in this country. A great deal of our dredging, I would say more than half, is done by contract. Our departmental dredges are performing a valuable service. They enable us to know just what it costs us to do dredging of a certain type with our own dredges, doing it under the best circumstances that we can get. We can usually do as well by contract.

Mr. McQUARRIE: Perhaps better?

Mr. ELLIOTT: Sometimes better, and sometimes not so well.

Mr. McQUARRIE: Does that apply to the west as well as to the east, or is the minister referring only to the east?

Mr. ELLIOTT: A larger proportion of our western work is done by our departmental dredges than is done in the east.

Mr. McQUARRIE: As I understand it, you find it more satisfactory to do the work by contract.

Mr. ELLIOTT: No, but we—

Mr. McQUARRIE: It must be that, or you would get more dredges. When you let contracts, I presume you do so because you find it more satisfactory to carry out the work in that manner. I am not objecting to that policy at all; in fact, I have advocated the same thing out in the west, but never successfully, and I just wanted to get an explanation as to why a different policy was followed in the east from that followed in the west. We have had a good deal of experience in connection with dredging out in British Columbia, and more particularly so far as my experience goes, on the Fraser river, and I have advocated from time to time the letting of contracts, but I have never been successful in convincing the minister that that should be done. It seems to me that the contracts system is much more satisfactory, provided of course that contracts are let after open competition and in a fair and honourable manner. I must say in regard to the Fraser river that I believe it would be highly advisable to do some of the work by contract. I know there is necessity for keeping dredges there, but as to some of the work I should think it would be more satisfactory to let contracts and have the work finished up. But that does not seem to be the policy of the department in the west at all, so far as my experience goes.

Mr. ELLIOTT: We did let some contracts in the west, but as I said, we have a larger proportion of dredging done by our own dredges in the west than in the east. There is some advantage in letting a contract if your tender is low enough, but I think my hon. friend will understand that it is a great advantage to have your own dredges because that enables you to get better prices from the tenderers. That is the great secret. You know what the work costs your own dredges, done in the best way the government can do it. That is of assistance in arriving at the actual cost of the work, and in addition, if the tenders that you receive are in the opinon of your engineers too high, and if it is impossible to get them down to a proper level you can do the work with your own dredges if you have sufficient to do it.

Mr. McQUARRIE: That is quite right. I was not advocating doing away with the departmental dredges, but it seems to me the contract system is highly desirable.

Item agreed to.

Rimouski—wharf repairs and improvements, $14,200.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This work is required for maintenance of the wharf in proper condition to handle the increased traffic due to the pulp and paper industry in this region. During the season of 1927 approximately 150,000 tons of freight were handled over this wharf.

Item agreed to.

Riviere Laguere—dredging—the provincial government to contribute a like amount, $25,000.

Mr. McQUARRIE: Will the minister explain this?

Mr. ELLIOTT: This amount is required towards the cost of the excavation of a canal approximately ten miles in length by twenty feet in width at the bottom, with slopes of one in one on both sides, from the river Laguere through the marshy lands southeast of St. Anicet south of Port Lewis and west of Ste. Barbe and St. Stanislas, to the river St. Louis north of St. Stanislas. This appropriation is asked for on the understanding that the provincial government is to provide an equal amount.

Mr. POULIOT: In what county is that?

Mr. ELLIOTT: Chateauguay-Huntingdon.

Mr. FANSHER (Lambton): What industry does this serve?

Mr. ELLIOTT: It is not an industry.

Mr. McQUARRIE: What business does the canal accommodate?

Mr. ELLIOTT: It is a drainage canal.

Mr. BENNETT: I thought the provinces did that.

Mr. ELLIOTT: We are not going on with the work unless the provincial government contribute half.

Mr. SPENCE: Why does the minister introduce this vote and ask the committee to pass it unless his engineer believes it is the right thing to do? Is he simply asking us to pass the item because the provincial government's engineer recommends the expenditure?

Mr. ELLIOTT: No, it is recommended by our engineer.

Mr. McQUARRIE: Is it in accordance with the usual practice for the Dominion to assist in drainage work?

Mr. BENNETT: The provincial governments look after drainage work.

Mr. ELLIOTT: Many years ago the Dominion government constructed a canal on the south side of the St. Louis river at the foot of lake St. Francis. This canal is known as the Beauharnois canal and its construction resulted in a permanent rise in the level of lake St. Francis, which lake borders Huntingdon county. The result was that the river Laguere, which acted as the natural drainage basin for the land adjacent to the lake front, was unable to fulfil its functions, and between 18,000 and 22,000 acres of arable land was totally ruined for agricultural purposes and an additional acreage became only fit for cultivation in extraordinarily dry years. It is claimed that the work done in connection with the canal caused the trouble.

Mr. McQUARRIE: That is, work done by the Dominion government?

Mr. ELLIOTT: Yes.

Mr. McQUARRIE: That is admitted?

Mr. ELLIOTT: Yes.

Mr. BENNETT: Mr. Chairman, federal work which results in loss or injury to private property is a proper case for compensation, but not a reason for constructing drainage canals. In Alberta and Saskatchewan, and in Ontario too, the provincial authorities look after drainage canals and the land owners are assessed with respect to the cost. I think the minister with his long experience in Ontario will agree that it is laying down a dangerous principle for the Dominion to become responsible for a drainage canal. Navigable waters are within our sole jurisdiction. Has not compensation been paid?

Mr. ELLIOTT: No. This is really compensation, I take it.

Mr. BENNETT: It cannot be that.

Mr. ELLIOTT: The federal department of Public Works was responsible fifteen or sixteen years ago, and an item was put in the estimates to improve the drainage of the river, but during the war years nothing further was done. It is claimed that this flooding was caused by works constructed by the Dominion government. I assume that no compensation was paid or this demand would not have been made. My hon. friend has raised a very important point. What we have in mind is that the local municipality should do the work with the contribution from the province and the Dominion.

Mr. BENNETT: But surely 20,000 acres of land have not been destroyed without compensation being paid or a claim made for it. We cannot be deluded with the idea that the people who owned the property made no claim for damages. There must be something behind it; they did not let the statute of limitations bar their claim.

Mr. ELLIOTT: My information is that shortly before the outbreak of war this damage was caused.

Mr. ROBB: Long before that.

Mr. ELLIOTT: At any rate fifteen or sixteen years ago an amount was put in the estimates as a settlement of the government's liability. On account of the war the work was not proceeded with.

Mr. STEVENS: Why not change the wording of this vote to "compensation for damage?" I would be the last to say we should not pay just compensation—

Mr. BENNETT: Hear, hear.

Mr. STEVENS: —but I think you are starting a very dangerous precedent by taking responsibility for the cost of constructing drainage canals, I care not where.

Mr. ELLIOTT: I look upon "contribution" as better than any admission of damage.

Mr. ROBB: As explained by the minister, at the time of the construction of the old Beauharnois canal forty or fifty years ago a dam was thrown across and the level of the lake raised considerably. I am told that the owners of the low lands immediately along the canal received certain compensation, but the river Laguere was the natural drainage for a wide area of country going back eight or ten miles from the lake. The owners of that area were not considered. The river has gradually filled up, and this has destroyed the natural drainage of a large section of the country. The case was reviewed by the department's engineer, and if hon. gentlemen will look at the records they will find that in 1912, 1913 and 1914 an item of $40,000 appeared in the estimates.

Mr. BENNETT: Was the work done?

Mr. ROBB: The work was undertaken and part of it done, but it was stopped on account of the war. Eventually, when Mr. Carvell came into office and everything was being pruned, this work was dropped. But it is the natural drainage of the ground. We met the municipalities and said to them that the provinces had responsibility for the drainage, but they said, "You have destroyed our natural drainage into lake St. Francis, and in consideration of that the federal government should at least contribute a part". It seems to me the minister is perfectly sound in his contention that, having voted this amount, we should say to the county council, "You will undertake this work and complete it and assess the land for the difference, whatever it may be, between the vote we are making and the sum total, and the province should contribute an equal proportion."

Mr. BENNETT: The explanation is perfectly reasonable, and compensation should be paid if injury has resulted from a federal work. But it should not be done as a canal. It is compensation for damages done, so that you do not create in the estimates a precedent that could be relied on in future cases. The rule is reasonably clear that wherever a federal work causes damage the damages must be compensated for. This is a damage that has arisen more recently—

Mr. ROBB: We want to clear it up and get the land drained. We do not want anyone to get money now—

Mr. BENNETT: The work is in lieu of paying compensation to individuals. In other words, you are making the land arable because it is now demonstrated that by reason of the canal it is not arable whereas before it was. This canal is being constructed to prevent the flooding from ruining the land, but it should be made clear that it is in lieu of compensation to individuals.

Mr. McQUARRIE: The Minister of Finance says it should be cleared up, but does this clear it up? I do not think it does, because the maintenance of this canal has to be taken care of.

Mr. ROBB: No.

Mr. McQUARRIE: There is nothing to show.

Mr. ELLIOTT: My hon. friend did not notice that we suggested that the local municipality maintain it.

Mr. McQUARRIE: If there is a distinct agreement that they shall maintain it, that is another matter; but I did not hear the minister say that there was any such arrangement. Does the minister now say that there is an arrangement now whereby the municipality will have to maintain this drainage canal?

Mr. ROBB: There will be before the work is undertaken.

Mr. ELLIOTT: Before we make any contribution they will have to give that undertaking.

Mr. McQUARRIE: So this will be the end?

Mr. ELLIOTT: Yes.

Item agreed to.

St. Gregoire de Montmorency—reconstruction of revetment wall, $5,000.

Mr. McQUARRIE: What is this?

Mr. ELLIOTT: This has been requested by the municipality and mayor of St. Gregoire. It is required to prevent one of the streets of the village from being washed out. It is for the reconstruction of a section of the revetment wall 545 feet in length. The work commenced in 1924-25 and continued in 1925-26,

and sections totaling 700 feet have been rebuilt. The proposed work will consist of a concrete wall 12 inches wide at the top with a slope of two in five, and with an earth back filling.

Mr. McQUARRIE: This is a bank protection work?

Mr. ELLIOTT: Yes, it is a revetment.

Mr. McQUARRIE: How is the Dominion responsible for it?

Mr. ELLIOTT: This is the reconstruction of a work built by the Dominion years ago. Apparently the Dominion government, in their own opinion, were responsible at that time and we are asked to reconstruct the work now.

Item agreed to.

St. Lambert—reconstruction and repairs to dyke, $1,600.

Mr. McQUARRIE: Will the minister explain this?

Mr. ELLIOTT: This is under a contract, and the amount of $1,600 is required to complete payments owing to H. Gravel, contractor, for the reconstruction of 802 feet of this dyke, and for minor repairs to the riprap adjoining the concrete wall.

Mr. McQUARRIE: What kind of dyke is it? Why does the Dominion have to build a dyke?

Mr. ELLIOTT: This is the report of the engineer:

I beg to state that this protection wall was badly damaged last spring. The ice must have carried approximately 500 cubic yards of stone filling. It is to be feared that the next spring ice shove may carry away most of the protection work including the stone filling. If this were to happen, the cost of this protection work would be increased.

Mr. McQUARRIE: I am interested in this matter because we have the same problems in the west, and we are told that the Dominion will not contribute anything to works of this kind. Several cases have come up lately, and the department have said, "No, we have no responsibility at all; we have no responsibility for building dykes of that nature".

Mr. SHORT: Is it the practice in Quebec for the federal government to look after all these dykes? It is not so in Nova Scotia, where it is a municipal matter. Why should the federal government assist one province and not another? We have a number of dykes in Nova Scotia but whenever repairs are required they are done by the municipality.

Mr. ELLIOTT: This liability is due to the fact that the construction of the harbour work at Montreal has so contracted the channel that ice during freshets comes over against this portion of the bank, causing damage, which will increase unless the wall is put up there.

Mr. SHORT: That remark applies to every province. The same thing happens everywhere; these freshets cause damages that have to be repaired. The same thing is true in Nova Scotia as in Quebec, and why should we not have the same treatment? If you make this a federal matter I will insist that Nova Scotia be given the same treatment.

Mr. ELLIOTT: It is not a federal matter unless the damage has been caused by a federal work.

Mr. SHORT: That is only an excuse.

Mr. ELLIOTT: No, it is a reason.

Mr. SHORT: The same reason applies to every other province; freshets occur everywhere else.

Item agreed to.

Ste. Petronille—wharf repairs and improvements, $11,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This amount of $11,000, of which $2,000 is a revote, is required for the following work:

1. Repairing macadam surface and laying 800 square yards of concrete pavement, $3,100.
2. New movable slip and hoisting apparatus, repairs to flooring and to shed, $3,510.
3. Earth back filling which municipality agreed to carry out, $3,300.

Contingencies, $1,090. This makes a total of $11,000.

Mr. GARDINER: Will this complete the work?

Mr. ELLIOTT: Yes.

Item agreed to.

Sorel—harbour improvements, $31,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This is to complete the contract with the Jackson Construction Company Limited for the reconsideration of the Pontbriand wharf consisting of a reinforced concrete dock wall 241 feet long resting on concrete sheet piling. This is to cost $22,000. It is also to provide for driving protection piles along the inside of the wharf in Lanctot

basin, which is not under contract but is being done by day labour, and which will cost $4,000. It also provides for the reconstruction of the old cribwork icebreaker in the Richelieu river, 25 feet by 25 feet, to cost $4,500.

Mr. GARDINER: I presume this will complete the work?

Mr. ELLIOTT: Yes.

Mr. GARDINER: How much was spent there last year?

Mr. ELLIOTT: Up to March 31, $40,755.18 had been spent.

Item agreed to.

Trois Rivières—wharf reconstruction and repairs, $198,000.

Mr. GARDINER: Will the minister please explain this item?

Mr. ELLIOTT: This is to reconstruct the coal dock by demolishing the crib work down to one foot above low water level on a length of 753 feet, including 100 feet at the south end, for a width of 19 feet, removing the back filling and driving tongued and grooved sheet piling along the outside of the wharf for a total length of 824 feet, and to construct a concrete superstructure, concrete flooring and concrete walls to support coal elevators. Three elevators built on this wharf are in danger if this work is not carried out. Approximately 250,000 tons of freight are handled over this wharf annually.

Mr. LUCAS: What will be the total cost?

Mr. ELLIOTT: It is estimated at $198,000.

Mr. LUCAS: Will this complete the work?

Mr. ELLIOTT: Yes.

Item agreed to.

Trois Pistoles—repairs to wharf, $5,000.

Mr. POULIOT: I have just a word to say with regard to this item, which is in my constituency. I wish to say that we are completely satisfied with the work done by the officials of the Department of Public Works in Quebec, and I wish to pay a deserved tribute to Mr. Decary, the superintendent for Quebec, to Mr. Sabourin, the district engineer, and to his assistants, who are very able men and who do their work conscientiously and to the complete satisfaction of the people of that province.

Item agreed to.

[Mr. Elliott.]

Valleyfield—dredging, $40,000.

Mr. GARDINER. Will the minister explain this item?

Mr. ELLIOTT: This amount is required to continue the dredging of a channel 3 miles in length by a width of 100 feet and to a depth of 14 feet from deep water in lake St. Francis to the government wharf, with a turning basin at the wharf 650 feet by 700 feet. This project was commenced in 1924 and continued in 1925 and 1927.

Mr. LUCAS: What is the estimated cost of this?

Mr. ELLIOTT: $334,402.

Mr. GARDINER: How much has been expended, and how much will be required to complete the work?

Mr. ELLIOTT: In 1924-25 we spent $31,993.62; in 1925-26, $32,064.98; in 1926-27, $18,647.01; in 1927-28, $48,074.56.

Mr. LUCAS: What is the estimated cost to complete the work?

Mr. ELLIOTT: The estimated cost is $334,402.

Item agreed to.

Varennes—dredging, $20,000.

Mr. LUCAS: Will the minister explain this item?

Mr. ELLIOTT: This amount is required to complete payments to Les Chantiers Manseau in connection with their contract for dredging shoal areas to provide a 14 foot channel 500 feet wide to the government wharf.

Mr. LUCAS: What is the total amount of the contract, and what expenditures have been made to date?

Mr. ELLIOTT: To March 31 the expenditure was $44,674.95. This will complete the work.

Item agreed to.

Harbours and Rivers—Ontario—Blind River—dredging, $12,000.

Mr. GARDINER: Will the minister explain?

Mr. ELLIOTT: This dredging is required to facilitate the turning of the large boats which call at Blind River. Merchandise to the value of $100,000 is handled over this wharf annually.

Mr. GARDINER: What would be the tonnage of that merchandise?

Mr. ELLIOTT: I am afraid I cannot give my hon. friend that information.

Mr. MANION: Recently there has been a great increase in the lumbering industry in that section. I know nothing of this item, but no doubt the work is being done because of that increase in the lumbering industry.

Item agreed to.

Burlington channel—reconstruction of south pier, $31,000.

Mr. BELL (Hamilton): Just before we deal with this item I should like to ask the minister and the government to see if the amount proposed to be expended cannot be substantially increased. This amount is entirely inadequate for the work needed, and the benefit to be derived will be general in its nature and not confined in any sense to this particular locality. It is a matter which has already come before the minister and his department. The Steel Company of Canada have just begun a wharf and pier at the end of the bay to which this channel gives entrance, costing over $1,500,000. The coking plant of the United Gas & Fuel Company is also being constructed, and will cost at least another $1,000,000. The success of both these enterprises is dependent on its being possible to bring coal in in large quantities by the larger boats. The proposed appropriation will not make it possible to bring large quantities of coal into Hamilton bay. As I have just intimated, the benefit is not limited to the city of Hamilton. The minister knows that this matter came before his department and representations were made by people from Kitchener, London, Galt, Guelph and other localities, which would all be beneficially affected if the channel were so enlarged as to enable coal to be brought in in large quantities. Hamilton, which is most nearly affected by the enlarging of the channel, has been a pioneer in the matter of bringing to Ontario large quantities of Alberta coal. The efforts to bring Alberta coal to Ontario were instituted many years ago in that city, and have been continued ever since. There has been great encouragment from Hamilton and district to the movement of Alberta coal into Ontario, perhaps more so than from anywhere else in the whole Dominion of Canada. The best way in which adequate encouragement can be given to the use of Alberta coal in Ontario is by the enlargement of this channel.

The Welland canal is expected to be completed within something like two years. I am told by those interested in the construction of the coke ovens and of the Steel Company of Canada's wharf and pier, that unless they are in a position to have the accommodation which that canal will give, they will not be able to handle the increased tonnage that the completion of the Welland canal will open up for them and for that part of the province. Under these circumstances it is beyond all question that the adequate enlargement of this canal at Burlington should be undertaken at an early day, and if the work is proceeded with this summer it will in no sense be undertaken to soon. The enlargement of the beach canal should be commenced without delay, otherwise the benefits that will accrue to that section of the country through the opening of the Welland canal will be largely if not entirely lost. For that reason I ask the minister and the government to reconsider the amount of the appropriation. I ask it not purely because of its local advantages to the city of Hamilton—I ask for that only incidentally—but on the very much larger ground of its general benefit to the western part of the province of Ontario.

Mr. ELLIOTT: The representations to which my hon. friend refers, have been made to me, and I have been giving them consideration. It will be noted that that work is also to enable a private company to carry on its business. It is very similar in principle to the matter we were discussing this afternoon.

Mr. BELL (Hamilton): It is absolutely different.

Mr. ELLIOTT: I have no hesitation in saying that it is the duty of the government to provide facilities to enable boats with full loads to come through there.

Mr. BELL (Hamilton): The coking plant surely cannot be considered in the light of a private enterprise, solely, nor can the expansion of the Steel Company of Canada.

Mr. ELLIOTT: They are not government enterprises.

Mr. ADSHEAD: The hon. gentleman mentioned Alberta coal being brought to Ontario. This coal must have been transshipped at Port Arthur, because it would come by rail from Alberta. I understood that the Alberta lignite was shipped all the way by rail.

Mr. BELL (Hamilton): If I had been in politics before the 23rd day of September, 1925, I could explain that. As it is, it is an entirely new thing to me, and I could not

tell my hon. friend the modus operandi. I only know that the securing of that coal was a live issue in that district, and was forwarded by every means in the power of the people there.

Mr. GARDINER: Would the minister give us the engineers' report regarding this work?

Mr. ELLIOTT: My hon. friend will understand that we were talking about something different from what the hon. member for West Hamilton is now discussing. This is in regard to Burlington channel, and the engineer's report, dated November 30, 1927, is as follows:

This section of the pier is in a very dilapidated condition and a certain amount of material is washing into the channel at this location. I would further point out that the lighthouse marking the bay entrance to the channel is located on this section of the pier and I consider it of the utmost urgency that this work be gone on with. Should the pier fail the lighthouse would be destroyed as well as there being a grave possibility of blocking the channel to navigation.

Mr. CHURCH: I think this item shows the shortsighted policy of the Department of Public Works. This is the hardest channel in the great lakes to get through. The steamer Corona had only two feet clearance on each side going through it. The steamer Chippewa cannot go through at all, on account of the paddle boxes. The Corona was on this route but they took her off. Perhaps it was for economic reasons, but I believe one of the reasons was the great difficulty in making that channel. The channel ought to be twice as wide. The Canada Steamship Company are running freighters there, and it has been found to be one of the most difficult ports to make on the great lakes. When there is an east wind it is practically impossible to get into the bay. The government has spent some money on the north and south piers, but this channel should be twice the width. A large freight business is being done at Hamilton and with the opening of the Welland canal the larger boats will not be able to call there. The channel should be both widened and deepened, and the money spent now will have to be spent all over again a few years hence. It is not only at this port that this same mistake is being made, but at others as well. The new oil tankers now running on the lakes cannot get through this channel, and the $31,000 might just as well not be spent. It would be far better to widen the channel out to at least three or four hundred feet, and in addition to that the piers should be concrete. If you are going to do the thing at all it should be done right.

[Mr. C. W. Bell.]

The city of Hamilton and the harbour commission have brought this matter to the attention of the government for years. All the city of Hamilton was allowed last year for the post office was a couple of revolving doors and even that was voted out. Hamilton through its post office, customs, income tax and other branches contributes a very large revenue to the government, and I hope the minister will look seriously into the matter. I have received complaints from captains saying that they cannot make the harbour on account of the channel being narrow. The government have done some work on the north pier and the swing bridge, but I hope they will do something to widen the channel. The money that is being spent now is money wasted. The work will have to be done all over again in the future when the Welland canal is opened.

Mr. ELLIOTT: Might I draw my hon. friend's attention to the fact that this is for the reconstruction of the south pier? It does not refer to the matter about which he has been speaking.

Mr. CHURCH: My hon. friend may know a great deal about getting a town clock in his home town of Glencoe, but when the question is one of meeting the needs of the town of Hamilton, he does nothing. He is like his illustrious colleague, the Minister of Marine and Fisheries, who when a terrible disaster occurred on the great lakes, sent a wireless and had the crews taken off by a United States life saving vessel.

Mr. BELL (Hamilton): I am asking the government to undertake the work in an adequate way generally. I am not asking them to expand their dredging unnecessarily, but I should like them to make a channel which can be properly used by boats of the tonnage necessary.

Mr. ROBB: As Minister of Finance I find myself to-day in a very embarrassing position. I thought I had to fight only my own colleagues to keep down the estimates in order to meet the wishes of hon. gentlemen opposite. To-day I find hon. gentlemen opposite are urging that we increase the estimates by more than one hundred per cent.

Mr. BELL (Hamilton): For something worth while.

Mr. ROBB: They are all worth while.

Item agreed to.

Cobourg—harbour improvements, $75,000.

Mr. LUCAS: Will the minister explain this item?

Mr. ELLIOTT: This amount is required towards the following harbour improvements:

Maintenance dredging of an irregular shaped area between the outer ends of the entrance piers to a depth of 22 feet—28,000 cubic yards scow measurement at 55 cents	$ 15,400
Reconstruction in concrete of 786 linear feet of esplanade or north pier	50,000
Reconstruction in concrete of 110 linear feet of south west breakwater	46,000
	$111,000

Towards this we are asking for $75,000, and $24,480 has been expended to March 31, 1928. The work has been requested by the board of control and the board of harbour commissioners, and it is required to give proper accommodation for the car ferries. Aproximately 500,000 tons of coal were handled over the wharf during 1927.

Mr. LUCAS: Will this complete the work?

Mr. ELLIOTT: No.

Mr. LUCAS: What is the estimated cost?

Mr. ELLIOTT: $111,000.

Item agreed to.

Collingwood—dredging, $64,000.

Mr. GARDINER: I should like an explanation of this item.

Mr. ELLIOTT: This amount is required to provide for the following:

To complete payments to C. S. Boone Dredging and Construction Company on contract for dredging a section of the main channel 1,590 feet long to 18 feet, 6 inches, $5,800.

To complete dredging ship channel to 18 feet, 6 inches, approximately 2,400 feet remaining to be done, 22,400 cubic yards scow measurement at $2 per yard, $44,800.

This forms part of the dredging required in connection with the proposed new elevator to be constructed at Collingwood. The following project is now under consideration:

To dredge a 100 feet channel to the Imperial Oil Company's dock and a turning basin at the end of the dock to a depth of 15 feet, the whole area being 1,280 feet long, $12,000.

To dredge a small area 310 feet by 50 feet to 8 feet, 6 inches at the town dock, $1,300.

Mr. GARDINER: What will it take to complete the work?

Mr. ELLIOTT: This will complete all of the above. I may say to my hon. friend that further work will have to be done in the harbour.

Item agreed to.

Goderich—harbour improvements, $75,000.

Mr. GARDINER: Will the minister explain?

Mr. ELLIOTT: This amount is required to cover the following:

To complete the contract with Messrs. Kilmer and Barber Limited for deepening the outer entrance channel to 24 feet and removal of rock in inner harbour to 21½ feet, $24,000.

To reconstruct the superstructure of the south pier in concrete for a further length of 300 feet, $18,000.

To reconstruct a further 500 feet of the superstructure of the north pier, $27,500.

For general repairs to timber works, inspection and contingencies, $5,500—total, $75,000.

The work is required to give better shipping facilities to this important great lakes port. Approximately 20,000,000 bushels of grain were handled through it during 1927.

Mr. GARDINER: Will this complete all the contemplated work?

Mr. ELLIOTT: No.

Mr. GARDINER: What is the estimated amount to complete it?

Mr. ELLIOTT: This will complete all that we are providing for at the present time, but in order to make the harbour sufficient for the increasing demands that are made upon it there will have to be quite substantial expenditures in the future.

Mr. GARDINER: Has the minister any engineers report as to possible expenditures in the future?

Mr. ELLIOTT: The amounts spent on this harbour in round figures are as follows:

Year	Amount
1922-23 (construction work)	$10,500
1923-24	27,000
1924-25	25,000
1925-26	71,000
1926-27	58,000
1922-23 (dredging)	51,000
1923-24	54,000
1924-25	40,000
1925-26	52,000
1926-27	67,000

Or a total for the work done to March 31, 1927, of about $458,000. The construction work remaining to be done and proposed to be spread over three years, including 1927-28, is as follows:

North pier reconstruction	$48,000	
South pier reconstruction	24,600	
		$72,600
Dredging 1927-28 and 1928-29 complete inner and outer harbour		$94,000

So that the total estimated cost of the improvements is about $625,000.

Item agreed to.

Grand Bend—repairs to pier, $2,400.

Mr. FANSHER (Lambton): What is the nature of these repairs?

Mr. ELLIOTT: This amount is required for the renewal of the decking and stringers of the north pier on a length of 210 feet starting from a point about 216 feet from the outer end. The work is required to protect the existing harbour works.

Item agreed to.

Hamilton—harbour improvements, $35,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This amount of $35,000 is required for the dredging of an approach channel outside of the harbour headline in Burlington bay, at Stipes inlet, in conjunction with the proposed construction of wharf and the dredging of a slip by the Hamilton By-Products Coke Company, Limited. This channel will be approximately 200 feet wide at the inner end and will extend from harbour head line in a northerly direction, in line with the ship channel for a distance of 1,600 feet, gradually widening to 300 feet at the outer end, involving the removal of 108,637 cubic yards of silt, loam and clay.

Item agreed to.

Kincardine—harbour repairs and improvements, $43,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: There is a revote of $20,000. The details are as follows:

(1) To complete the contract with Messrs Henry and Ross for the reconstruction in concrete of 174 feet of the superstructure of the south pier and 300 feet of the north pier, $15,800;
(2) Towards the reconstruction of two further sections of the north pier, 100 feet long and 200 feet long, respectively, the former section requiring to be completely removed by dredging. Allotment for 1928-29, $17,200;
(3) To dredge entrance channel to depth of 20 feet, a total distance of 1,490 feet, 20,000 cubic yards at 45 cents, $9,000;
(4) General repairs to harbour works, $1,000.

That makes a total of $43,000.

Mr. GARDINER: Has the minister the tonnage handled at this port?

Mr. ELLIOTT: In 1927, 20,000 tons were handled.

Item agreed to.

Kingston—dredging, $14,200.

Mr. ROSS (Kingston): I should like to impress upon the minister, notwithstanding what the Minister of Finance said, that for some years there has been no dredging done at Kingston except what has been paid for by private parties. When the minister realizes that there are now some eighty large boats wintering at this port, he will see the necessity for additional work there.

Progress reported.

At six o'clock the house took recess.

[Mr. Elliott.]

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

ST. CLAIR TRANSIT COMPANY

The house resumed from Tuesday May 22 consideration of the motion of Mr. Goodison for the third reading of Bill No. 23 to incorporate the St. Clair Transit Company, and the proposed amendment thereto of Mr. Irvine.

Mr. SPEAKER: Mr. Goodison moves, seconded by Mr. Sanderson, that Bill No. 23, to incorporate the St. Clair Transit Company, be now read a third time. In amendment thereto Mr. Irvine moves:

That the said bill be not now read the third time but that it be referred back to the committee of the whole for the purpose of amending it.

That all the words after the word "directors" in the eighth line of section 12 be struck out and the following substituted therefor:

"but no such issue or allotment of shares as fully or partly paid up shall be valid or binding upon the company.

(a) Unless before any such issue or allotment of shares shall have been made as fully or partly paid up otherwise than in cash, the company shall have filed in the office of the Secretary of State a contract in writing, duly executed by the parties thereto, setting forth the considerations other than cash for which the company is about to issue and allot such shares as fully or partly paid up; nor

(b) Unless in each and every case in which the company shall allot or issue shares upon the footing that the whole or some part thereof shall be credited as paid for a consideration other than cash, such consideration shall be received and credited by the company at not more than its then actual cash value;

(c) And, in case the foregoing provisions of this section are not complied with, the holders of the shares so issued shall be liable to the company and to its creditors to the amount of the par value of the shares held by them respectively.

The question is on the amendment.

Amendment (Mr. Irvine) negatived on division.

Mr. SPEAKER: The question is now on the amendment moved by Mr. Garland (Bow River):

That bill No. 23 to incorporate the St. Clair Transit Company be amended by adding at the end of clause 14 the following words:

"And provided also that five per centum of the gross tolls received by the company shall be paid by the company to the Receiver General of Canada annually.

I must declare this amendment out of order because it is a tax. Bourinot, at pages 430 and 431, on the imposition of taxes, says:

As a consequence no private member is now permitted to propose a dominion tax upon the people; it must proceed from a minister of the crown, or be in some other form declared to be necessary for the public service. A motion or a bill of such a character should properly be introduced by a minister of the crown.

The question comes under standing order 60:

If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned until such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

May at page 511, 13th edition, says:

The principle that the sanction of the crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue.

The principle is clear. The recommendation of the crown is always signified in matters of taxation. There is no question that this amendment imposes a charge on the people.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, before you declare the amendment out of order, I wish to say a word in connection with it. It is very difficult for one not versed in the rules of order to appreciate the point of your objection,—

Mr. SPEAKER: I have not given my ruling yet.

Mr. GARLAND (Bow River): —for this reason, that the bill itself involves taxation and was permitted to stand. If a toll upon the users of a public thoroughfare cannot be looked upon as a tax, then I submit that a charge of five per centum on the gross receipts of those tolls cannot be looked upon as a tax either. To go back to the bill itself, I assume your honour was very lenient with its sponsor when you failed to rule the bill out of order. However, I have no intention of pressing the amendment. My purpose is served by expressing the opinion that toll bridges, in principle, are unsound. But I admit that the hon. gentleman who moved this bill and his friends are under a difficulty. They apparently need a bridge badly, but neither the federal nor the provincial authorities are prepared to build it. Therefore, we have private interests coming to this parliament and asking for the right to build a bridge, and in order to reimburse themselves to be permitted to charge tolls. My only reason for presenting this amendment was this. Inasmuch as this parliament is being asked to give private individuals an extremely valuable franchise, which no doubt will reimburse the original investors handsomely for the investments made, the country is certainly entitled to a small portion of the receipts from the bridge. However, I feel satisfied that your honour will rule the amendment out of order, and my only regret is that you did not rule the original bill also out of order, for in effect it amounts to the same thing. It is a tax upon the people, just as effective as though it were imposed by the Minister of Finance. It is a tax upon the users of the bridge, and all I sought to do was to get 5 per cent of the gross receipts or taxes back into the Dominion treasury in order to assist the Minister of Finance to declare another surplus in his budget next year.

Mr. SPEAKER: The hon. member has ably defended his amendment, but relying upon my standing authorities, Bourinot and May, and also upon standing order 60, which was quoted a moment ago, I must rule the amendment out of order.

Mr. GARLAND (Bow River): I rise to a point of order. May I direct your honour's attention to the fact that I had not yet moved the amendment. Your honour, believing that I had done so, ruled it out of order. It will be an interesting point for your honour to decide just what status the amendment has under the circumstances.

Mr. SPEAKER: According to all the authorities, when a bill comes for its third reading the duty of the speaker is to take all proposed amendments, notice of which has been given, and have the house dispose of them one by one. The first amendment moved was that of the hon. member for Wetaskiwin (Mr. Irvine). After it had been disposed of, I looked in the direction of the hon. member for Bow River and I did not observe him to dissent. His amendment was next in order. As an error occurred the last time I wished to avoid a repetition of any mistake this evening. I do not think the

point of order is well taken. The question is now on the third reading of the bill. It has been moved that the bill be now read the third time. Is it the pleasure of the house to adopt the motion?

Motion agreed to and bill read the third time and passed.

SUN LIFE ASSURANCE COMPANY OF CANADA

Sir EUGENE FISET (Rimouski) moved the third reading of Bill No. 56, respecting the Sun Life Assurance Company of Canada.

Mr. WILLIAM IRVINE (Wetaskiwin): This bill is before parliament for the second time, and I presume hon. members realize its great importance. We have given it so far this year scarcely two hours' consideration. The bill in the amended form in which it came from the select standing committee on banking and commerce has not yet been printed and distributed to the house. We have passed it through the committee of the whole not knowing what we were passing. The measure was not even printed, and here we are about to give it its third reading, notwithstanding the possibility that there are some members who do not know what it contains. I suggest, sir, that this is not very good practice. There seems to be an attempt to push the bill through the house whether it is acceptable or not from the point of view of public interest.

There are some things in connection with this bill to which I wish to direct your attention, Mr. Speaker, and the attention of the house. This bill reminds me of a pirate ship; it is sailing on the high seas of finance but it is not flying the jolly roger. If she were flying the jolly roger at the masthead everyone would know exactly what her objective was. But she is flying the Canadian flag on the foremast, the union jack on the mainmast and on the mizzen a burgee of goodwill to the public. With these decorations she sails on to victory. No one questions the skipper as to what the port is; no one raises any objection to the course that is being steered; no one asks anything about the nature of the cargo. She is allowed to pass by unquestioned. If she were true to her real purpose and destiny she would fly the jolly roger.

The history of this bill was given very ably by the hon. member for West Elgin (Mr. Hepburn), who analysed the demands of the company, discussing the different clauses of the measure. I will not follow his course; I will present my view of the matter from a different angle. The bill provides, as I presume we all know, for an increase in capital stock to the amount of $2,000,000. I should like to have some reason either from the company or from the sponsor of the bill—at any rate, from some authority—for this increase in capital. I shall deal later on with the reasons given by the company itself for increasing the capital. These reasons I regard as a mere subterfuge; they do not really explain why the company seeks to increase the capital stock by $2,000,000. Let me here observe that capital in a well established insurance company is not only unnecessary but is a hindrance to the company. Every dollar of capital in an insurance company so well established as is the Sun Life Assurance Company of Canada becomes a charge on the earnings of the company. That is its only service; it is not required. No one will argue that an insurance company which is well established requires capital at all. The capital which this company now has is more than sufficient, having brought the company from small beginnings to where it now stands, one of the most successful insurance companies in Canada or even on the North American continent. I contend therefore that as the company has been brought thus far on a comparatively small amount of capital we should demand from the sponsors of the bill or from the management or the directors just why they now seek to raise the capital stock of this company by another $2,000,000.

The general tendency to-day in connection with insurance companies is not to increase, but to decrease capital stock; the tendency is towards mutualization, capital stock not being required at all. In this connection I think it is illuminating to read an extract, taken from the Citizen of April 23, which comes from the Mutual Life Assurance Company. He says:

> An interesting announcement is made by the Mutual Life Assurance Company of Canada to the effect that a special extra dividend to the amount of $700,000 is to be paid this year to its participating policyholders. From information received from the company's head office, it is learned that the percentage of dividend will be graded according to duration of policies, those which have been longer in force receiving a large percentage of extra dividend. The scale of extra dividend commences at 10 per cent of the regular annual dividend payable in 1928 on policies one year in force, and is as high as 25 per cent for longer durations...
>
> While special extra dividends have occasionally been paid by other life insurance companies elsewhere when warranted by earnings and accumulated surplus funds, this is the first occasion on which a Canadian company has adopted this method of sharing earnings with policyholders.

I submit that it would be far more in keeping with the modern practice of life insurance companies for the Sun Life Company to use its profits as the Mutual Life Assurance Com-

pany have used their profits rather than to devise new capital issues of stock as a means of absorbing the extraordinary profits made by the company. There are two ways in which the company could handle its excessive profits, other than the course it has chosen to follow. First, the company could give to the policyholders the extra profits which it is now seeking to find some way of covering up, or if it did not wish to take that course it could reduce the cost of insurance to all policyholders both present and future. I contend that either of these suggestions would be a far better way to deal with the situation confronting the Sun Life Assurance Company at the moment that the one proposed in the bill.

Next I want to direct attention to the amount paid by the shareholders for the $2,000,000 of stock they have under control. By examination I find that the shareholders of this company have paid in all $380,000; that is the entire amount of the capital invested in the Sun Life Assurance Company by the shareholders. They have received profits on that amount; they have received other profits on other amounts which they have been able to control by certain manipulations; they have voted bonuses to themselves and in that way have paid the rest of the $2,000,000, and they are charging profits on that amount, making from 25 per cent to 30 per cent annually on their investments. Not only that, but from that small initial investment of $380,000 the shareholders to-day have standing to their credit $30,000,000. Surely these earnings are sufficient to make us pause for a moment and ask whether we will give them a further gift of $2,000,000, by means of which they will pry out of the pockets of their policyholders another enormous amount in profits, equal to the amount which they are now getting on the $2,000,000 of stock already issued.

I regard this bill as a scheme to obtain greater profits for the company, and to obtain them in such a way as to enable the company to pose as a benefactor to the public, through its magnanimity in reducing the profits from 10 per cent, to which they are entitled by law, to 5 per cent. Meanwhile the company will get twice this amount by increasing its capital stock unnecessarily. The company almost boasts that it takes a profit of only 5 per cent when it might take 10 per cent, and attempts to make a plea to parliament rather on compassionate grounds as to why this bill should go through. Let me turn to a statement which appeared in the large daily papers throughout Canada a short time ago, coming directly from the manager of this company. In its headlines this statement bears that mark of servility which characterizes the attitude of most daily papers towards huge corporations, a servility which I sometimes wonder whether parliament has been able to escape. This article says:

> The phenomenal record of the Sun Life Assurance Company is an inspiration to all Canadians. Its income of $102,000,000 is already equal to the total revenue of the government of Canada in the year 1910, and $38,000,000 is certainly an amazing sum to have earned as profit in one year. Not many corporations anywhere can report such figures. The president's intimate, practical comments at the annual meeting explaining how these huge profits were made were illuminating.

They were illuminating!

> Of even greater moment, however, were his statements regarding the danger that this great Canadian institution may pass from Canadian control. Some months ago, Mr. Macaulay referred to the activity of Wall street in the buying of Sun Life stock, and cautioned policyholders and shareholders of the menace it involved to an institution which was founded and developed by Canadians and which has obtained its phenomenal growth under Canadian management. Subsequent events have justified these misgivings, and at the meeting to-day the first public intimation was given that the Sun Life directors are seeking legislation at the present session of parliament which is intended to effectively forestall this danger.

This news item, which was sent to the great dailies of Canada, and which contains the announcement that a bill was to be introduced to save this great company from passing into the hands of Wall street, was advertising, carefully guided and planned in order to affect the minds of members of parliament when the bill was presented. Now let me read a very short extract from the report made by Mr. Macaulay, general manager of the company, at the last annual meeting:

> The new assurances completed amounted to $328,000,000, an increase of over $62,500,000. The amount in force at the close of the year had risen to $1,487,000,000, and at the present moment is well over $1,500,000,000. The income exceeded $102,000,000, an increase over the previous year of $23,800,000. To me, this is very impressive. Not only has this item passed the one hundred million mark, but the increase alone is equal to what was our total income but eight years ago, which had been accumulated by forty-nine years of strenuous effort. A life company with a total income no greater than our increase would be an important corporation.
>
> The assets have increased by $56,000,000, and now exceed $400,000,000. But the most wonderful of all these wonderful figures is the amount earned as profit—$38,000,000. How great this figure is may be judged from the fact that the earnings of the previous year, in which we so rejoiced, were $20,500,000.

There was an increase last year in the earnings of this company amounting to approximately $18,000,000, and the total amount which the company made last year was $38,-

000,000. If it gets 5 per cent profit on $38,000,000 this year, that is a very good profit. But let us assume that next year the earnings of the company will be $50,000,000; five per cent of that amount would mean a larger profit than for this year, and the company is increasing its profits each year, and is really on the road to making enormous profits for its shareholders. They could afford to reduce it to 2½ per cent next year, and to 1 per cent the following year.

A business of this kind which is absolutely safe, and a business upon which the entire community depends for its insurance, should be the business of the government of Canada. This government has gone into such businesses as railroading, and I do not think anyone has cause to regret it; but here is a business a thousand times safer than railroading and a thousand times more necessary than many of the things which the government has taken charge of. Here is a business which should belong entirely to the state, and instead of passing a bill to give the right to these people to take further money from the pockets of the policyholders, this government should be passing a bill taking over the entire life insurance business of Canada.

I have said that this bill is another scheme of the Sun Life Assurance Company to increase its profits. I would like to quote from the report of the royal commission which investigated this company some time ago, and show that this company in the past has been in the habit of securing profits for its shareholders in a very doubtful manner. Before I read this, Mr. Speaker, I might say that this royal commission was investigating the Sun Life Assurance Company, whose bill is now before parliament. This report was dated February 28, 1906, and the following appears on page 20:

> During 1891, and the first half of 1892, dividends at the rate of twelve per cent, and since and including the latter half of 1892, at fifteen per cent, have been declared, besides the bonus of 2½ per cent upon the old stock in 1897.
>
> Carrying to the credit of the shareholders' account the ascertained proportion of profits and interests has not, however, enabled the company to pay these dividends and from time to time the directors have resorted to various devices for the purpose of increasing the shareholders' account, so as to enable it to pay the dividends which have been paid.
>
> The first of these devices was to credit the practically defunct accident branch with considerable sums of money, upon the theory that that branch in years past had been charged more than its proportion of the general expenses of the company. The accident branch being so credited out of the current profits, the sums so credited were brought into the shareholders' account, for the purpose of

augmenting it and so enabling the dividends to be paid. Three sums were so credited to the accident branch and brought in to the detriment of the policy-holders; $2,000 in 1895; $4,000 in 1900; and $30,000 in 1902; and the evidence is that there are still at the credit of the accident branch considerable sums of money, the intention being to bring these also into the shareholders' account. It is manifest that in revising the charges made in past years to the accident branch, the directors of the present day have undertaken to overrule what may be presumed to have been the well-informed and deliberate decision of the directors of formers years as to the proper proportion of expenses to be charged to that branch, and your commissioners think it clear that the revision was undertaken solely as a device for maintaining the shareholders' account.

Another improper means by which the shareholders' account has been enabled to provide the dividends paid to shareholders is by similarly revising the rate of interest allowed upon capital in addition to its share of the profits in past years. The method adopted has been to go through the years as far back as 1877 and to allow, instead of the rates which were allowed, a rate of six per cent, which has been imposed at six per cent, compound interest, from 1877 down. The result of this has been to bring into the shareholders' account $9,088.34 (in 1901).

A third method of swelling the shareholders' account has been to go back to the year 1897, when the new capital was issued at a premium of $30 per share, and to bring into the general shareholders' account interest, compounded at six per cent, upon that premium. This revision of the earlier dealings with this premium, to the prejudice of policy holders, was also, in the opinion of your commissioners, improper. In this way the shareholders' account was swollen in 1905 by the sum of $37,930.73.

That was the finding of the royal commission in 1906, and I hazard the guess that if we had another royal commission their findings would be even more interesting than what I have already read. These have been the methods adopted by this company to swell the shareholders' account in the past, and if I had no further knowledge than that I should be suspicious of this bill. I should suspect that it was another device to increase the shareholders' holdings and thus give them higher profits at the expense of the policyholders.

I should like now to deal with the excuses which the company have offered for bringing in this legislation. The first excuse, and the one that was argued the most last year, was that the company had the right to $2,000,000 more capital, by its present charter. They argued that we should pass this bill to remove all doubt, they having no doubt in their own minds as to what rights they had under their charter. The department wrote to the superintendent of insurance on February 9, 1927, in direct reply to a question asked with respect to the claims of the insurance company,

and to the very distinguished and no doubt highly paid counsel who appeared on their behalf. The letter is as follows:

I have had under consideration the question whether the Sun Life Assurance Company has the power to issue share capital to the amount of four million dollars, and I have had the advantage of reading several opinions of counsel for the company, and my opinion is that the company is without authority to issue shares in excess of two million dollars.

Section 4 of the act of 1870 clearly imposed a limitation effective at that time to limit the capital available for the life and accident business to two million dollars. Section 4 is not, I think, to be regarded as inconsistent with the provision of the act of 1871, restricting the business of life and accident insurance because it is not a regulation which became operative only if the company carried on two branches of business, but was effective from the beginning even if the company confined itself to the life business as it might have done. In fact I suggest there is a stronger presumption that section 1 of the act of 1870 is repealed for inconsistency with section 3 of the act of 1871 than that section 4 of the said act of 1870 is so repealed.

The statute of 1870 contemplated the possibility that the company would only transact life and accident business and in such case the capital stock was to be limited to two million dollars. The whole of the authorized capital was to be devoted to the life branch and it was only in the event of a decision by the shareholders to engage in the general business that the capital could be increased beyond two million dollars. It would be remarkable I think if the rescission of the power to engage in the general business should have the effect to relieve the company from the limitation to issue not more than two millions of capital for its life business.

Yours truly,

W. STUART EDWARDS,
Deputy Minister of Justice.

Thus the Justice department buried the first excuse of the company for the passage of this bill. I come to the next excuse which the company offers, and this one is more amusing than the one to which I have referred. It is the effect that this great and wonderful company, of which Mr. Macaulay is so justly proud and a company that is perhaps the most successful of all Canadian companies, fears that Wall street will get its clammy fingers upon this institution, and so to save the flag at the foremast and to make sure that the patriotic sentiment of the nation shall be lined up behind this company they tell us that they must have this legislation passed. Great dangers, they say, surround this institution, for Wall street is on its trail! As a matter of fact Wall street has been on the trail of Canada for a long time and Mr. Macaulay has never said a word about the matter. Wall street is on the trail of the Minister of Finance right now and he is not squealing about it. Wall street is on our trail more than any other institution at the present time. But apart from that, an examination shows that a very small proportion of the stock of the company happens to be in the hands of people in the United States.

The next point in this connection is that the Sun Life Assurance Company is not so particular about Canada as would appear from the wails of its president, because when the question is one of the investment of the money of the Canadian policyholders, this is by no means limited to Canada. I do not for a moment say that it should be, but it would be a very good policy if it were. I merely say that patriotism does not seem to be necessary in regard to the investments of this insurance company; it is necessary only when they want a bill to increase their capital. Surely a company that is so willing to invest the money of the policyholders in the United States and any other country abroad should not object to a few people in those countries owning some of its stock.

I imagine that the greater proportion of the business of this insurance company is done across the line and thus done outside of Canada. Surely there is no reason for this extraordinary attitude of fear which has been expressed by the president and the directors of the company. But apart from all these objections to his argument, the outstanding fact is that we have not in this legislation the means of preventing the stock from going to the hands of people in the United States. Such legislation is impossible. Even Mr. Macaulay's father's stock has already gone into the hands of people in the United States and I presume that Macaulay's stock will go there too if he can get more for it there than anywhere else. The funny thing about the matter is that the action which the president of the company has taken in bringing this bill before parliament has tripled the danger which he fears. It has increased the demand in New York a hundredfold for the stock of the Sun Life Assurance Company. Thus another argument falls flat.

I wish I had the time to read a few extracts which would prove this point. I think I could not do better than read from the correspondence which has taken place between the Superintendent of Insurance and the president of the Sun Life Assurance Company on some of the points in this bill. To do so would, I think, make it clear to the house just what the nature of the legislation is, and the argument of the company, if it may be called an argument, would seem to be mere subterfuge. This is a letter from the Superintendent of Insurance to Mr. Macaulay:

I am in receipt of yours of the 20th instant, and have read the same with much interest.

I do not know whether the tendency you mention has been more marked since the amendment of your bill at the last session or not, but I shall be glad to know if, in your opinion, a requirement that a larger proportion than a bare majority of directors be Canadians and British subjects, would have a deterring effect on the dealings in the stock. I understand that the movement of the shares to New York had commenced before the amendment of your charter respecting the board of directors last session, and I had a feeling at the time that possibly the change proposed then permitting directors other than British subjects might strengthen that tendency rather than diminish it. You will probably be able to say whether or not this is so.

You will, of course, have noticed a somewhat similar movement with reference to Canadian bank shares, which indicate that amount of capital is not a determining feature.

I am glad to know that so large a proportion of your capital is in the hands of yourself and associates and in the hands of those who may be fairly well counted on to preserve the company as a Canadian company.

In that communication it is revealed that the company itself, by altering the regulations with respect to its directors, made it possible for United States directors to come in, whereas before they could not. Therefore it would appear that they were not very much afraid of the United States at that time. Moreover, as is made clear in this letter from the Superintendent of Insurance, the amount of stock issued by any company is no guarantee of its control remaining in Canada. This is a letter from Mr. Macaulay to the Superintendent of Insurance on the subject:

I have your favour of the 23rd.

I am quite sure that the question of the nationality of directors has nothing to do with the movement in our stock. At present the buying appears to be only for investment, but if a New York group should obtain control they would find no difficulty in appointing Canadian associates or nominees.

The transfer of our stock to American ownership appears to be increasing steadily in volume. Even since I wrote you, several more blocks of fairly large amount have gone across the boundary lines. Several other blocks have been offered to us here, and, as we were unable to find purchasers for them, they too, no doubt, will be in the United States within a few days. Another block was offered to me this morning. An American broker has just written asking for a number of copies of our annual report that he may give them to persons who may become interested in our stock. Another report indicates that it is proposed to give our stock a prominent place in the holdings of some investment trusts. This very morning also we have had a call from the president of one of the National Banks of Hartford, who wished to find out as much as possible about the value of our stock, in order that he might accommodate brokers by making loans on its securities until such time as they find customers. Mr. Wood had a long interview with him and tried to discourage him but was smilingly told that we are like most inside executives, we do not know the real value of our stocks. He spoke

of buying some for himself at $1,200 per share. Even since I dictated this letter a Toronto broker tells us that he has an offer of $1,410 per share from the United States. Almost every day there are fresh developments.

So every day in every way according to Mr. Macaulay the company was going to be snatched from him by somebody in the United States.

I want to occupy a few of the remaining minutes of my time to deal with what the policyholders have to say about this.

Some hon. MEMBERS: Time.

Mr. IRVINE: I presume that Mr. Speaker knows when my time is up. If the hon. gentlemen who are hollering "time" want to be hung up on a nail and become the alarm clock we are going to have next year, I have no objection, but until they are so appointed, if they will kindly hold on to themselves the Speaker will govern the house.

I have here a report which was made by an eminent counsel of Toronto at the request of a number of policyholders. A number of the policyholders came to this counsel and asked him to investigate the company with respect to the legislation now before parliament. This counsel was Mr. R. A. Reid, LL.D., D.C.L., advocate, barrister at law, Kent building, Toronto. I will try to read a portion of this report before the alarm clock goes off again. Mr. Reid says:

History of the Sun Life Assurance Co. of Canada since Incorporation in year 1865

1865. The Sun Life was incorporated with an authorized capital of $500,000 all of which was subscribed and one-tenth paid-up. The original 5,000 shares were sold to the public at $10 per share and no further call has been made in cash, although it has become paid-up to the extent of $50 per share by frequent bonus issues.

I am willing to put the remainder on Hansard without reading it, if hon. gentlemen have no objection.

Some hon. MEMBERS: Read it.

Mr. IRVINE: I am glad that you like my voice so well. It continues:

1877. Authorized capital increased to $1,000,000; subscribed capital $500,000. First dividends declared at the rate of 8 per cent per annum. In addition a bonus issue of $12,500 was made increasing the paid-up portion to $12.50 per share.

1882. Dividend rate increased to 9 per cent per annum.

Mr. SPEAKER: Time.

Mr. LADNER: I move the adjournment of the debate, Mr. Speaker.

Mr. EVANS: Mr. Speaker—

Mr. SPEAKER: The Speaker must alternate, and not see only the members of one group. There are several groups in the house, and I saw the hon. member for Vancouver South (Mr. Ladner).

Mr. IRVINE: Is that motion debatable, Mr. Speaker?

Mr. SPEAKER: No. A motion to adjourn is never debatable.

Motion agreed to, and debate adjourned.

Mr. GARLAND (Bow River): I would like to ask your honour what is the effect of that motion being adopted?

Mr. SPEAKER: The effect of it is to adjourn the debate.

Mr. GARLAND (Bow River): I mean its effect with respect to this bill.

Mr. SPEAKER: As regards the bill, it will keep its place on the order paper.

WINIFRED OSBORNE GIMBLETT

The house resumed from April 27 consideration of the motion of Mr. Garland (Carleton) for the third reading of Bill No. 84, for the relief of Winifred Osborne Gimblett.

Mr. SPEAKER: It is moved by Mr. Church (for Mr. Garland, Carleton), that Bill No. 84 (letter O of the senate), for the relief of Winifred Osborne Gimblett, be now read a third time.

There is an amendment to the motion in the name of the hon. member for Winnipeg North Centre (Mr. Woodsworth). I do not see him in his seat, and therefore I will not put the amendment. The mover of the amendment must be here.

Mr. HEAPS: I believe on previous occasions when the mover of a motion or an amendment was not in his place, some other member was allowed to act in his behalf.

Mr. SPEAKER: Not in the case of an amendment of which notice has been given. This amendment stands in the name of the hon. member who has moved it. He is not in the house, and therefore the chair must ignore the amendment. The question is on the third reading of the bill. Is it the pleasure of the house to adopt the motion?

Motion agreed to, and bill read the third time and passed.

Mr. GARLAND (Carleton): A number of hon. members to my right, Mr. Speaker, have asked what bill this is. They have not the least idea of what is going on.

Mr. SPEAKER: This is a divorce bill. I announced it quite audibly, I think. It is a bill for the relief of Winifred Osborne Gimblett. It has received its third reading and has been passed by the house.

EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RAILWAY COMPANY

On the order:

The house again in committee on Bill No. 57, respecting the Edmonton, Dunvegan and British Columbia Railway Company—Mr. Kennedy.

Mr. DENIS (Joliette): I rise to a point of order, Mr. Speaker. I submit that it is now nine o'clock and that the hour for private bills is exhausted.

Mr. SPEAKER: The hour for private bills being exhausted, the house will now revert to supply.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public Works — Harbours and rivers — Ontario—Kingston—dredging, $14,200.

Mr. ELLIOTT: This item was under discussion before the recess.

Item agreed to.

Lions Head—dredging, $17,800.

Mr. BENNETT: What is the explanation of this item?

Mr. ELLIOTT: It is proposed to dredge a channel 200 feet wide by approximately 400 feet long to a depth of 18 feet, involving the removal of 31,750 cubic yards scow measure of class "B" material. The work has been urged by the resident engineer, and is necessary to enable boats to reach the wharf loaded with hay and general farm products, which at the present time is done with great difficulty owing to the shallow water.

Mr. BENNETT: I suppose that difficulty has existed for thirty years.

Mr. ELLIOTT: I expect the water is a littler shallower this year.

Item agreed to.

Midland—harbour improvements, $48,000.

Mr. LUCAS: Will the minister explain this item?

Mr. ELLIOTT: Certainly. The information furnished me is as follows:

This is to complete the dredging contract of Randolph Macdonald Co. Ltd., for dredging an area of 880 feet by 625 feet to a depth of 22.5 feet in front of the elevator wharves and an area in front of the new Midland Simcoe Elevator Company for a length of 2,180 feet by 120 and 500 feet. Approximately 50,000 cubic yards, scow measure of the former area remains to be dredged in 1928 season, $30,000.

2. To construct two shelters 200 feet by 24 feet including office and warehouse and paving 2,317 square yards of the new wharf $9,500.

3. Reconstruction of old dock leading to new wharf, $8,500.

Item agreed to.

Owen Sound—harbour improvements, $60,000.

Mr. RYERSON: May we have some information on this item?

Mr. ELLIOTT: This vote is required for the following work:

1. To dredge along the harbour wall for a length of 2,100 feet to a depth of 20.5 feet, including the removal of an angle of shore line recently transferred to the department to permit a new alignment of the harbour wall, involving the removal of 19,000 cubic yards, place measure, of mud, silt, sand, etcetera, at 65 cents—$12,800.

2. Towards the construction of 750 linear feet of the west entrance channel wall, consisting of pilework substructure and concrete superstructure with a width on top of 3 feet. Estimated cost—$30,000. Allotment for 1928-29—$27,700.

3. Construction of an extension of 415 feet to the harbour wall near the elevator slip consisting of close sheet piling with concrete anchorage. 180 lin. ft. of this already constructed as an extension to the contract with Messrs. Woolrich & Brigham, estimated to cost $10,645 —$18,000.

4. To complete payments to Messrs. Woolrich & Brigham on their contract for the reconstruction of several sections of the harbour wall—$1,500. Total amount for 1928-29 $60,000.

Item agreed to.

Port Arthur—harbour improvements—Thunder Bay Paper Company to contribute one-third cost, $50,000.

Mr. BENNETT: Does that represent the total cost, or our two-thirds?

Mr. ELLIOTT: The whole cost is more than that.

Item agreed to.

Port Burwell—harbour repairs and improvements, $200,000.

Mr. SHORT: As this is a pretty large amount, will the minister give us particulars?

[Mr. Lucas.]

Mr. ELLIOTT: Yes. This vote is required for the following work:

1. To reconstruct two sections of west pier from water level up, 150 feet long and 50 feet long respectively..	$ 5,000
2. To reconstruct and complete 505 feet of sheet pile wall along east side of harbour near carferry slip..	20,000
3. To renew 510 feet of walling on west side of harbour; construct sand fences and for minor repairs..	1,000
4. To provide for the contract with the Port Arthur Construction Company for the reconstruction of a rubble mound checkwater 200 feet long projecting westerly from the centre of the existing concrete breakwater; for repairs to existing rubble mound wall between outer end of west pier and inner end of concrete breakwater; and for the construction of a rubble mound extension in four lengths of varying direction having a total length of 1,800 feet and commencing at a point 50 feet inwards from the outer end of concrete breakwater. Total estimated cost $450,000. Amount to be earned in 1928-29..	174,000
Total..	$200,000

There has been expended to March 31, $23,060. These amounts were requested by District Engineer Craig in his annual estimates, in which he reported:

These works are urgently required to maintain the harbour walls along both sides of the harbour.

Item agreed to.

Port Colborne—repairs to harbour works, $100,000.

Mr. SPENCER: Will the minister give particulars of this?

Mr. ELLIOTT: I shall be glad to. This is required to repair damage to the east and west breakwaters caused by a severe storm of December 8, 1927. The proposed work is as follows:

1. To reconstruct the superstructure of several sections of the west breakwater totalling a length of approximately 1,885 lineal feet..	$ 92,018
2. To reconstruct the superstructure of three sections totalling 277 lineal feet and to repair the rear wall of 77 feet of the east breakwater..	36,165
Inspection, contingencies, etc.	11,817
Total amount required..	$140,000

Mr. SPENCER: Why is the amount limited to $100,000?

Mr. ELLIOTT: It is expected that that is all they will do this year.

Item agreed to.

Port Dover—repairs to piers, $50,000.

Mr. SPENCER: Will the minister explain this item?

Mr. ELLIOTT: Yes, after one of my colleagues has moved an amendment.

Mr. ROBB: I move, Mr. Chairman, that the Port Dover item be changed to read:

Repairs to piers and harbour improvements, revote $12,000, vote $50,000.

Amendment agreed to.

Mr. RYERSON: Will the minister explain why the full amount was not spent last year? I am not opposing the vote. I know Port Dover requires the improvements.

Mr. ELLIOTT: This amount, of which $12,000 is a revote from 1927-28, is required towards the reconstruction of the east pier which was damaged by a severe storm on December 8, 1927, and for repairs to the vertical timbers and to the stringers of the west pier. We now propose to build a new east pier instead of reconstructing the old one. The engineer reports that practically the whole superstructure of the east pier has been demolished except for a portion recently reconstructed, about 200 feet, near the outer end of the pier. At present there remains about eighteen inches of timber substructure, stone filled, above water level. All cribs have been shoved out of line and no doubt considerable damage has occurred below water level.

Mr. RYERSON: Is there any provision for dredging there?

Mr. ELLIOTT: No; this is just harbour work.

Mr. GARDINER: Is it proposed to build a new pier?

Mr. ELLIOTT: The east pier, a little further over where the channel is better.

Mr. GARDINER: Will there be better protection from storms?

Mr. ELLIOTT: The channel is wider, but I do not know that there is any better protection from storms; we shall be subject to storms in the same way.

Mr. RYERSON: Of $25,000 voted last year for dredging purposes, only $13,000 has been expended. I presume there was still more dredging to be done there.

Mr. ELLIOTT: My hon. friend is hardly correct in saying that $25,000 was voted for dredging purposes; it was voted for repairs to the pier and only $12,693 was expended. This is part of the same project.

Mr. GARDINER: The amendment just carried has reference to other harbour improvements. What are those other improvements?

Mr. ELLIOTT: We had to change the wording of the item owing to the fact that the location was changed.

Item as amended agreed to.

Port Stanley—harbour repairs and improvements, $16,000.

Mr. GARDINER: Will the minister explain this item and say what tonnage passes through the port?

Mr. ELLIOTT: I want some hon. member to move that this item be reduced by $12,000. The explanation is that the contract with A. W. Robertson, Limited, was closed out after the main estimates had been prepared, and the $12,000 will not be required.

Mr. ROBB: I move that the item be so reduced.

Amendment agreed to.

Item as amended agreed to.

Rondeau—harbour repairs and improvements, $41,700.

Mr. GARDINER: Explain.

Mr. ELLIOTT: Of this amount $34,000 is a revote. The vote is required for the following work: (1) reconstruction of inner end of east pier, $4,500; (2) reconstruction of section of west pier, $2,700; (3) further extension to shore protection, $2,500; (4) revote for dredging slip for Lake Erie Coal Company for proposed extension to wharf to be constructed there during 1928, $32,000—total, $41,700.

Mr. GARDINER: Will this complete all the proposed work?

Mr. ELLIOTT: Yes; this will complete all that is projected at present.

Item agreed to.

Sarnia—dredging, $45,000.

Mr. GEARY: Has any dredging been done on the American side?

Mr. ELLIOTT: This is for dredging a channel to the new elevator at Sarnia.

Mr. GEARY: The channel is off the river.

Mr. ELLIOTT: Off the main channel of the river; it is to the elevator constructed last year.

Mr. STEVENS: Whose elevator?

Mr. ELLIOTT: The city of Sarnia financed it; they guaranteed, I think about $400,000 of the cost and the company put up the balance. I cannot tell the name of the company.

Mr. GEARY: What is the total amount?

Mr. ELLIOTT: Until March 31, 1928, $123,164 had been spent and we are asking now for a revote of $45,000.

Item agreed to.

Southampton—repairs to breakwater, $6,600.

Mr. ANDERSON (Toronto): Will the minister explain this item?

Mr. ELLIOTT: This amount is required for the reconstruction of the east breakwater on a length of 250 feet on the inner end of the north face and on a length of 400 feet on the inner end of the south face. This work is to be done by day labour. It is hoped that the completion of the work will result in there not being more than $5,000 to expend during the following year. Unless unforeseen damage occurs we should not require to expend any large amount on repairs to these structures for at least two years. The work is required for the accommodation of the fishing fleet and for the general traffic of the harbour.

Mr. BENNETT: Why done by day labour?

Mr. ELLIOTT: The engineer is of the impression that he can carry it out with his own forces to better advantage than by letting the contract.

Mr. BENNETT: Perhaps the committee will remember that a few weeks ago I indicated that work done by day labour, in some of these Public Works items, was limited to those who professed the Liberal faith. I read a letter that came to me from Rivière Nouvelle, Bonaventure county, in March, 1928:

> We the undersigned take the privilege of writing you concerning some public work performed at our river during the summer of nineteen hundred and twenty-seven (1927).
>
> We Conservatives asked the foreman Mr. Richard Molley for work; he refused all Conservatives one hour's work by orders of Hon. Charles Marcil. Is this a free country, or does a man have to be a Liberal to live here? Are we to be deprived our rights in the future as in the past? At the time the work was being performed last summer we wrote the hon. Minister of Public Works and got no reply. Is that justice? Do you call that kind of work public or private or party work?
>
> If we are justified in writing you concerning this kindly reply to our request, and oblige
>
> Yours sincerely,
>
> Hugh Watt, returned soldier.
> Epiphane Talbot, returned soldier.
> Peter Gignac.
> Jean Abel Thiriault.
> Joseph P. Laroque,
> Joseph Gignac.
> Godefroi Thiriault.
> Remio Theriault.
> Simon Loisel.

If that sort of thing is going on in this country it is time parliament did something to assert the rights of individual Canadians and especially returned soldiers, to jobs by which they can keep themselves at least in food and clothing for themselves and their families. It is not limited to that particular constituency, as I have said, and I would like to ask the minister whether it is the settled policy of his department to instruct his engineers that the local member shall limit employment to those who support the administration, in the expenditure of public moneys.

Mr. ELLIOTT: I must say I do not recall the circumstances of this case, but I shall be very glad to look into the question of the letter not being answered.

Mr. BENNETT: That is the smallest part of it.

Mr. ELLIOTT: I know of no letters coming to the office which do not receive a reply just as promptly as possible. The reply may not be satisfactory, but we always try to reply. As far as the practice is concerned, I have given no special instructions with regard to this or any other place. If the work is done by day labour we expect to engage men who will give a reasonable day's work for a day's pay. I have given no instructions as to who should be employed.

Mr. SHORT: For the benefit of the committee I might say that this is the practice in vogue in the constituency which I represent. A man cannot earn a dollar on public works there if he is not a supporter of the administration. I presume the minister has nothing to do with it, but the local politicians certainly act that way.

An hon. MEMBER: So does the local government.

Mr. SHORT: No, the government of Nova Scotia employ many Liberals in the expenditure of public money.

Some hon. MEMBERS: No.

Mr. SHORT: I can give an instance which occurred during the last election. I asked one of the road men, a man driving a team on the road and drawing $6 a day, for his vote, and he said he could not vote for me. I said, "At least you are honest, notwithstanding the fact that you are drawing $6 a day from the local government." He was not fired for that, either; he continued right on until the

job was completed. However, in my constituency it is impossible for a Conservative to get a day's work on any public work being carried on.

Mr. GARDINER. With regard to this item I should like to ask the minister if it is not the practice that when an amount exceeds $4,000, contracts should be given, and the work should not be done by day labour?

Mr. ELLIOTT: No, there is no such regulation, but I may say that in nearly every case we try to let contracts, where we can, at a price which would be equal to the cost of carrying on the work by day labour.

Mr. STEVENS: Is not the minister wrong in that answer? I am not going to quarrel as to whether or not he is doing it, but if I recall correctly there is some regulation, some order in council or some statutory provision which says that any work costing over $5,000 must be done by contract, or putting it another way, where the minister thinks it is best he may do any work costing less than $5,000 by day labour.

Mr. ELLIOTT: No. I think what my hon. friend has in mind is the letting of contracts for $5,000 and upwards by public tender. There is an express provision in the act which authorizes the department, where it is deemed advisable or in the public interest, to do the work by day labour.

Mr. STEVENS: Up to $5,000.

Mr. ELLIOTT: No, there is no limit.

Mr. BENNETT: I thought the amount was $4,000, but my hon. friend says it is $5,000; is there not a treasury board minute carrying that provision?

Mr. ELLIOTT: No, it is statutory.

Mr. BENNETT: Then up to $5,000 you can do it by day labour, but anything in excess of that must be done by contracts called for by public tender?

Mr. ELLIOTT: No, there is no limit. Take this building, for example; it was built entirely by day labour.

Mr. STEVENS: But that is different; parliament appointed a special non-partisan committee and so on; that was a special provision of parliament.

Mr. ELLIOTT: That is quite true, but there is no limit under the act to the amount of work which may be done by day labour.

Mr. ROSS (Kingston): Is there not some provision by which you must call for public tenders if the work is to cost over a certain amount?

Mr. ELLIOTT: I did not quite catch that question.

Mr. ROSS (Kingston): Is there not some provision whereby works costing over a certain amount must be carried on by contract, advertised and called for by public tender? Under that amount contracts may be called for by private letters, on account of the expense and so on.

Mr. ELLIOTT: I think what my hon. friend refers to is that for works costing under $5,000 we can call for local tenders, but my hon. friend can take my word for it, I think, that the act provides that contracts for over $5,000 are to be by public tender. There is no restriction other than that.

Mr. BENNETT: That is what we say.

Mr. ELLIOTT: There is a provision that the work may be done by day labour, and that provision is not limited to the $5,000. My hon. friend will find that in the act.

Mr. BENNETT: But if that is so you could skate around any statute by saying you will do a certain job by day labour.

Mr. ELLIOTT: That is the provision in the statute.

Mr. CANNON: No, there is no limitation.

Item agreed to.

Toronto—dredging and repairs to entrance piers, $32,000.

Mr. SPENCER: Will the minister give us the particulars of this item?

Mr. ANDERSON (Toronto): Will the minister explain what this $32,000 is to be used for, and if it is earmarked for any particular work?

Mr. ELLIOTT: This is required for the maintenance of the harbour works and to keep the channels open to the heavy traffic using this port. At the time the estimates were printed it was estimated that the expenditure in 1927-28 would be practically the whole amount of the appropriation of $31,000. However, a later report showed that only $14,000 would be expended during 1927-28, leaving a revote of $17,000. This amount is required for the following work.

1. Maintenance dredging in eastern channel on an approximate area of 275,000 square feet,

involving the removal of 46,000 cubic yards, scow measure, of sand and silt, at 58 cents per cubic yard, $26,680.

2. Maintenance dredging in western channel on an approximate area of 120,000 square feet, involving the removal of 5,000 cubic yards of sand and silt, place measure, at 65 cents per cubic yard, $3,250.

3. Repair the concrete surface of decking on a portion of the west pier which is damaged and cracked. It will be necessary to remove the finish to an approximate depth of two inches and lay a new concrete finish on a length of 900 feet by the full width of the pier, which is 20 feet, $2,000.

The total estimated cost is given at $31,930; the appropriation for 1927-28 was $31,000; probable expenditure, $14,000, leaving a balance of $17,000.

Mr. ANDERSON (Toronto): That is all referring to the eastern entrance?

Mr. ELLIOTT: There is an item of $3,250 covering the maintenance of dredging in the western channel, and an item of $26,680 to cover maintenance of dredging in the eastern channel. Then there is an item of $2,000 to cover the repair of concrete surface of decking on a portion of the west pier.

Mr. ANDERSON (Toronto): Has the minister considered the necessity of deepening the western entrance to the harbour with a view to providing an entrance for larger vessels on the completion of the Welland canal? I believe the harbour board has already communicated with the minister regarding it, but I should like to know if he has considered it and what position the government or the department propose to take. It is very necessary that that entrance should be deepened in order to provide for larger vessels.

In this connection I might say that the western entrance is rocky and it will require a great deal of blasting. That kind of work cannot be done on short notice, and the arguments that I can put forward would only be the same as were offered to-day by the member for West Hamilton (Mr. Bell) regarding the Burlington entrance to Hamilton harbour. The larger vessels which will be enabled to come through the new Welland canal must necessarily get into these ports which are the largest on the lake, and this work should be done at once. If the Welland canal is to be completed in 1930 my contention is, and I believe it is the contention of the harbour board, that some work should be done each year, and I should like to know whether the minister can give some information in regard to that. I should like to know also whether vote No. 144—dredging, Ontario and Quebec, $600,000—would cover any dredging in the western entrance to Toronto harbour.

Mr. ELLIOTT: The item to which my hon. friend has just referred cannot be utilized for that purpose. The amount required for that work would be considerable, and the desire is to have it completed by the time the Welland canal is finished, but I cannot say anything further than that the matter has been under consideration. Our information is that we can get depth of twenty feet in the western channel without any blasting, but if we have to go deeper than that we shall have to do some blasting, which will materially increase the cost. I cannot advise my hon. friend to be hopeful about much progress being made this year at any rate.

Item agreed to.

Windsor—wharf repairs, $2,700.

Mr. ROBINSON: I believe $2,000 was spent last year for renewing piles, and I should like to know what this amount is to be used for. Please understand that I am not objecting to the vote at all.

Mr. ELLIOTT: The amount is required for the renewal of three six-pile fender clusters in front of the government dock, and renewing the roof on the warehouse to the extent of 163 feet by 40 feet.

Item agreed to.

Harbours and rivers—Manitoba—Gimli—reconstruction of protection work, $7,000.

Mr. McQUARRIE: Will the minister explain this item, please?

Mr. ELLIOTT: This work consists of the reconstructing of 1,200 lineal feet of protection work which was partly destroyed during 1927. Unless this work is reconstructed a portion of the lake frontage of the village will scour away rapidly. Gimli is the headquarters of the Gimli Fisheries Limited, a company carrying on a fishing business which handles over 1,000,000 pounds of fish annually

Mr. McQUARRIE: Why should the Dominion do this work?

Mr. ELLIOTT: Why should we not do it?

Mr. McQUARRIE: As I understand it, you do not always do protection work, and you have refused in a great many cases to undertake responsibility of that kind; you say it is a matter for the municipality or for the provincial government.

Mr. ELLIOTT: This is the reconstructing of work formerly constructed by this government.

Mr. BENNETT: The old Northwest Territories did it all. Is it a navigable stream upon which this protection work is being done? That has been the test heretofore.

Mr. ELLIOTT: I think it is on lake Winnipeg; it is navigable.

Mr. BENNETT: That has generally been the test that has been imposed. On a navigable water the Dominion government, if it has control over the water, may erect protection work. As the hon. gentleman has said, they have declined to place protection works on many of the smaller streams in the western provinces.

Mr. ELLIOTT: Quite so.

Mr. McQUARRIE: Even in regard to navigable streams the Dominion refuses to assume responsibility for bank protection work.

Mr. BENNETT: That is right.

Mr. McQUARRIE: In this case the minister says that it is the reconstruction of work previously undertaken by the Dominion, and I presume the minister does not know why it was originally undertaken by the Dominion; is that right?

Mr. BENNETT: There is a principle behind this, and all the western provinces are affected. For instance, the Bow river is a very rapid stream and it has eaten into the bank and destroyed some of the streets in Calgary, but thus far the Dominion government has taken the attitude that it has no right to put a single dollar into this protection work. Why is Gimli selected and other places left out? The same thing applies to Edmonton, where the river has cut into the banks and they have made unsuccessful efforts to get some money from the government for protection purposes.

Mr. WOODSWORTH: This is not a river; it is lake Winnipeg, which extends for nearly three hundred miles in length and nearly eight miles in breadth. There are very extensive settlements along the east and west shores of the southern part of the lake, and there are some docks and wharves, and that sort of thing, that are very necessary. A great deal of fishing is done on the southern part of this lake. If it is necessary to have docks, wharves and harbours for the fishing industry on either the Atlantic or the Pacific, it is just as necessary to have them on lake Winnipeg.

Mr. BENNETT: The hon. gentleman is mistaken. I am not going to leave the matter as it is, although it may take a little time. No one is talking about docks or wharves. What is being referred to is a protection work to a bank that has been broken down of a river or a lake, and we certainly have not in recent years been able to get any appropriation for that purpose.

Mr. ELLIOTT: Let me give the history of this structure. The department constructed a shore protection 2,420 feet long, starting near the public wharf. This work was carried out in 1908-09 and it has been repaired subsequently. The wharf was built in 1899-1900 at a cost of $10,660.75 and extended in 1907-08 and 1912-13.

Mr. BENNETT: Does the hon. gentleman say that this is a wharf?

Mr. ELLIOTT: A wharf.

Mr. BENNETT: That is a different thing altogether. This is a protection work.

Mr. ELLIOTT: This is to protect the portion of the lake frontage in the vicinity of the wharf. Judging from the map I should think that the movement of the water controlled by this structure was originally caused to a large extent by the construction of the wharf. At any rate for some time we have been assuming liability in this connection and I take it that when the work was started it was thought we were liable for it.

Item agreed to.

Roseau river—improvements, $65,000.

Mr. BENNETT: What is the explanation of this?

Mr. ELLIOTT: This amount of $65,000 is asked to be provided towards work now under contract with G. B. Wood, Limited, of Winnipeg, Manitoba. The work consists generally of the construction of thirteen miles of dykes, 10 feet wide on top, averaging 6 feet in height, having a slope of two to one on the inside and one and one-half to one on the outside, and of a control dam across the Roseau river in the line of the east dyke.

Mr. BENNETT: Is it a navigable stream?

Mr. ELLIOTT: I do not think it is.

Mr. BENNETT: This looks like an irrigation project.

Mr. ELLIOTT: It is not an irrigation project. The government of Manitoba has promised to contribute one-third of the cost of the work and land to be acquired in connection therewith, up to a maximum of $50,000, which sum has been appropriated by the provincial government. District Engineer Goodspeed reports on the 21st April, 1926:

> The years 1919 and 1925, produced very serious summer floods. Last year the discharge exceeded 1,000 second feet from June 8 to July 26, and the flood practically destroyed the crops of a large number of farmers of Vita, Arbakka and vicinity.

This question has been before the department since 1893, going from worse to worse since that date. Steps to avoid further flooding in the Roseau district, in the southeastern part of Manitoba, at a cost of $150,000, will be undertaken by the provincial Department of Public Works during the coming summer.

Mr. SPEAKMAN: I should like a little more information about this. It seems to me that comparisons might well be drawn from this item rather than from the other, because this item is apparently concerned with the protection of the adjacent country from flooding from freshets in the river. Might I ask the minister if the flooding conditions which necessitate the dyke are caused in any way by some federal construction work?

Mr. ELLIOTT: I do not think that is the case. The Roseau river, as my hon. friend may know, has its main source in the state of Minnesota, although two branches, Mud creek and Pine creek, rise in Canada to flow south across the international border to the main river. These branches drain about 300 square miles in Canada, while the river has a total drainage area of 1,350 square miles where it crosses the boundary and 1,525 square miles at Stuartburn. In the state of Minnesota drainage projects of considerable magnitude have been carried out. Before artificial improvements, some 300 square miles were occupied by swamps and marshes, which during wet seasons turned into shallow lakes. While some of this swamp land has been improved, much waste land still exists, and further drainage projects are under consideration. During 1913-15, eighty thousand dollars was expended in enlarging the channel for a distance of seventeen miles, beginning at a point near the Canadian border.

On the Canadian side of the border the river for some twelve or thirteen miles flows between low banks through a flat country. The cross section of this stream is small, with a minimum of about 400 square feet, and the slope in this distance averages about two feet to the mile. With this restricted section the waters in flood season are pushed out over the low banks and cover the surrounding country, particularly to the east and northeast, where a portion of the flood water escapes to Rat river. West of the river, the land flooded, about two miles wide, is swampy and of poor quality. It has been estimated that a total of 100,000 acres is sometimes flooded. Not only does this occur at the time of spring breakup, when it probably does least damage, but frequently summer freshets occur, which destroy prospective crops and do lasting damage to cultivated areas.

Mr. SPEAKMAN: Is this a reclamation project, or is it merely for the protection of the surrounding country?

Mr. ELLIOTT: It is not a reclamation project.

Mr. SPEAKMAN: I am not objecting to the protection being given, but I should like to know on what peculiarity of circumstances the protection is based in this instance whereas it is refused in others where the freshets do equal damage? This is rather an important point, because a good many damage claims have been made and there have been a good many requests for the control of water. I should like to know just wherein the singularity of this situation lies.

Mr. ELLIOTT: It is claimed that this is not a provincial liability; that it has been aggravated by certain drainage works that were carried on in the state of Minnesota. Apparently the Dominion has for some time assumed liability and is contracting to do the work to which the province has contributed.

Item agreed to.

Victoria beach — repairs to wharf and approach, $4,400.

Mr. WOODSWORTH: I should like to ask the minister whether there has been any application for more extensive improvements in the way of a breakwater. There is a very rough bit of water there which makes it practically impossible for the summer people to do anything at Victoria beach, and which also makes it very dangerous to the fishermen and others whose duty takes them around the lake. Has any application been made for more extensive work as regards breakwaters and wharves around Victoria beach and Grand beach?

Mr. ELLIOTT: I have no mention of it here, and I have no recollection of any fur-

ther requests being made. The note which I have here reads:

The work will consist of rebuilding with stone-filled cribwork, the inner 40 feet of the public wharf damaged by storm this season, and of repairing 500 feet of the road approach, destroyed by the high water of this year, by a close cribwork face along the lake side, and filling with dredged material. This wharf provides accommodation for a summer resort of approximately 2,500 people. Victoria beach is also the headquarters of the Royal Canadian Air Force, which patrols the country in connection with fire protection.

Tht district engineer reports:

The expenditure is required to give access to and maintain the public structures used by people of Victoria beach.

I have no memorandum of any further work being required.

Mr. WOODSWORTH: The work that is required at Grand beach is a little distance from Victoria. There is a larger number of summer people at Grand beach; there is a good deal of travelling from point to point, and very often we have had serious accidents to the fishermen out on the lake from the very violent storms that come up in that locality. Have no representations been made along that line, for protection at Grand beach?

Mr. ELLIOTT: I could not say what representations may have been made about Grand beach, because I have no data here in connection with it. All I have is in connection with Victoria beach, but I shall be very glad to look it up for my hon. friend and let him know what applications, if any, we have received.

Item agreed to.

Harbours and rivers — Saskatchewan and Alberta — Athabaska river — improvements, $40,000.

Mr. BENNETT: Let us hear about this.

Mr. KELLNER: Where and when is it proposed to expend this money?

Mr. ELLIOTT: Does my hon. friend think it should not be expended.

Mr. KELLNER: I think it should be, but some of these items have been in the estimates year after year and the money has never been spent. I was wondering if you are going to spend this amount.

Mr. McQUARRIE: Would the minister explain this item?

Mr. ELLIOTT: The details are as follows:

This amount of $40,000 is asked to be provided towards the following improvements in the Athabaska river.

The dredging of a 150 foot channel through the existing shoals in the Athabaska river, between Fort McMurray and Stony Island, a distance of approximately nine miles. The proposed channel is to be dredged to six feet below zero of gauge, or approximate average low water level.

The amount of dredging required is estimated to be:

	Scow measurement
Class "A"..	36,300 cubic yards
Class "B"..	6,900 cubic yards
Total..	43,200 cubic yards

Item agreed to.

Cowan dam — repairs and maintenance, $3,300.

Mr. BENNETT: Where is this?

Mr. ELLIOTT: This is a dam maintained by the department for raising the elevation of Cowan lake or Long lake, and for assisting in the navigation of the river between the dam and Beaver river, about thirty-five miles, by supplying flood water to carry canoes and scowloads of freight.

Mr. BENNETT: It is merely a storage dam?

Mr. ELLIOTT: Yes.

Mr. BENNETT: Is there any other case of a storage dam being constructed in Canada by the Dominion government? Is this a stop-log proposal?

Mr. ELLIOTT: My information is that three similar dams have been constructed by the Dominion government on the Ottawa, at Quinze, Kippewa and Timiskaming.

Item agreed to.

Faust—wharf, $12,000.

Mr. BENNETT: Where is this wharf? I think a lot of money is being wasted on wharves that are not required, and at the same time money is refused for public buildings where you are getting a revenue. In the one instance you are looking for votes; in the other you cannot get them.

Mr. ELLIOTT: This is in the Peace River riding.

Mr. BENNETT: I thought so.

Mr. ELLIOTT: I suppose it could be stricken out if anybody—

Mr. BENNETT: That sort of thing is not worthy of the minister.

Mr. ELLIOTT: This wharf is very necessary.

Mr. BENNETT: Where is it?

Mr. ELLIOTT: It is on Lesser Slave lake. The wharf is needed at the Faust United Fishermen's landing point, which is in the federal constituency of Peace River. I understand that at present there is no wharf on Lesser Slave lake, notwithstanding that there is a large fishing industry carried on there which yields a considerable revenue each year.

Mr. BENNETT: I suppose that is done by the company on whose prospectus I saw the names of some members of parliament.

Mr. ELLIOTT: I could not tell my hon. friend.

Mr. BENNETT: It looks like it. In the meantime great communities have to go without public buildings that are urgently required, while this wharf on Lesser Slave lake, some few miles from the north pole—

Some hon. MEMBERS: No, no.

Mr. BENNETT: —some few miles from the north pole—

Mr. McLEAN (Melfort): That is not good advertising.

Mr. BENNETT: It is on the Lesser Slave lake. I should think the name itself indicates sufficient for my hon. friend's purposes. Really there should be some principle in this thing. I saw the prospectus of a fishing company up there on which appear names of members of parliament. Now they are getting a wharf on Lesser Slave lake, while communities really requiring the expenditure of public money cannot get it. That is not the way public money should be expended.

Mr. ELLIOTT: I do not think my hon. friend wants to make statements that are not justified by the facts.

Mr. BENNETT: No.

Mr. ELLIOTT: My information is that there is no wharf whatever on the Lesser Slave lake, where there is a tremendous fishing industry, yielding a yearly revenue of from $150,000 to $200,000, without mentioning other traffic, tourist and otherwise.

Mr. BENNETT: Revenue to whom?

Mr. ELLIOTT: To the fishermen, I presume.

Mr. BENNETT: Exactly.

Mr. ELLIOTT: That is to whom it usually goes. My information is that fishing boats of a reasonable size as well as other boats ply these waters. They have to be anchored one-quarter of a mile out on account of lack of landing facilities, and the fish have to be hauled twice, and sometimes during heavy weather it is very dangerous.

[Mr. Bennett.]

Mr. BENNETT: I am glad the minister has been good enough to give us the information, but it does not detract from the statements I have made, nor in any way indicate that they were not accurate. The fishing is mostly done in the winter, through the ice, and this year an application was made to extend the time. I do not know of much fishing being done there in the summer, because they have not refrigerators to take care of the fish. I presume the next application will be for a cold storage plant subsidized by this government for taking care of the fish caught in Lesser Slave lake in the summer. The minister says the wharf will be used for tourists—tourists on the Lesser Slave lake!

Mr. KENNEDY: Most of the fishing in Lesser Slave lake is done during the summer. About 600,000 pounds are taken out of the lake annually, most of which goes to Chicago.

Mr. BENNETT: If, as my hon. friend says, the fishing is done in the summer time, then I am entirely in error; but certainly during the past winter I had a telegram asking for an extension of the season for winter fishing on these lakes, and I know the member for East Calgary (Mr. Adshead) received a similar telegram. The department was asked to extend the time.

Mr. ROBB: I understood from my hon. friend on one occasion that there was no winter in that part of the country; it was all summer.

Mr. BENNETT: My hon. friend has not got it quite right: It is always summer there in the winter.

An hon. MEMBER: And always winter in the spring.

Item agreed to.

Fort McMurray—wharf, $21,000.

Mr. BENNETT: Tell us about this.

Mr. ELLIOTT: This is to construct a wharf, consisting of a round sheet pile wall, extending 100 feet parallel with the river bank, and 58 foot wing walls connecting same with the bank at both ends. The walls will be anchored to anchor piles and back filled with stone to the height of the wall and for a width of 25 feet on top. The estimated cost is $21,000.

Mr. BENNETT: That memorandum, I take it, was prepared at the time when the constituency was represented in this house by Mr. Cross, because it has been on the records of the Public Works department for three, if not four years, and nothing has been done. Everybody wants the accommodation. Am I to understand that because it has been voted once you are going to continue revoting it so that it may be a bait to induce the electors once more to vote by proxy behind hedges in certain sections of the community as they did on previous occasions?

Mr. ELLIOTT: My hon. friend is dealing with speculations, with which perhaps he is more familiar than I am.

Mr. BENNETT: These are not speculations.

Mr. ELLIOTT: They have very peculiar methods in certain sections of the province mentioned by my hon. friend, but having spent only a fraction of the time that he has spent there, I am not nearly so familiar with those methods. It should not be necessary for me to assure him that everything is put into these estimates with the utmost good faith and with a view to serve the country as this government always strives to serve it.

Mr. BENNETT: I am happy to say that the province in which I live has been singularly free from electoral troubles; but in two sections of the west, in Prince Albert and northern Alberta, they learned a lesson from the voyage of the Minnie M. and machines that my hon. friend had more to do with as a member of the local legislature, that is, they copied certain devices for conducting elections without reference to the electorate. In one instance this was done with dire results, because it deprived the hon. gentleman who now sits for Athabaska (Mr. Kellner) of one term in this house, and in the other case the former Attorney General, who now adorns the Supreme Court of Canada, with the aid of the present chief justice of Saskatchewan, gave back to another candidate his stolen seat.

Mr. ELLIOTT: I may say to my hon. friend that I am not so familiar with the lady to whom he refers as he appears to be. I never had the pleasure of her acquaintance.

Mr. BENNETT: She was one of the seven sisters.

Mr. ELLIOTT: Did you know them all?

Mr. McLEAN (Melfort): I think the hon. leader of the opposition ought also to advertise the two other western provinces as they were during the regime of his friends.

Item agreed to.

Harbours and rivers generally—Saskatchewan and Alberta — repairs and improvements, $10,000.

Mr. ADSHEAD: I wish to supplement something that was said by the hon. member for West Calgary (Mr. Bennett). He said that the particular part of the Bow river to which he referred was encroaching upon the streets of Calgary. It has done more than that. The Dominion government, I understand, own the boulevard facing the river, and it has been washed away in certain sections. Not only that, but the property alongside is becoming eroded. If it is justifiable to protect the banks of other rivers, I would suggest that a few thousand dollars be spent to put in piling for, say, a quarter of a mile, to confine the river to its proper channel, and so prevent further erosion.

Mr. BENNETT: The protection work at Prince Albert is on the river, I take it?

Mr. ELLIOTT: On the North Saskatchewan river. It is reconstruction work. The original work was built in 1912 and 1916 at a cost of $64,885.

Mr. BENNETT: What is the character of the work?

Mr. ELLIOTT: Rebuilding with pile work and filling a portion 400 feet long of protection work on the North Saskatchewan river on the waterfront of Prince Albert. District engineer Goodspeed in his estimates for 1928-29 says:

> Some years ago the Dominion government built a pile breastwork or breakwater along the south bank of the Saskatchewan river in the central part of this city. It has stood well, but when the river broke up last spring the ice floes made two considerable breaches in the work. The breastwork is still a real protection to the bank as a whole, but with the two breaches which are now made, next spring's flow of ice might destroy the greater part of the work.

Mr. COOTE: Does the minister think that $10,000 is sufficient for repairs and improvements generally to the harbours and rivers of Saskatchewan and Alberta? I suggest that he include a little more in the supplementary estimates. I desire to mention some work that is being done in High River. I think the minister's engineer has looked over it. It is similar to the work done in Manitoba for

protection of towns from floods. The provincial government has given considerable thought to the work, and I think the Dominion government has contributed to it in part. Will the minister continue the policy of contribution? The work I refer to is for the protection of the town from flood. A few years ago the main street was flooded to a depth of three or four feet for days at a time. This is a great hardship, and the cost of constructing the necessary works would be more than such a small municipality could bear. I hope the government will do as they did several years ago—contribute to the cost of this work.

Mr. ELLIOTT: I think the Interior department and this department are co-operating with the town along the line suggested by my hon. friend. The amount for this item last year was a little over $4,000. We think $10,000 will be adequate to meet this year's requirements.

Item agreed to.

Harbours and rivers—British Columbia—Arrowhead, improvements, $1,100.

Mr. McQUARRIE: Will the minister explain this item?

Mr. ELLIOTT: The proposed work is to discourage the meandering easterly branch of the Columbia, over the Arrowhead delta, from breaking through and filling up the steamer berth at the Canadian Pacific Arrowhead wharf. It is proposed to build a fence retard across the false channel with a view to inducing the river itself to build up a sand and silt dam and the sand bars back of it. The retard consists of six-foot stakes driven in the ground at one-foot centres.

Item agreed to.

Crooked, Pack and Parsnip rivers, improvements, $3,500.

Mr. BRADY: What is the extent of the work to be done on these rivers?

Mr. ELLIOTT: This work is to facilitate and make less arduous and dangerous the navigation of this waterway for trappers, traders and others going into the upper Peace River country to investigate the possibilities there. The known freight passing down the river in 1925-26 was 100 tons of general freight, supplies and so forth, but the actual amount was probably considerably more. The catch of furs coming out would fall within 20 per cent, either way, of $60,000. The traffic is by open boats, usually with outboard motors attached.

Item agreed to.

[Mr. Coote.]

Fraser river: in full and final settlement of claim of N. E. Broley, in connection with contract for dam at Woodward's slough, $11,639.74.

Mr. GARDNER: Explain.

Mr. ELLIOTT: This is required in full settlement of the claim of N. E. Broley in connection with a contract for a dam at Woodward's slough. In a memorandum of December 13 the chief engineer recommends the following amounts to be paid: on Broley's claim, $7,038.77; on subcontractor's claim, $4,600.

Mr. GARDINER: What is the nature of the trouble?

Mr. ELLIOTT: The department made a change in the design of work, occasioning a loss to Mr. Broley. We find he sustained a loss of $8,226 due to outlay on construction over and above the amount of the estimate.

Item agreed to.

Fraser river, improvements, $150,000.

Mr. McQUARRIE: What does this include?

Mr. ELLIOTT: This amount is asked for improvements on the Fraser river as follows:

(1) Sapperton bar—construction of dyke No. 1, $25,000.
(2) Steveston—repairs and extension of Woodward's training wall, $25,000.
(3) Steveston—towards extension of north jetty, approximately 5,000 feet, $100,000.

Mr. COOTE: Is any dredging done there?

Mr. ELLIOTT: No, not in this item.

Mr. McQUARRIE: These works, I understand, have all been recommended by the resident engineer, and I have no doubt they are necessary. The work being done on the Fraser river is justified. The shipping to the port has very largely increased, as the minister knows, and New Westminster is becoming one of the important ports on the Pacific. Will the minister inform the committee what is the minimum depth of the channel at present and what objective the department is striving for in connection with the channel from New Westminster to the gulf? As the minister no doubt knows, the draught of vessels coming into the ports of the Pacific has very materially increased of late years. The Minister is also aware that there are certain ships which so far have not been able to get into New Westminster for business there. I understand that the objective of the department is and has been to provide a sufficient depth to enable ships which would naturally do business in this port to get in there so as to take out the products, which

are being manufactured in New Westminster and on the Fraser river, to the markets of the world. I do not wish to take up the time of the committee unnecessarily, but I desire some information on this matter.

Mr. ELLIOTT: We have been able to get a minimum depth of twenty-seven feet, which is sufficient for present requirements. That is our information.

Mr. McQUARRIE: Does the minister suggest that twenty-seven feet is the objective? According to my information that is not sufficient for ships which want to get into the port now. The former objective of the department was a thirty-foot channel, and the demand now is for a thirty-five foot channel, which seems to be absolutely necessary. Surely the minister does not say that he considers a twenty-seven-foot channel sufficient for that port. I do not think he intended to make that statement.

Mr. ELLIOTT: I am told that the training piers which are being constructed are expected so to guide the course of the river as to scour it out and keep the channel sufficiently clear for purposes of navigation. It is quite true that the demand is for a thirty-five-foot channel, but a twenty-seven-foot channel seems to meet present requirements. I do not think I should go so far as to say that it will suffice for all time, but if the training piers work out as satisfactorily as we hope they will the depth will increase.

Mr. McQUARRIE: More than twenty-seven feet?

Mr. ELLIOTT: Yes.

Mr. McQUARRIE: The question I asked was as to the objective of the department. I know that the answer given on former occasions was that it was thirty feet, and if the minister is going to cut it down to twenty-seven feet there must be something wrong.

Mr. ELLIOTT: We are at twenty-seven feet now, and it will be a matter of experience, to a large extent, as to what amount of scouring will take place and to what they will be increased. We have no doubt that they will increase.

Mr. McQUARRIE: I have been complaining time after time in this house because of the manner in which the works on the Fraser river have been carried on. I have not objected to what has been done; I do not say the department is not accomplishing anything, but I have complained about the delay in giving a sufficiently deep channel for that port, a channel demanded by the citizens in that vicinity and the people who are doing business in the port, and which is warranted by the amount of business available. I have suggested from time to time that a contract should be let to provide a thirty-five foot channel from New Westminster to the gulf. This afternoon the minister explained quite logically that in many cases it was found advantageous to let contracts for works in his department. I am suggesting now that this is a case where a contract should be let to finish up this work, which has already taken so long. I quite understand that the engineers of the department have been working on this matter for many years, and that lately they have been devoting a great deal of attention to it; I realize the study which has been given to the subject by Mr. Cameron, the chief engineer. I think he really does take an interest in this work and that he is endeavouring to do his best. He seems to be a very capable engineer, but I am objecting to the policy of the department, the policy of delay, of waiting to see what results will be produced by the construction of certain works. All the engineers have said that there are no engineering difficulties in the way of providing a satisfactory channel from New Westminster to the gulf. There are hon. members of this house who have visited New Westminster and who have gone from there to the gulf; they know the amount of business offering; they know the advantages of the port, the details of which I am not going into at present. I am very much surprised that the minister should be content with the results so far attained, and I impress upon him the fact that the people out there are not going to be satisfied when they learn that he thinks a twenty-seven foot channel is sufficient for the needs of the port.

Mr. ELLIOTT: My hon. friend misunderstood me.

Mr. McQUARRIE: The minister did not mean that? I do not think he really did mean what he said, but he must realize the necessity for a channel deeper than that.

Then there is another matter which I have mentioned from time to time in this house and to which no particular attention has been given; I refer to the dredge 303. That is a very old dredge which has been operating for some 25 or 30 years; it is a suction dredge, sucking up sand and water into its hold and then taking that sand and water to the gulf and discharging it. I do not know what the engineering department think about dredge 303, but certainly the opinion of the people of that district seems to be unanimous that it has outlived its usefulness, if it ever had any. There is another type of dredge which has

done valuable work in connection with the channel of that river; I refer to the dredge King Edward. Again I am going to suggest to the minister that some investigation should be made into that matter. I am not suggesting that the one dredge, the King Edward, will be sufficient, but I do say that the dredge 303 should be replaced by a modern, up-to-date dredge of the King Edward type. I also understand there has been some kind of investigation conducted into the matter of dredge 303 by a special investigator sent out by the department. According to my information the investigator did his work in March of this year, and I should like to know if any report has been made, the nature of that report and what action is going to be taken in regard to it.

Then there is one other matter I should like to mention, in regard to the compensation for Sunday work to be allowed the employees working on the Fraser river dredges. There is an order in council which provides that no employee of the Dominion government shall be employed on Sunday except in cases of necessity, and that in such cases compensation shall be provided. With regard to the men employed on the Fraser river dredges, no compensation has been allowed for this Sunday work. I know the matter has been before the department several times; various suggestions have been made but nothing has been done to meet the situation. I would ask the minister whether he does not think it about time that this matter was settled. If the men cannot have their Sundays off at least they should be given compensation for that extra work.

Mr. COOTE: I have very pleasant recollections of a visit to British Columbia last summer and a trip over a short part of the Fraser river. I can bear witness to this fact, at any rate, that the people of New Westminster are very anxious that they should have a deeper channel to the ocean. I suggest that the minister have his engineers report to him on the cost of providing a somewhat deeper channel from New Westminster than exists at present, so that at least a large number of the vessels which call at Pacific coast ports would be able to reach New Westminster. I am interested in the question because I think it would be of advantage to the Canadian National Railways to have a terminal elevator built at Port Mann. The larger portion of the shipments would go via Vancouver, but I think a large part could be handled at Port Mann. It would be a good idea if the minister would have an examination made as to the cost of deepening the channel.

[Mr. McQuarrie.]

Mr. ELLIOTT: With regard to the remark made by the member for New Westminster (Mr. McQuarrie), as to the twenty-seven foot channel, I would say that the department has a channel of twenty-seven feet, having deepened it from seventeen or eighteen feet. As I explained, that is not our objective; we have been getting it deeper all the time, and it is expected that the twenty-seven foot channel will be scoured to a greater depth through the action of the training piers. My hon. friend surely does not think that we have not had engineers examining this situation. This vote provides $25,000 for the construction of dyke No. 1, $25,000 for repairs and extension of Woodward's training wall, and $100,000 for the extension of the north jetty approximately 5,000 feet. There has already been an expenditure on the Steveston jetty of $819,642, and with what we have in contemplation, while it is not our objective, we think this district of the country is being treated very liberally. We know that expenditures must be made, as this is an important point, but I am rather surprised to hear my friend from New Westminster complain that we are not going rapidly enough. I think we have been doing very well.

With regard to the question of a day off for the men working on the dredges. They all have their Sundays off with the exception of the cook, the fireman and the watchman. These men are engaged for full time, and I do not know how we could dispense with the services of any one of them on Sundays.

We are proceeding as expeditiously as possible with the important work that is necessary at this point, and we think we are doing very well.

Mr. McQUARRIE: I understand there has been difficulty in adjusting matters so that these men would get their Sundays off.

Mr. ELLIOTT: Which men do you refer to?

Mr. McQUARRIE: The ones who are not getting their Sundays off. I am not referring to the ones who do get their Sundays off; naturally they do not complain.

Mr. ELLIOTT: They all get their Sundays off except these three.

Mr. McQUARRIE: The men who do not get their Sundays off should receive some compensation.

Mr. ELLIOTT: They do, in their salaries.

Mr. McQUARRIE: I assume the minister knows the provision of order in council P.C. 1537, which contains the following provisions:

1. That no employee of the Dominion government should be required to work on Sunday except in circumstances of emergency or necessity.
2. That in the case of any such employee who by reason of emergency or necessity is required to work on Sunday, he shall be allowed, in substitution, during the next six days of such work, a compensatory period of rest of twenty-four consecutive hours.
3. That no exceptions to the foregoing principle shall be allowed except by departmental authority, and then only in cases where there may be no substitute help available to perform the duties which are involved.

It cannot be suggested that there is no substitute help available, because there will be when the dredge is in port. I am suggesting to the minister that, in all fairness to these men, when they work on Sundays they should receive extra compensation.

Mr. DUSSAULT: I am very much surprised at the remarks of my hon. friend from New Westminster. When I hear of a salary of $2,220 for a master of a dredge, I am very much surprised that my friend's electors are not satisfied with it. In our district they would work sixteen hours a day through the week and eight hours on Sunday for that salary.

Mr. ADSHEAD: And break the sabbath?

Mr. DUSSAULT: We are not Jews in our district.

Mr. McQUARRIE: Do I understand from the minister that he will give consideration to that matter?

Mr. ELLIOTT: I shall be very glad to give consideration to anything, no matter how unreasonable it may be. I would say to my hon. friend that I do not believe there is a ship sailing or working on any water in this country on which the men have Sundays off. Does my hon. friend seriously suggest that we should have another cook, watchman and fireman on Sunday, or is the answer to his question to be: Give them more pay? These men are well paid now, and I am told that there is not a ship which does what he suggests should be done. If he can name any I shall be glad to hear him do so.

An hon. MEMBER: Does he do it himself?

Mr. ELLIOTT: The other men are given their Sundays off, which is very different from what is done in other parts of the country and different from the practice on board ship. On board ship the men work on Sundays as a usual thing, but on these dredges they are allowed to have that day off.

Mr. McQUARRIE: The minister, in taking the stand he does, makes it quite obvious that there can be no blame attached to anybody else in connection with this matter. This subject has been under discussion for some time. It does not originate with me and the minister knows that.

Mr. ELLIOTT: It does not originate entirely with me.

Mr. McQUARRIE: When the minister makes statements like those he made a few moments ago, he is simply forgetting himself. He is getting excited. There is no necessity at all for that. That is not the way for a minister to perform. I have brought this matter up at the request of an organization in New Westminster, which has met the minister, which has met the deputy minister, which has been making representations for months about this particular matter. Then the minister asks: Do I suggest this? Do I suggest that? I am not suggesting anything. I tell the minister that these men expect that they will be treated in accordance with the law. I brought this matter to the attention of the Prime Minister some two years ago and he said that he would give instructions that the provisions of the order in council should be complied with. I think he did that.

Mr. ELLIOTT: They are being complied with.

Mr. McQUARRIE: The intention is quite clear under that order in council that employees of the Dominion government should get Sundays off.

Mr. CANNON: If the cook is gone, how will the rest of the crew eat on Sunday?

Mr. McQUARRIE: That is very clever. The Solicitor General is always very clever.

Mr. CANNON: That is not clever; it is only common sense.

Mr. McQUARRIE: I am quite sure he eats enough anyway. The matter of compensation was discussed by myself with the deputy minister. There was no intimation that that was unreasonable at all. What I say to the minister now I say on the strength of representations which have been made by the Amalgamated Civil Servants' Association of New Westminster, who have had this matter in hand. I am not suggesting anything to him. I am conveying to him suggestions which have been by this association and by the men who are affected, and I say that in all fairness they are entitled to consideration. The minister says: Oh, yes, I am willing to consider anything, no matter

how unreasonable it may happen to be. I do not think that is a fair way of looking at the matter, and I do not think it is carrying out the promise which the Prime Minister made two years ago, that the provisions of the order in council should be lived up to.

There is another matter to which I referred, namely, the report of the investigating officer sent out there to inquire into the operations of dredge 303.

Mr. ELLIOTT: I did not answer my hon. friend with regard to that; I am sorry. The report has been received and it is receiving the consideration of the chief engineer at the present time.

Mr. McQUARRIE: Is it possible to get a copy of that report?

Mr. ELLIOTT: I fancy so, but before it is handed out I should like to have an opportunity of having it considered by the government.

Mr. McQUARRIE: At present it is not available?

Mr. ELLIOTT: No.

Item agreed to.

Harbours and rivers generally (British Columbia)—repairs and improvements, $65,000.

Mr. FRASER: How much of last year's vote under this heading was spent?

Mr. ELLIOTT: $58,901 to the 31st March, 1928.

Mr. ESLING: I wish to justify an appeal for necessary and reasonable expenditures, not for the construction but for the repair of wharves in my district, and to do so I want to make a comparison between what the older settlers put up with and the inducements which are offered to the newcomer. Prospective settlers are invited to come to Canada and the government provides them with farms, and assistance to the extent of $7,500 for each family, this amount to be repayable in twenty-five years with interest at five per cent. For families engaging in farm work there is a free grant by way of a portion of the passage money, and that is best emphasized in the case of an ordinary family of five, say three adults and two children. To-day they can reach a Canadian point, say Winnipeg, for $67.50 as compared with 563, which was the rate for a family of the same size which came out to Canada in the earlier days. That is a saving of $495.50. I say this simply by way of preface to the remark that in my district I have one thousand miles of lake and shore line behind which there are many communities of good, substantial British settlers who came to the Kootenay country, who purchased land for as high as $250 to $300 an acre, who paid as much more for clearing it, who planted orchards, built homes and have thereby been the means of creating very substantial communities which make substantial contributions by way of provincial taxes. The only access which these people have to the outside world is by steamer, and for that purpose they must have wharves or landing places for the shipment of their fruit and the receipt of their freight. They are not asking for new wharves.

I remember in justifying expenditures for the citadel and Rideau Hall last year and this year the Minister of Finance said that during the war and since then very little money had been spent on those properties and that therefore repairs were necessary. Such is the case also in the Kootenay district. There has been practically no money spent in that district since the war and all we ask is the repair of those wharves by replacing the planking, by driving some new piling here and there and making them safe. I have under my hand certain items. First of all, there are in the estimates just three items totalling $4,000 for my district. I have some twenty-two items of repairs to wharves, expenditures not asked for by a member or by the settlers only, but recommended by the government's own district engineer. He has presented to the Department of Public Works a list of estimates of repairs to some twenty-two wharves at a cost averaging from $85 up. In some cases new planking is all that is necessary. Among the various items is one for $8,000, to cover the replacement of the present landing place at a settlement called Ginol. The Minister of Health, who comes from British Columbia, knows the needs of West Kootenay. He has assured the settlers that he is behind all projects for the advancement and the needs of West Kootenay. He has written to the people of Ginol, saying that an item for the repair of this wharf or landing place will be considered in the supplementary estimates. All I ask of the minister and of the government is fair and reasonable expenditure by way of repairs, knowing full well, as the government must, that these settlers have gone in, and put in the best years of their lives and all their savings. Their conditions are vastly different from the inducements that are held out to the new settlers coming into British Columbia. May I ask the Minister of Public

Works simply to give us fair and reasonable consideration in the expenditures for wharves in these places that are without needed accommodation.

Item agreed to.

Mr. ELLIOTT: There is a correction I should like to make, Mr. Chairman, with regard to the item for Gillies Bay. The recommendation is that a float be constructed, and this is being provided for instead of the wharf repairs, and I would ask the Minister of Finance to move that the item for Gillies Bay wharf repairs, $4,000, be struck out.

Mr. ROBB: I move accordingly, Mr. Chairman.

Motion agreed to.

Old Massett—wharf repairs, $3,800.

Mr. BRADY: It is five minutes to eleven, Mr. Chairman. I have already spoken on the needs of northern and central British Columbia in the matter of public works, and I wish now to take up another matter. I know that anything I say now will probably not avail one iota. Candidly, I do not expect that anything I have done in the matter of presenting the need for public works in my constituency, or anything I may say, will bring much reward—not to myself, but to the people concerned. But I do not wish these estimates to go through to-night without taking at least fifteen minutes to present to the house certain facts that peculiarly relate to conditions in western Canada. I feel very keenly my position as a member of the House of Commons. Having given twenty years of my life to the cause of education, believing that there is something greater than party, something greater even than personal aggrandizement; that the people's needs are above every other consideration, I trust that I shall be given the opportunity to say something which I have refrained from saying for at least the two solid years I have been here. I am not going to condemn the government; far from it. I shall not condemn the Minister of Public Works, but I do condemn the system we are following to-day in this young country which has the heritage of ages to look back to, and at least we should do something that will indicate no lack of concern with the building up of Canada as it ought to be built up to-day. Like other hon. members who have been here since the 18th of January, I should like to get home, but there is something greater than family ties. One who represents the people is in duty bound to stand to that post to the last, and he must not forget the people in thinking of himself.

As a preamble to what I wish to say, I desire to quote a paragraph which I saw in the Ottawa Citizen to-night. I read there two little things that I thought were worth recording, written probably by the dozen of our journalists, and a man whose judgment and whose perspicuity I should think is not to be questioned. Here is what he says:

> If people who sign petitions knew how little influence they exert in parliament, they would never go to the physical exertion involved in signing them. They are placed on the table, deposited for a certain time in the vaults, and then carted away to the junk heap. Parliamentary experience is that it is quite possible to get up a petition for anything, and those who indulge in it only engage in a process of industrious futility.

When I think of the petitions which I have had in my possession from British Columbia, when I think of the labour, the physical exertion, yes, even the agony these pioneers went through in the depth of winter, travelling hundreds of miles where no roads exist, to procure the signature of petitioners in order that their needs might be presented to parliament, I cannot help feeling, particularly after reading the item to which I have referred, that education is necessary even in this parliamentary assembly; because these petitions which are presented to parliament should not be treated disrespectfully, should not be regarded as trivial. They represent the heart searchings, the desires and the hopes of the people who have signed them. As it is now eleven o'clock, Mr. Chairman, I shall continue my remarks on some other occasion.

Progress reported.

NEW EDINBURGH MILLS PROPERTY

INQUIRY WITH RESPECT TO RETURN TABLED

Hon. H. H. STEVENS (Vancouver Centre): May I, with the unanimous consent of the house, ask the Minister of Public Works if he would be good enough to supplement an incomplete return which he has brought down? We are getting very close to the end of the session, and I should like to have these further details to-morrow if possible. I wish to have the details of figures which are not attached to the appraisal which is in this return regarding the New Edinburgh mills. I

should like the document showing the lease of Green Island, also the particulars of water rights attached to that property. These details should have been included in the return, but apparently were overlooked.

Mr. ELLIOTT: I shall be glad to supply my hon. friend with everything we have.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Saturday, May 26, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Eleventh report of the select standing committee on miscellaneous private bills—Mr. Brown (for Mr. Parent).

PRIVATE BILLS

REFUNDING OF CHARGES

Mr. L. H. JELLIFF (Lethbridge) moved:

That in accordance with the recommendation contained in the eleventh report of the select standing committee on miscellaneous private bills, and with the usual practice in such cases, the additional charge paid on the following private bills from the Senate be refunded, viz.:

Bill No. 317 (letter G9 of the Senate), intituled: "An act for the relief of Helena Martyniuk."

Bill No. 320 (letter J9 of the Senate), intituled: "An act for the relief of Robert Anderson Traill."

Bill No. 332 (letter U9 of the Senate), intituled: "An act for the relief of Gabrielle Norton."

Bill No. 334 (letter W9 of the Senate) intituled: "An act for the relief of Charles St. Clair Parsons."

Bill No. 337 (letter Z9 of the Senate), intituled: "An act for the relief of Harold Wilfrid Vivian Vincent Turner."

Hon. J. A. ROBB (Minister of Finance): Will the hon. gentleman who sponsors this resolution explain on what ground this refund of fees is made?

Mr. JELLIFF: I am not a member of the miscellaneous private bills committee, but I understand that these bills were filed in the Senate, and were heard and passed upon there, after the time limit for the presentation of petitions to this house had expired. I understand that in some of the cases involved the applicants for divorce are very poor people who were unable to pay the deposit.

Motion agreed to.

[Mr. Stevens.]

NIAGARA FALLS MEMORIAL BRIDGE

Mr. G. H. PETTIT (Welland) moved:

That, at it appears by the minutes of the proceedings of the Senate, page 438, that the preamble of Bill No. 14, an act to incorporate Niagara Falls Memorial Bridge Company, was reported as "not proven", the fee and charges paid on the said bill be refunded, less the cost of printing and translating the same.

Motion agreed to.

JUDGES' SALARIES

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): In view of the statements made in the press to the effect that the report of the special committee on judges' salaries is not to be considered this year, I would like to ask the government whether the report will be considered before parliament prorogues.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am afraid my hon. friend will have to wait and see.

PACIFIC CABLE

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): I would like to ask the Prime Minister what grounds there are for the report which appears in the press that the Pacific cable has been sold to the Eastern Telegraph Company, that a meeting was held in London attended by a representative of the Canadian government, and that Canada acquiesced in the sale. Would the Prime Minister tell us if that is true, and if so the extent of this sale and purchase by the Eastern Telegraph Company?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There have been negotiations in London with respect to the Pacific cable, but my understanding is that no final conclusion has been reached. As soon as the government are in a position to intimate to the house any facts with respect to these negotiations I shall have pleasure in seeing that they are made known.

APPLICATION OF DUMPING DUTY

On the orders of the day:

Hon. S. F. TOLMIE (Victoria): I desire to ask the government a question based on the following: On May 15 the hon. member for Cariboo (Mr. Fraser) was reported in Hansard at page 3054 as having asked the Prime Minister this question:

Are you going to put into effect another order in council to-morrow as you state you have power to do?

To the question the Prime Minister replied:

Yes, the very minute the minister comes to council and gives us reasonable grounds for putting that order into effect the governor in council will act on the advice of the minister.

On May 23, at page 3302 of Hansard, the hon. member for Fraser Valley (Mr. Barber), referring to the condition of the strawberry market in British Columbia, is reported as follows:

I wish to ask the Minister of Agriculture whether he has discussed the matter with the Minister of National Revenue and whether he has complied with the request of these growers. If not, does he intend to do so?

The Minister of Agriculture admitted the receipt of certain telegrams from strawberry growers in British Columbia asking for valuation for duty on imported strawberries, and said:

I understand that under the existing law we have no authority to apply the dumping duty to any products carrying specific duties.

In view of these statements will the government relieve the anxiety of the fruit, vegetable and egg producers in the province of British Columbia and elsewhere by stating why action has not been taken as promised?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend's question is so long that apparently he was unable to present it without referring to his notes. I shall have to ask him to allow me to read it over and give him an answer on Monday.

IMPORTATION OF CATTLE FROM UNITED STATES

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): May I ask the government if the minister in charge of the matter will lay upon the table the order in council dealing with the admission into Canada of cattle in bond for grazing?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am informed that the Minister of National Revenue has to do with the matter, and I will direct his attention to this request.

BUSINESS OF THE HOUSE

CONSIDERATION OF PRIVATE AND PUBLIC BILLS

On the orders of the day:

Mr. G. R. GEARY (South Toronto): One day last week the Minister of Railways was good enough to say that he would submit to the government my request that they take over as a government measure Bill No. 63, which is an act to amend the Railway Act in regard to the investigation of subsidiary companies. I would like to ask the minister if he has submitted this request, as promised, and if so, what action has been taken?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I understand that my hon. friend's question has reference to a public bill. My hon. friend will remember that during the course of the consideration of public and private bills I intimated that several members of the house had asked that preference be given to their bills, and that to avoid any discrimination I had declined, on behalf of the government, to accede to those requests, and I also stated that the rule of no discrimination would continue to be followed. As far as I am aware it has been followed up to the present time, and it is the procedure which the government will wish to follow. If any public bill can be reached in the regular order, of course it will be the desire of the government to have it so reached, but it would not be fair to hon. members of the house generally if the bill of any one member were to receive consideration which is denied the bills of other members similarly situated.

Mr. GEARY: I would like to pursue that a little further, because I think the Prime Minister did not quite catch the drift of my question. I do not desire for a moment to secure a place out of turn, but I did suggest to the Minister of Railways that since this bill seeks to amend a public statute, the Railway Act, he might consider recommending to the government that it be taken up as a government measure.

Mr. MACKENZIE KING: That comes to very much the same thing; there are two or three other measures in the nature of public or private bills and private resolutions which members have asked the government to take over as government measures, and to have so considered. What my hon. friend now suggests is a round about way of attaining what he first had in mind when he made the request.

Mr. GEARY: I do not think I made any request that it be taken out of its turn.

Mr. MACKENZIE KING: That may be so.

Mr. GEARY: There are five proposed amendments to the Railway Act, and I think the Minister of Railways might consider taking them up as government measures.

Mr. MACKENZIE KING: The Minister of Railways has had the matter under con-

sideration, but my hon. friend will realize that he is not in a position to state what takes place in council.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Would the Prime Minister consider the advancement, in some way, of the divorce court bill which comes from the Senate, and which is of very great interest to the house and to the country?

Mr. MACKENZIE KING: That is another bill in exactly the same position.

Mr. BENNETT: No, that bill has been passed by the Senate.

Mr. MACKENZIE KING: But it is a public bill; it is not what might be called a government measure. It is quite possible that that measure will be reached this session in the regular course of procedure.

I might say to my hon. friend that I have suggested and would again suggest to the whips of the different parties that they get together with a view to seeing if some agreement cannot be reached between the different groups in the house whereby these public and private bills in which hon. members are interested may be considered without unnecessary blocking in relation to other measures on the part of members of different groups. I do not see that it is possible for the government, by giving extra time for the consideration of private bills or public bills, ever to hope to have these bills reached if, when particular bills are before the house, hon. members are going to make it a point of seeing that they are talked out. Now we have reached a point in the session when I think the whips of the parties should be able to reach some agreement whereby all the measures which hon. members may wish to have considered will be assured of consideration within a limited time, and if that can be done the government will seek in some way to facilitate their consideration.

INQUIRY FOR RETURN

On the orders of the day:

Mr. J. A. CLARK (Vancouver-Burrard): I would like to ask the Postmaster General if he would be good enough to see whether a return relating to the post office at Sutton, Quebec, is ready.

Hon. P. J. VENIOT (Postmaster General): I received the papers at my office about one o'clock to-day, and I will endeavour to have them here on Monday. They will have to go from my department to the office of the Secretary of State, and from there to the house.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

British Columbia—harbours and rivers—Old Massett—wharf repairs, $3,800.

Mr. BRADY: I wish to supplement what I was saying last night regarding the Public Works department in British Columbia. As a preface to what I have to say I would like to read an article from the Ottawa Citizen of last evening:

> If both political parties had political wisdom, they would, in my judgment, come to an agreement by some binding pledge, to put an end forever to patronage, and free themselves as members from all worry and annoyance at the hands of place hunters. Candidates could then stand on their personal merits, on the merits of their party, their interest in their constituencies, in the welfare of the country at large, and the people would vote for them honestly on those considerations only. We would not then witness the painful exhibitions that I have seen of defeated candidates boasting that, though defeated, the patronage is still in their hands, because their party had won the election.

Now, Mr. Chairman, I want to get this article before the committee. I fail to understand why it is that representatives of constituencies have placed upon them the duty of going through the country investigating requests made by the people in the matter of public works. They are put to great expense and have to travel very often in the most inclement weather, as it is frequently during the winter months that the members must travel. They travel through the country and go to great pains to get the facts to present to parliament, and then they come here only to discover that anything they say has no possible chance of having any attention paid to it, for the simple reason that they are not members or supporters of the government in power.

Last December I visited the northern section of British Columbia, putting in three weeks there under great hardship and incurring considerable expense. I went there to find out just what the people needed, and to satisfy myself that I was working in accord with the government engineer, I took a trip to Victoria, six hundred miles away, and presented to him what the people had given to me. I told him that I did not wish to advocate anything which he did not consider was right and proper. I hold in my hand a letter from the federal engineer, in which he says that the various public works

that I asked for receive his absolute support. He has the following to say in the last paragraph:

If there are any other items which you consider it necessary to include in these estimates I shall be pleased to have a list of them at your convenience.

But what do I find? I find, Mr. Chairman and members of this committee, that after going to every possible care and trouble, and presenting to the Minister of Public Works these requests for the northern and central parts of British Columbia, when the estimates are brought down there is only one item for wharf repairs at Old Massett. The federal engineer's report on necessary public works showed an expenditure of $79,365, not counting $30,000 for river improvements and snag boat operations on some of the rivers there. But what do I find? I find that in this constituency of Skeena, which has an immense Pacific seacoast and where is carried on the largest fishing industry in the whole of Canada, their great need for wharves and roads has been entirely overlooked.

The people of Canada are asking the same question that I am going to ask. Is it right that the most important department in the whole of the government's activities, the Department of Public Works, should be placed under political patronage? Is it possible, because a member happens to come from a constituency once Liberal or Conservative, that the people are to be penalized for that? Surely the Department of Public Works should be outside the realm of politics altogether. If the government realize the importance of building up our young country, I cannot see why they should not take the steps that are necessary.

In reading the report of the Ontario Department of Health for 1928 I find that out of 57,521 official certificates issued last year, 61 per cent were issued for emigration purposes. That means that 34,000 young Canadians left this province to go into the United States. In British Columbia we are faced with great problems. We have the orient right at our door; we find that a seepage is steadily going on there, and the government is doing very little to hold our own people in the country.

A wharf costing only four or five hundred dollars is denied because the government, to my mind, seemingly lack vision, when they think that intelligent people will be won over and brought to their knees in submission to any party in power who refuse to give them what they are entitled to.

Why should a member of parliament be obligated to come here asking for these things, when there is a federal engineer appointed by the government to send in reports on necessary public works? We are absolutely like children when we come to the major elements of government. Why should a member of parliament, I say again, have to come here and beg, as if it were a personal favour, for what is of national importance? Surely a government which, by being placed in power, has received the highest gift which a nation can bestow upon it, should be over and above party interests and look for the good of the country from east to west.

An hon. MEMBER: Hear, hear.

Mr. BRADY: I hear an hon. gentleman from the old province of Quebec saying, "hear, hear." I am proud to have that "hear, hear;" but I would be much prouder and happier if I thought the province of Quebec joined with me in my supplication that the public works department be taken outside of political patronage.

An hon. MEMBER: It is.

Mr. BRADY: It is not, I am sorry. I do not want to go into personalities, but when the Deputy Minister of Public Works was passing through British Columbia last year, when he came into the town of Prince Rupert —and I was there—to whom did he go? Did he come and ask the representative to consult with him? No, he went to those that I know are not working as they ought to work over and above party interests. I have never yet accused and I shall never accuse a man unless I am on sound principles, but I know that many necessary public works which are for the building up of that young province, which are works supported by Liberals and Conservatives, or, in other words, by the people, have to be recommended by one who no longer sits in this parliamentary assembly. We are handing down a legacy of hate instead of a legacy of peace and of hope. As long as we continue in the mood we are in to-day where we are passing every paltry little public work as a bouquet for the member to go back and say to his constituents: "See what I got for you," we are doing great injury to the future of Canada. Is there any intelligent man who to-day thinks that this is going to continue? It will not. The hour must come when we shall have to change our ways and take out of the realm of politics what is for the nation's good.

Last winter at the request of three or four people I went sixty miles away over the waters in order that I might discover their needs. I went into a storm, the worst that had struck the Pacific coast for years. I was out on the

water storm-tossed for two days and nights, never knowing whether the boat would reach land or not. Our boat was swept by the stormy seas; we were there baling out tons of water at midnight. What for? Hon. members may say: you are only posing. I would not be in the house to-day if I were posing. When I arrived at my destination I found a family that had been without supplies for days. I found them, mother and children, cut off from every chance of getting in touch with any of their fellowmen and this at the festive season of Christmas.

The day is coming when throughout the length and breadth of Canada truth will prevail. It will come in spite of every material force that ever man put into execution. It is coming because the heart of the people is true and they know the truth when they hear it. No longer can members of the government go through the length and breadth of Canada and tell the people about the misdeeds of their opponents. Why should we talk about what the other party did? Let us get rid of the defects of the past and let us stand upon a common platform. Surely the Liberal party, represented by hon. gentlemen opposite, and the Conservative party, represented by hon. gentlemen on this side of the house, have major platforms, big principles upon which they can go to the country, and we should leave out the trivial things that we hear so much about.

I want to ask the government and particularly the Minister of Public Works this question. I have brought forward not one but several public works that I believe are necessary. Do they honestly believe that those public works which I have presented this year are required? British Columbia will one day be the pride of Canada' because her wealth in natural resources is beyond the dreams of human possibility. Do they believe that because British Columbia is separated from the rest of Canada by the great Rocky mountains, it is not to be considered when public works and public development are under consideration? Surely British Columbia, which is now coming forward so strongly and capably, is entitled to consideration. A father is bound to look to the interests of his children; a city is bound to see to the health and welfare of its citizens, and I say that the federal government, which has taken upon its shoulders the Public Works department, should do what is essential. I cannot prove it, but I feel sure that there are in these estimates that we are now passing millions of dollars that it is not essential to expend. and this money should be spent throughout Canada where public works are absolutely essential. You know it, Mr. Chairman, and I know it. What is going to be the end of all this? The end is very evident. The people of Canada to-day are becoming educated to this extent, that they recognize merit and truth, and can separate it from falsehood and hypocrisy, and until the government treats this matter of public works differently, and takes each province and each constituency on its merits, regardless of how it may have voted, and gets the federal engineers to give an honest report as to the public works that are essential, we are only blinding ourselves and are guilty of folly. I come to this House of Commons with a motive which I think no man can challenge There is no man who can challenge my love of the people and my regard for their welfare. We all probably feel that way, but I can say this, that I can go back to my constituency feeling assured that I have done my duty faithfully to the people, even though the government may turn deaf ears to my presentations and the needs of the people who are entitled to be heard.

How can the government answer this question? Why did they remove from the estimates the appropriation put in for a float for the fishermen at Prince Rupert? Why was that taken out of the estimates? First, why was it put in? We see there a dilemma. If the floats were necessary in the first place, they are doubly and trebly necessary now. The port of Prince Rupert is the largest fishing port on the North American continent, and hon. gentlemen know it. We find that of the output of salmon and halibut for the whole of Canada, the port of Prince Rupert exports over sixty per cent. Now I want to know why the government took out of the estimates that appropriation, especially when to-day the fishing fleet at Prince Rupert has increased three-fold. I have photographs here, showing the greatest congestion at that port. I ask again, why was that appropriation taken out of the estimates?

Some of the eastern members have but a vague idea of the port of Prince Rupert. It is unfortunately true that the people of the east cannot travel as much as they should to the west, but that port, I can tell hon. gentlemen, is growing rapidly, and despite the treatment which it is getting at the hands of this government to-day I have faith enough to believe that the port of Prince Rupert will become a leading Pacific port. The people of British Columbia are a people brought up among the great mountains that rear their tops to heaven, and if you study the history of the world, you will find that

the mountaineers have always been the great leaders in every forward move of civilization. So I would say to the government now, please forget this little thing of trying to get even. Just forget it and rise to the height to which you ought to rise, namely, to a broad vision of the welfare of the whole people, and where it is necessary that money be expended on public works, let the expenditures be made for the good of the country at large, regardless of whether the constituency is represented by a Progressive, a Conservative or a Liberal.

Mr. POULIOT: I have listened with close attention to the strong plea made by my hon. friend from Skeena. I differ from him, however, because I do not believe that the estimates are drafted in such a partisan way as he complains of, because otherwise there would have been no item of $500,000 for Toronto, which is not represented in this house by any Liberal member. There are also other items in the estimates for counties which are represented by members of the opposition in this house. I understood my hon. friend from Skeena to say that the appropriations in the estimates are presented to members on the government side as if they were bouquets for them to present to their electors after the close of the session. Is the hon. member complaining of that?

Mr. BRADY: I do not complain about money being expended where it is necessary, but the money should be expended because the work in question is a work of merit, and no member should look upon an appropriation as a bouquet handed over to him. But many of them do, because I have heard them say, and I have no doubt the hon. gentleman will agree with me, "I got this for you, and I got that for you." Is that true or not?

Mr. POULIOT: My hon. friend is asking for a bouquet for himself perhaps.

Mr. BRADY: No, sir, no bouquet for me.

Mr. ROBINSON: If the hon. member for Temiscouata is answering for the Minister of Public Works, will he tell the committee why the item that was in the estimates last year for the fishermen's float at Prince Rupert has been taken out of the estimates?

Mr. POULIOT: But my hon. friend from Skeena spoke of so many things that I forgot his main point.

Mr. BRADY: I should like to get squarely from the minister why this item was taken out of the estimates.

Mr. ELLIOTT: I do not imagine the item has been in the estimates while I have been in charge of the department.

Mr. BRADY: Yes, it was.

Mr. ELLIOTT: If so, I would not have heard complaints about nothing being in the estimates for Skeena, complaints that are made every session when the British Columbia votes are under consideration. I take it that this must have been some time ago.

Mr. BRADY: No, sir.

Mr. ELLIOTT: According to the reports received by the department, there is a difference of opinion among the fishermen as to what is the proper location for the float at Skeena. Probably that is the main reason why further progress has not been made in this connection. I am surprised at my hon. friend, who I know is very serious and would not for the world misrepresent any hon. gentleman, particularly members of the government—I am surprised, I say, at his asking if the government do believe in British Columbia and that western section of Canada. Certainly every member of the government entertains that belief, and they feel that they have done fairly well by that section of the Dominion. He will find that of the $539,000 for British Columbia, not one dollar is being spent in a Liberal riding.

An hon. MEMBER: It is hard to find any Liberal members from British Columbia.

Mr. ELLIOTT: According to my hon. friend's argument, if there were no Liberal members from British Columbia the province would get nothing. I think my hon. friend realizes that British Columbia has fared very well. His suggestion as to political patronage entering into these estimates has, I think, been conclusively answered by my hon. friend from Témiscouata (Mr. Pouliot). There are supplementary estimates coming, but I am not in a position to say whether the ridings that are not represented by government supporters will fare better in those supplementaries than they have in the main estimates. Up to the present, however, the government has done very well for my hon. friend's riding and the other ridings in British Columbia, and it intends to continue to treat the province fairly in spite of the criticisms of my hon. friend.

Mr. BRADY: The appropriation of $15,000 appeared in the main estimates for 1925. The appropriation for the Stewart wharf was likewise included. Both were taken out. The minister's answer to me is similar to that which he has given to other members, but it is not convincing. It would be far from me

to say that as a general rule the Public Works department does not stretch out to embrace all the provinces, but the fact remains that these absolutely essential appropriations were discontinued. The minister tells me that the reports he received disclose a difference of opinion amongst the fishermen regarding the location of the float. I ask the minister for the source of his information and for the names of the parties.

Mr. ELLIOTT: That is the report received from the district engineer. I may tell my hon. friend that the proportion of the present votes for British Columbia to the total estimates compares very favourably with the figures of other years. In my opinion this fact alone fully answers my hon. friend's criticism.

Mr. BRADY: I want to get this matter cleared up, Mr. Chairman. The Minister of Public Works says that he has done more for British Columbia than what was done in past years. That may be so. But this does not explain why the appropriation was withdrawn, for to say that his action was based on a report that a few of the fishermen were in doubt about the location of the float is by no means an adequate explanation. The fishing industry is very important to Canada, and should be encouraged. The minister placed the onus on the federal engineer in Victoria. I know a little about the sources of information, I wish the committee to consider this: I am the representative of the people of my riding, Liberal and Conservative, labour and commercial, and they have come to me and requested that the appropriation should be reinstated in the estimates. Do you, sir, or does any other member of the committee think that I, who for years taught the sons and daughters of these people, would degrade myself by putting forward something that I had not thoroughly examined? Yet my judgment and my integrity are apparently of no account to the Minister of Public Works or his department in comparison with the other sources of information to which he refers. Surely this is not in accord with the principles of democratic government. Then take another matter, the post office in Prince Rupert. The accommodation is a farce. The people of the city were opposed to renewing the lease of the premises, and yet their views were disregarded. Why? As to the float, the fishermen have requested that it be built, and all the business people of the city, including the board of trade—and they are mostly Liberals—have supported that request. Yet nothing is done. There may be an appropriation for the work in the supplementaries; I know not; but I do contend that it is of vital import to the people who are building up this country and adding to its revenue that they should be given proper accommodation, and I cannot see any reason why this float should not be built. Does the minister think that I am speaking merely for the pleasure of doing so? I went to Victoria, travelling 600 miles odd, to interview the federal engineer. I went at my own expense and in my own time so that I might get the engineer to give me an idea of the situation in order that I might come to Ottawa feeling that at least I had gone to the trouble of presenting things rightly. And what did he tell me? The federal engineer told me exactly what I have stated to the minister, namely, that certain works were necessary. I have a list of these works. First, there is Bella Coola: for wharf repairs $6,700 is required. Then Digby island, repairs to approach, $2,600; Hartley bay, wharf, $4,600; New Massett, wharf repairs, $2,050; Old Massett—that is the one that appears in the estimates here; Port Clements, $715; Prince Rupert floats, $16,000; Queen Charlotte city, proposed wharf repairs, $4,000; Queen Charlotte city, proposed repairs, $1,900; and Stewart, extension to the proposed wharf $38,000.

In addition to these I gave to the minister a list of other necessary public works that involved my going hundreds of miles—

Mr. ELLIOTT: Can my hon. friend give us any information as to the location—

Mr. BRADY: Yes, I shall tell you.

Mr. ELLIOTT: —on which the people would be agreed?

Mr. BRADY: The people are agreed that the north end of the present drydock is a perfect natural location, easily within reach of the city and sufficiently sheltered to enable a wharf to be put up there. But they object to Seal cove. I went there myself and I know something about the place. There is no road and on dark nights it would be dangerous to pass through the channel to the proposed site. The fishermen object to going so far away from the city.

I do not wish to elaborate this, but I would point out to the minister that I went to Victoria for the purpose of getting from the federal engineer a plan of the proposed work to be built at Seal cove. I agree with the minister that there was a doubt as to which site was preferable. Cow bay or Seal cove, but that was a matter that could have been easily adjusted. The point was that the floats were needed. So long as it was understood by the federal government and the provincial and

municipal authorities that the work was needed, the site was not at all a question to worry about.

I put in some further estimates: Float at Metlakahtla, an Indian fishing village, where there is no float at all. Last year, two Indians were reported drowned going to get their boat, a storm having arisen. That would cost $1,200. Clearing Whitesail and Ootsa rivers: all that is needed here is $2,000; for removal of five little log jams, that are there and give portage of 238 miles of the finest lake water that Canada possesses. All round these lakes there are farmers, and people are going in to build up the country. Next on the list are floats for Francois lake. If hon. members here realized what a heritage British Columbia is, what a wonderful country is there, what it is going to be, and the increasing numbers of people who are going into that country, they would be astonished; even the people of old Ontario who live by the mighty St. Lawrence would open their eyes in wonder. It is indeed a wonderful country—wonderful in the extent of its fertility, its beauty, and its splendid water transportation. We ask for five little floats, not costing $100 each, to be placed along the Francois lake, so that farmers may come from Nadina which is sixty miles away. Those farmers are obliged to transport their produce sixty miles along a poor road, whereas all they would have to do would be to go down to the water's edge to a little wharf and go sixty miles upstream at no small cost. Then there is needed a float at Allison harbour, as well as repairs to the wharf at Silver City, Alice Arm; a breakwater at Oona river and a warehouse and wharf at Aiyansh.

I have travelled the length and breadth of Canada, visiting Ontario and Quebec last year at personal cost of time and money. I wanted to get in touch with the east in order that I might translate their message to the west. The people of the east and the government, as a whole are not aware of the greatness, the richness and the opportunities afforded for settlement in central British Columbia. Why should a paltry thousand dollars be refused that country? I went through my constituency last winter; I was away from home for weeks: for what purpose? That I might stand here with conviction and tell exactly what the country needs. I have stood in the streets of Ottawa and I take a pride in our capital, as every Canadian does. But I say that the greatest monuments, the noblest works of beauty that any government can help to erect are happy homes in these lovely valleys and fertile fields throughout Canada. That is the monument I wish to see built and it is not the monument that is being put up today. I do not want to press the Minister of Public Works. He has always been courteous to me. He is a gentleman whom everyone can respect, and it is not his fault entirely that something is not done to help that country. I believe that if he had the say he would lend a readier ear to the urgent entreaties and honest desires of the people who are building up that part of Canada. Now, does the minister think that there is a chance to have these floats built at Prince Rupert?

Mr. ELLIOTT: There is always a chance.

Mr. BRADY: I have ever been sport enough to take a chance.

Item agreed to.

Port Alberni—assembly wharf, $132,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This is to construct lumber and fish assembly wharves, the lumber wharf 300 feet by 60 feet with standard gauge track at front and back of wharf and the fish meal wharf 160 feet by 40 feet with storage shed 150 feet by 32 feet. This also provides for reconstruction and extension of the existing government wharf to provide trackage connection with the Esquimalt and Nanaimo railway.

Mr. GARDINER: Will this complete the work?

Mr. ELLIOTT: Yes.

Item agreed to.

Powell River—breakwater, the Powell River Company, Limited, to contribute one-half of cost, $27,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This amount is asked to be provided towards the construction of a breakwater 1,025 feet long and 6 feet wide on top, with a batter of 1½ to 1 on each side, extending out into the Malaspina strait. The breakwater as designed will consist of a gravel mound up to 12 feet below low water. This gravel mound will be capped with large rocks carried up to elevation 18 feet above low water, or about 4 feet above high water, and the toe of the rock mound will be carried down to 20 feet below water, so that the wave action will not affect the gravel mound down below.

Mr. GARDINER: What will be the total cost?

Mr. ELLIOTT: The contract was for $98,409.15, and the government pay half.

Mr. JELLIFF: Will the minister please give us some information about this company?

Mr. ELLIOTT: The Powell River Company is a very large paper-making concern, and the present mill has a capacity of 250 tons of newsprint per day. The company have recently practically doubled their plant with a view to putting out a further 240 tons of paper per day. This report which I have says that the plant will be in operation in two or three months, but since the report was made some time ago I assume that this new plant is in operation now.

Mr. JELLIFF: Will the minister please tell us whether this expenditure is only for the benefit of the Powell River Company or whether the public will derive some benefit from it?

Mr. ELLIOTT: There is a public wharf there as well as the company wharf, but the greatest benefit will be to the Powell River Company and to the people who are working for that company.

Mr. STEVENS: There is a heavy traffic in and out.

Mr. JELLIFF: If this work is for the benefit of the Powell River Company why should they not pay the whole cost?

Mr. ELLIOTT: There is a government wharf there as well.

Mr. JELLIFF: Here we are making an appropriation to assist the Powell River Company; within the last few days we considered a vote for Ellis bay, amounting to $300,000, in order to provide an approach for another private company. In that case there was no provision whatever for the use of this approach by private individuals. How does the minister distinguish between the two? How does he reconcile the attitude of the government in these two cases?

Mr. ELLIOTT: I might say that the proportion here is much higher than in the case of Ellis bay. We are doing dredging, part of which has to do with the main channel, and part of which provides a harbour of refuge. The company there have expended about $2,500,000 on the wharf, or about five times the amount we are expending. This is by no means an isolated case; we are trying to encourage concerns which are doing an honest and legitimate business and producing wealth in this country, by providing for them certain facilities or doing dredging in Canadian waters in which they have no jurisdiction and which they could not enter without the permission of the government. They could not do their own dredging. We are trying to meet these various companies; that is the policy of the government. We believe it is good business, and one of the best investments we could make. When we find a company which intends to expand and create wealth in this country by carrying on its business here with Canadian labour, we try to give them what we think is fair encouragement. The Powell River Company are not getting more than we think they should get.

Mr. GARDINER: The minister has stated there is a government wharf at this point; can he give us any information as to the tonnage passing over it? If I am not mistaken there was a similar vote for work of this kind at this place either last year or the year before, and I think it was pointed out then that this was purely a company town. I should like to know if there is any possibility of the old wharf being used in the public interest.

Mr. ELLIOTT: Of course it is used by the public; there are other commodities than those of the company passing over the wharf, and my hon. friend will understand that of necessity that is the fact in regard to practically all these wharves. I am sorry I have no information about our government wharf; all the data I have here is in connection with the wharf under consideration.

Mr. GARDINER: Is this purely a company town where the company controls the whole situation, a town which cannot be entered by anyone without permission of the company?

Mr. ELLIOTT: I am not able to say as to that; every town which is built up by a manufacturing concern is more or less a company town, if that is what my hon. friend means. However, I want to say very frankly that these are the towns of which I think we should have more in this country; I think we should encourage them; company towns are what this country needs. I am surprised to find the attitude of any section of this house hostile to fair treatment to companies doing an honest business, producing wealth and turning raw material into finished products in Canada. These places of necessity must be company towns, when the companies enter practically new sections of the country and

start carrying on their business. This is largely a company town because nothing was there before; the company has developed that section of the country, and I know this is a most deserving concern. The people interested in the company are strangers to me, but they are highly recommended and until now I have never heard any objection to this kind of assistance. There was no objection a year ago when this practice was commenced. I think it is good business, and I believe that from the standpoint of the Minister of Finance, who I know has the same opinion, there is no other business as good as that of assisting and encouraging these companies who carry on business right up to the point of finishing their product in this country.

Mr. GARDINER: Similar discussions have taken place every session, and I am rather surprised at the minister taking the attitude that we should encourage these company towns. Surely the minister must know that the people are owned body and soul in these company towns. They are controlled in such a way that it is not good business for this country. I see no reason why we should put our hands into our pockets to assist companies like this, where it would be purely for their own benefit; it does not appeal to me as being good business to do this kind of spending of public moneys. I am very much surprised that the minister should take the attitude he does, in view of the report we get as to conditions in these company towns, in which no one can call his soul his own. If he thinks that is the kind of thing we want in this country, then I must disagree with him.

Item agreed to.

Quathiaski cove—wharf repairs, $1,000.

Mr. NEILL: The amount of this vote is $1,000, but I want to point out to the minister that this sum is absolutely inadequate to do what is required. While I am on my feet I will also mention another item, Savary Island, wharf repairs, $2,000, which is in the same category. A wharf is not like a road; you cannot leave a wharf half finished or make it only half safe, because the public cannot be expected to travel on the unsafe part as they would on an unfinished portion of a road. The amount asked by the engineer in the case of Quathiaski Cove was $2,600. The wharf here is an old one which was built by the provincial government and then taken over some years ago by the Dominion. Last summer an opening occurred between the wharf and the approach which opened and closed every time a steamer touched the outer part of the wharf. This made a regular death trap, because if any one had been caught in that hole when it happened to be open and it had closed upon him, he would have been crushed. Last summer a hurry-up call had to be made and some money rushed out there to relieve the situation of absolute danger. I wish to draw the minister's attention to this matter and to say that it is absolutely necessary to supply an extra sum of $1,500 in the supplementary estimates.

In the case of Savary Island we find the same condition. It would cost about $3,800 really to complete this wharf. This place is a big summer resort; the larger class of steamers call there, and $2,000 is not sufficient to make the wharf safe. I think it is absolutely essential that the extra money be voted in the supplementary estimates to meet this situation. These wharves must be put in condition so that they will be safe.

Item agreed to.

Squamish—wharf repairs, $10,500.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This work will consist of putting in four rows of joists 6 inches by 10 inches by 22 feet under 1,980 feet of approach, measured from the shore end. The balance of approach (600 feet) requires to be rebuilt. This work is required for the maintenance of the wharf which is a very important landing. From January 1 to October 1, 1927, 5,000 passengers and 900 tons of freight were transferred over this wharf. This is requested by the district engineer.

Mr. GARDINER: Will this complete the work?

Mr. ELLIOTT: Yes.

Item agreed to.

Stewart—contribution to provincial government towards surfacing Stewart-Hyder road, $11,100.

Mr. GARDINER. Will the minister explain this item, please?

Mr. ELLIOTT: The provincial government of British Columbia have applied to this department for assistance towards surfacing the road between Stewart and Stewart wharf. District engineer Forde reported on May 14, 1926, that he had discussed the cost of the

hard surfacing with the provincial government engineer, and made up the following estimate of same:

7,000 square yards of road surface to be treated. 700 barrels tarvia at $17 per barrel in place	$ 11,900
3,000 cubic yards of rock in place at $2,75	8,250
10 per cent for contingencies	2,015
Total	$22,165

Half of the above cost, $11,082.50.

Mr. NEILL: What constituency is that in?

Mr. ELLIOTT: It is in the constituency of my hon. friend from Skeena (Mr. Brady).

Mr. GARDINER: What is the particular reason for the government changing their policy in this regard?

Mr. ELLIOTT: Perhaps I should have told my hon. friend that the district engineer reports that the highway in question is that portion of the Stewart-Hyder road which has been built to take the place of the pile timber trestle which was formerly used as a means of travel between Stewart and Stewart wharf.

Item agreed to.

Tatchi river—improvements, $2,000.

Mr. FRASER: I would like to point out that this vote has been asked for the last two or three years, and I am pleased indeed to see it put in the estimates. A request has always accompanied this vote for the reconstruction of the wharf at the lower end, that is, at Stewart lake. The traffic originates there and is then taken up through the river, but so far there has been no provision made for the wharf. I should like to impress upon the minister that while he is doing these improvements on the Tatchi river, it is essential that the wharf should have a certain amount of consideration. I would ask him to bear this in mind when the supplementary estimates are being considered.

Item agreed to.

Harbours and rivers generally, $30,000.

Mr. GARDINER: Is this to be spent in a particular province, or generally for the country as a whole?

Mr. ELLIOTT: Generally for the country as a whole. It is the annual vote.

Mr. GARDINER: In view of the fact that we have general votes in every province, is it necessary that we should have this extra one?

[Mr. Elliott.]

Mr. ELLIOTT: This amount is required to cover travelling expenses, telegrams, printing, stationery, instruments, et cetera, which cannot conveniently be charged against one in particular of the general appropriations for construction, improvements, or repairs in each province.

Item agreed to.

Dredging—maritime provinces, $540,000.

Mr. STEVENS: It is not my intention to criticize this item particularly, but I should like the minister to give a brief explanation. In putting that question to him I will take the opportunity of bringing to the attention of the committee the Public Works Act which was under discussion last night, because under this item will arise an opportunity, if such were contemplated or desired, of abusing the privileges which is accorded to the minister under this act. I am speaking now in a very general sense and I am not in any way suggesting that such is the intention of the present minister. I want to point out the danger of a rather loose interpretation of the act. The total vote for dredging is $1,715,000, and it gives into the hands of the minister a very large sum of money to be used generally throughout the different provinces of Canada. Section 36 of part II of the Public Works Act, chapter 166 of the revised statutes, volume 3, is the section which controls not only this minister but other ministers in the expenditure of money. I will read the section and then I wish to make one or two brief comments. Section 36 reads:

> Whenever any works are to be executed under the direction of any department of the government, the minister having charge of such department shall invite tenders by public advertisement for the execution of such works, except in cases
>
> (a) of pressing emergency in which delay would be injurious to the public interest; or
>
> (b) in which from the nature of the work it can be more expeditiously and economically executed by the officers and servants of the department; or
>
> (c) where the estimated cost of the work is less than five thousand dollars and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders.

I fear that the minister's interpretation of paragraph (b) of this section is that he is at liberty, whenever he feels like it, to do any work of any value under the direct control of the department by day labour and not by tender. I do not concede that to be the intention of the act. Obviously the intention of the act is that the department doing work shall invite tenders by public advertisement. Then it makes these three exceptions. One refers to an emergency such as war, fire or

something else that requires immediate work to be done. Paragraph (b) is the controversial one. It reads:

> In which from the nature of the work it can be more expeditiously and economically executed by the officers and servants of the department.

In other words the act says that if it can in certain circumstances be clearly demonstrated by engineers' findings and incontrovertible evidence that the work can be done more expeditiously and economically by the officers and servants of the department, the minister is released of the obligation of calling for tenders. It never was contemplated that under the section the minister should have the discretionary power of saying whether the work should be done by tender or otherwise. In other words the act imposes upon the minister an obligation always to call for tenders unless certain very specific reasons can be adduced to the contrary. To digress for a minute, I think the minister said last night that it was the policy of the government to follow certain lines. If it is the minister's intention to take advantage of paragraph (b) to do certain works, no matter what the cost is, by day labour, then the act ought to be changed. Either the act ought to be changed to make it clear that its intent is as I read and understand it, or the section should be modified so as to make it perfectly clear that the minister has the discretion whether he calls for tenders or not.

This is not a new controversy in the house. Long before the minister came into the house the question was discussed time and time again; but never before did I know a minister to take a stand other than the one that I took last night, namely, that where the work was to cost less than $5,000 it was optional with the minister whether he should call for tenders or not. That was always claimed, I think extravagantly and unreasonably claimed by ministers in the past, but I never before heard a minister assert that paragraph (b) gave him a sort of discretionary power. Even paragraph (c) shows that it is incumbent upon the minister to determine whether, by the nature of the work—that is, where it is to cost under $5,000—it is advisable not to call for tenders. He must even then be certain that it is better to do the work without tender. In other words the section is this, that wherever it is possible to do the work by tender, it must be done by tender. The duty is then imposed upon the minister to be prepared to show parliament that where tenders were not called for he could get the work done better, cheaper, more economically, more expeditiously, without calling for tenders. I wish to associate section 36 with the interpretation that I have given of it. I put that forward as my view in connection with the expenditure of this very large sum of $1,715,000 for dredging. My submission is that in the expenditure of this sum, as in other cases, it is obligatory for the minister to call for tenders except where he can show clearly that the work can be done more expeditiously otherwise.

Mr. ELLIOTT: In the first place this appropriation of $1,715,000 will be taken up to a very large extent by the operation of our various plants.

Mr. STEVENS: I quite agree with that.

Mr. ELLIOTT: Therefore the question of letting the work by day labour or contract will enter into a small proportion. I have read the act with some care myself and I think that is the interpretation of it. But the practice not merely under this government but for years has been to do the works which, first of all, the local engineer recommends can be better done by day labour. Sometimes, of course, the chief engineer disagrees with him and says, No, you had better do the work by contract. Then the matter comes to the deputy minister, and then to the minister in charge. There are cases where it is more convenient to do the work by day labour. I want to say very frankly that the duties of the minister are much lighter when it is done by contract. I do not want to say positively, but my information is that the Department of Justice some years ago gave a ruling on the subject which is in accordance with the practice that has been followed for twenty years at any rate.

Mr. STEVENS: There was just one other thought. I know from experience in the past seventeen or eighteen years that there is a pressure brought upon members and upon ministers to have the work done by day labour. Personally I have always resisted that, because I thoroughly believe in the contract system. I think the minister would be relieved of a tremendous amount of trouble if he fixed himself firmly on the obvious intent of this clause, namely, on the principle that the work shall be done by tender, and that the exceptional case shall be done by day labour, when it is well demonstrated from independent sources that it is an exceptional case. I believe that would save the minister and the government a great deal of embarrassment and trouble and anxiety, and I think the country would be

saved money, too. What I am trying to do is to induce the minister to fix himself on that principle, rather than on the other, that it is optional.

Mr. GARDINER: I presume the minister has some explanation of this item of $540,000 for dredging in the maritime provinces.

Mr. ELLIOTT: This $540,000 is required to carry on dredging operations in Nova Scotia, Prince Edward Island and New Brunswick by contract and day labour, and by departmental plant. The amount spent last year was $494,401, which is practically the amount it runs to annually.

Mr. GARDINER: Are there any particulars as to where the work will be done?

Mr. ELLIOTT: That is decided as the season progresses. They try to get their plan worked out as early as possible in the season, but frequently it is impossible to tell, even at the close of the session, just what work will have to be done. Perhaps a June freshet may do a good deal of destruction, a wharf may be washed out, and so on. While the money is appropriated as early as possible in the season, there has to be a good deal of discretion left to those in charge in order to provide for emergencies as they arise.

Mr. GARDINER: The minister has no definite information at the present time as to where the work will be carried on?

Mr. ELLIOTT: I have information as to all our dredging plants, and what the cost is going to be for each plant, but it is pretty difficult to say at the moment just where the whole season's work will be carried on.

Mr. MACDOUGALL: Under this item of dredging for the maritime provinces, I would like to ask if it is the intention of the department to do any work at Mabou harbour, in the county of Inverness. The minister will remember that last year we discussed this matter and it was stated by him on the floor of the house, and also in correspondence which passed between him and me, that 118,000 cubic yards would be removed in Mabou harbour. The information that I get now is that that work was not concluded, and that there is additional dredging to be done. I have had some correspondence with the minister on the matter this session, and I would like to ask him if it is the intention of his department to complete the work which they started last year, and also to provide for additional depth in the harbour.

[Mr. Stevens.]

Mr. ELLIOTT: In the program for dredge No. 13, it is intended that they shall do further work at Mabou harbour this year.

Mr. MACDOUGALL: Would the minister tell me just what work is contemplated?

Mr. ELLIOTT: I cannot give definite information.

Mr. MACDOUGALL: But the minister can give me the definite assurance that some work will be done there this year.

Mr. ELLIOTT: That is the present contemplation, and I think it will be carried out.

Mr. MACDOUGALL: When that dredge goes down to Mabou, I would ask that it stay for a day or two at Port Hood, to do very much needed dredging at the wharf there. At the present time it is impossible for boats of any worth while tonnage to dock at the wharf.

Mr. ELLIOTT: I see in our list of work required in that district there is noted 7,800 yards, scow measure, to be done at Port Hood, and I assume that something will be done there.

Mr. MACDOUGALL: I thank the minister for the information.

Item agreed to.

Dredging—Ontario and Quebec, $600,000.

Mr. SIMPSON: Under this item I would like to bring to the attention of the minister the condition of St. Mary's river at the Soo. I notice by the press that one of the Canadian Pacific steamers during the present week, having passed down through the locks, in turning to get into the government dock had to drop her anchor, as they usually do if there is a north wind blowing, and on pulling it up a large boulder was brought up with the anchor. They had to put a cable around the boulder and take it on down the river to deep water, as it would have been dangerous to other vessels to leave it at that point. The minister was up in that locality last fall, and is quite familiar with the conditions there and with what is required. There is considerable dredging needed to deepen the Canadian side of the river at least to the same depth as the American side. The larger Canadian boats, particularly a couple of years ago when the water was low, found it impossible to dock in the Canadian side of the river. I think representations have been made to the minister by the board of trade and other organizations there to undertake a comprehensive scheme to deepen the river there at least to the same depth as on the American side.

I simply want to take advantage of this opportunity to bring the attention of the minister to the conditions there, as demonstrated by the incident in connection with the Canadian Pacific boat this week. The heading in the press dispatch is that the Canadian Pacific steamers are likely to have to use the American canal as a result.

Mr. ELLIOTT: What my hon. friend states as to the necesity there is according to the information I received from our officials in that district, as well as the impression I gained myself when I was there last year. We are trying to do what we think is a reasonable amount of work in view of the importance of that particular point. Certain contracts for a part of work have been let within the last few days.

Item agreed to.

Dredging—Manitoba, Saskatchewan and Alberta, $90,000.

Mr. GARDINER: How much of this item was spent last year?

Mr. ELLIOTT: $85,220.34 to March 31.

Mr. ADSHEAD: Where do you propose to spend the $90,000?

Mr. ELLIOTT: A good deal of it represents the cost of running our departmental plant at whatever point it is required. So far the points suggested are Springfield—

Mr. ADSHEAD: That is Manitoba.

Mr. ELLIOTT: Selkirk, Springfield, Nelson, for use on the Red river and in connection with the fisheries.

Mr. GARDINER: What Nelson is that?

Mr. ROBB: That is the Nelson river.

Mr. LUCAS: Those are all in Manitoba.

Mr. ELLIOTT: Yes, I think so.

Mr. LUCAS: None of this vote is for the other provinces, Alberta and Saskatchewan?

Mr. ELLIOTT: There is very little dredging to be done in those provinces.

Mr. GARDINER: Have you a plant in Alberta or Saskatchewan?

Mr. ELLIOTT: No.

Mr. GARDINER: Why charge them with this vote?

Mr. BENNETT: Before the minister answers that question, I would suggest he take that portion of the $90,000 to be appropriated to dredging and use it for protection work on the Bow river at Calgary. I do not think the Aurora or Rainbow would like to anchor there this year.

Mr. ELLIOTT: My hon. friend knows that I should like to follow his suggestion, but he knows also that there is an absolute rule against switching votes to an absolutely different purpose.

Mr. BENNETT: Amend it now.

Mr. ADSHEAD: I pointed out to the minister last night—I do not know whether he caught my point—that facing the Bow river at Calgary the government own a boulevard, which was washed away at that point, together with some adjoining property. Protection work is urgently needed to protect that boulevard.

Mr. ELLIOTT: The removal of boulders and blasting of rocks comes under this heading, and part of the money may be used for this purpose. Of course, I think my hon. friends will agree that there is not enough dredging work in Saskatchewan or Alberta to justify keeping a dredge there and transporting it over dry land from one point to another. But a part of this vote is used every year where it is thought work should be done in the provinces in which we have not a dredge.

Mr. BENNETT: But why not strike out the words Saskatchewan and Alberta"? Don't try to make people think you are using public money there when you are not. Certainly you are not spending any in Alberta.

Mr. ELLIOTT: We do use part of this vote.

Mr. BENNETT: For dredging? How do you do it, with hand shovels?

Mr. ELLIOTT: Part of this vote each year is used for just such work as my hon. friend has mentioned, the removal of boulders and the blasting of rocks, as may be required in those provinces.

Mr. BENNETT: Will the hon. minister be good enough to tell us what dredging work was done in Alberta last year?

Mr. ELLIOTT: I cannot say as to last year; but if the work is necessary, part of this vote is available for it.

Mr. BENNETT: The minister knows our point. The public is made to believe there is an appropriation from the federal exchequer

for dredging in Alberta, and it is not so; that is all. Why not let the vote go to Manitoba, if they have dredging to do there? But do not charge Alberta with something that is not done there.

Mr. ELLIOTT: Does my hon. friend insist on that?

Mr. BENNETT: I am not insisting. The majority behind my hon. friend is sufficient to prevent my insisting on anything. If I had power to insist, I would certainly relieve him of his office in a very short time. But I am only suggesting that it is quite unfair to make it appear that money is used for dredging in Alberta; it is not. As I say, we have not any harbours there except those which would have to be reached from the Arctic ocean, to which access is denied, but which would be ample to take care of our navy to put down any incipient revolutions in that territory.

Mr. ELLIOTT: This perhaps is an evil practice that has continued since the days of governments which were not as perfect as this government.

Mr. STEVENS: The Lord have mercy on them!

Mr. ELLIOTT: The practice of putting the vote under this heading has obtained for many years. I hope my hon. friends will not insist, for we are in a wonderfully amiable mood this afternoon, and I wish to express my appreciation for the various suggestions that have come from all quarters of the house.

Mr. HEAPS: That is all hon. members will get.

Mr. ELLIOTT: But I do not think it would really be in the interests of Saskatchewan or Alberta to have this vote so worded that if necessity arose in either province there would be no portion of it available. I cannot believe that my hon. friend the leader of the opposition or any other hon. members would like to have those provinces put in that position. But if they insist, we might consider amending the vote next year. There is no question that some of this money will be used in Alberta and some in Saskatchewan.

Mr. BENNETT: Will you add the words "and protection work?"

Mr. McLEAN (Melfort): I protest against any suggestion that Saskatchewan should be cut out of this vote. It is well known that in the northern part of the province there are great waterways—lakes and rivers—and I am surprised that the leader of the opposition should have any doubt at all on that point.

Mr. BENNETT: But there is no dredge in the province.

Mr. McLEAN (Melfort): There was a steam dredge at Cumberland lake the last time I was there. It may have been moved for use elsewhere, but that does not affect the fact that dredging has been done there for a number of years. I do not think the steam dredge I saw did any work last year, but dredging had been done by other means. In other parts of Saskatchewan dredging is becoming more necessary as the waterways in the north are being developed and used in connection with the mining development. I repeat, I should not like to see Saskatchewan cut out of this vote.

Mr. KENNEDY: Do the terms of this vote make the money available for clearing a river channel where it has become blocked and the river overflows its banks in high water?

Mr. ELLIOTT: If it is proper work to be done by the federal government, and it is recommended by the engineer, part of this vote will be available for it.

Mr. KENNEDY: Would proper work be the clearing of a river channel where the Dominion government decides that it is justified in doing it?

Mr. ELLIOTT: Primarily the clearing of a river channel is limited to clearing it for the purposes of navigation. The expenditures have been made to pay compensation for damages done by federal works. Where flooding was caused by dams or other structures erected by this government it was claimed, and properly, that the damage should be compensated for. In that event part of this money would be available for the purpose. It is difficult to define all the purposes of the vote.

Mr. KENNEDY: I have a case in my own constituency. The West and East Prairie rivers have become blocked as a result of trees falling into the water and forming a jam. Every spring these rivers overflow their banks and cause a lot of damage.

Mr. ELLIOTT: Is it a navigable river?

Mr. KENNEDY: No, they are not navigable; neither is the Bow river. I do not know of any navigable river there except the Peace.

Mr. ELLIOTT: From what causes does this damage arise? Is it from lumbering operations along the banks?

Mr. KENNEDY: No; it is the result of fires going through the forest reserves. Some of the timber is killed, and falls into the river.

Mr. ELLIOTT: Possibly it might be done, but it is hard to lay down any general rule governing every particular case. If such cases arise we will give them the best consideration we can.

Mr. GARDINER: How much of the vote was spent in Alberta or Saskatchewan last year or the year before, and what was the nature of the work?

Mr. ELLIOTT: In Saskatchewan last year, out of this vote, there was spent at Cowan lake $330, and on Sturgeon river $2,322.

Mr. GARDINER: What was the nature of the work?

Mr. ELLIOTT: I have not the details.

Mr. GARDINER: I wanted to have some information so that we might know what the vote was being used for.

Mr. ELLIOTT: It was not done by the government dredge but by day labour. I suppose some emergency had arisen making it necessary to clear the river.

Item agreed to.

Dredging—British Columbia, $485,000.

Mr. JELLIFF: Will the minister explain the increase?

Mr. ELLIOTT: This vote is required for dredging operations in British Columbia by contract and day labour. The department plan to provide for the repair and maintenance of plant as follows: departmental dredging, plant operations, $226,000; maintenance, $109,000—that is, $335,000. Works to be done by contract and day labour, $103,500; new plant, $36,500; surveys and inspections, $10,000—$485,000. The additions are largely due to plant.

Mr. ESLING: How much of this item will be spent in surveying the lower Duncan river, about which there is correspondence between this government and the provincial government? A sum of $2,000 was recommended by the district engineer, covering a survey of the lower Duncan with a view to opening it for navigation purposes.

Mr. ELLIOTT: I am afraid there would have to be a special vote for that; I doubt very much whether it could come out of this item.

Mr. ESLING: The minister mentioned that a portion of this was for survey work, and the department has a recommendation from the government's own district engineer, including an item of $2,000 for the survey of what is known as the lower Duncan river from Howser lake into Kootenay lake.

Mr. ELLIOTT: The $2,000 for survey could probably come out of this grant.

Mr. ESLING: Will the $7,500, also recommended by the district engineer,—

Mr. ELLIOTT: For survey?

Mr. ESLING: No, in connection with the opening of the upper Duncan river. In lieu of clearing the upper Duncan there is a proposal, with which the minister's department is quite familiar, for a joint contribution, this department to pay $7,500 and the provincial government a similar sum, towards the construction of a trail along the upper Duncan river. While we understand that the construction of trails does not come within the province of the federal government, nevertheless it is incumbent on this government to clear the river, and the proposal is that the department should contribute $7,500 and be relieved of further charges in connection with the clearing of the river.

Mr. ELLIOTT: I am afraid that item would have to be covered by a special vote, particularly when it includes such work as my hon. friend indicates.

Mr. ESLING: I simply wanted to know whether it could come out of this vote.

Mr. ELLIOTT: No.

Item agreed to.

Mr. BELL (St. John-Albert): Is there any provision, in the item for maritime dredging, with reference to Lorneville, St. John county?

Mr. ELLIOTT: No; that dredging is in the category of works for which there must be special votes.

Mr. BELL (St. John-Albert): Is there any provision for that work in the present estimate?

Mr. ELLIOTT: No, I do not think so. This would not cover an item like dredging at Lorneville.

Mr. BELL (St. John-Albert): I may be incorrect, but I have an idea that an estimate had been made—

Mr. ELLIOTT: That is right.

Mr. BELL (St. John-Albert): —by the resident engineer for that work. There is nothing included in this vote?

Mr. ELLIOTT: An estimate has been made in regard to Lorneville; I know that is correct. But it certainly cannot be included in a general vote of this kind; there must be a special item. If that should happen to be in the supplementaries—

Mr. STEVENS: We should all fall dead.

Mr. ELLIOTT: No, I shouldn't want you to fall dead.

Roads and bridges—Dominion roads and bridges generally, $7,100.

Mr. GARDINER: I want to take this opportunity—probably I should have done so earlier—to ask some questions in regard to the pavement outside the parliament grounds in Ottawa. Were these pavements and sidewalks built by contract or by departmental labour?

Mr. ELLIOTT: By contract.

Mr. GARDINER: Was the contract completed to the satisfaction of the department?

Mr. ELLIOTT: It was passed by the inspectors, but I am bound to say it did not turn out very well.

Mr. HEAPS: Why was it passed?

Mr. ELLIOTT: It appeared to be all right at that time.

Mr. HEAPS: Was there no inspection of the material used in the construction of these sidewalks?

Mr. ELLIOTT: Yes.

Mr. HEAPS: From their present condition it does not look like it.

Mr. GARDINER: Who was the inspector who had charge of that work and reported upon it, and who were the contractors who did the work?

Mr. ELLIOTT: The contractors were the Grant Construction Company. I cannot give my hon. friend the name of the inspector.

Mr. HEAPS: Who is now responsible for putting them in good shape?

Mr. ELLIOTT: The department will have to do it.

Mr. HEAPS: And is there no comeback on the contractor at all?

Mr. ELLIOTT: I do not think so.

Mr. ADSHEAD: Was there not a guarantee for five or ten years?

Mr. ELLIOTT: Not in regard to concrete sidewalks.

[Mr. T. Bell.]

Mr. STEVENS: If the contractors were the Grant Construction Company I think they should be ashamed to hang out their shingle as contractors any longer after having done a job like that. Whoever the inspector was who passed upon this work, he should be disciplined, and I would suggest that the minister notify the contractors that they will get no more governmental work unless they put that work in decent shape. It is a disgrace to any contractor and to the parliament buildings. I cannot conceive of any self respecting contractor leaving a job in that condition.

Mr. GARDINER: Since this is the only possible item left in these estimates under which this question may be discussed, I suggest to the minister that the item stand and that he secure the information required by the house. It is hardly right that we should be asked to accept the meagre information given by the minister. I think he might let this item stand over until he secures the information.

Mr. ELLIOTT: I do not want to object arbitrarily to letting the item stand, but before very long the supplementaries will be brought down and perhaps my hon. friend would be satisfied if I undertook to supply the name of the inspector and whatever additional information is available in regard to this question, when the supplementary estimates are under consideration.

Mr. GARDINER: If the minister will agree to that I think it will be all right. I would like to see a copy of the contract, also.

Mr. ELLIOTT: I think this is a very proper matter to be considered.

Mr. YOUNG (Saskatoon): Coming up on the east side from Wellington street there is one bit of sidewalk which never has been completed. There is some gravel remaining, and I have often wondered why it was left there. On a wet day it is very disagreeable, and I would suggest to the minister that this bit of sidewalk should be finished.

Item agreed to.

International bridge over St. Croix river between St. Croix, N.B., and Vanceboro, Maine, the state of Maine to contribute the sum of $2,000, $4,000.

Mr. GARDINER: I would like to inquire of the minister the terms of the agreement between the province of New Brunswick and the state of Maine in connection with this international bridge. As the minister knows, several bills to provide for the construction of

bridges over international waters have been before this house this session, and it has been claimed that it is impossible to secure agreements in those matters. It will be rather interesting to the committee to know what kind of an agreement this is, and how it was arrived at.

Mr. ELLIOTT: The agreement relates only to the construction of the bridge; each government contributes half the total cost. This revote of $4,000 is required for the completion of the international bridge over the St. Croix river, under contract with C. A. Noyes of Orono, Maine, at a contract price of $14,797.65. The work remaining to be performed consists of the completion of the contract by the construction of 215 feet of concrete railing on the bridge and the placing of 550 feet of wire cable guard rail on the roadway, and also in the completion by the Department of Public Works of the roadway aproach on the Canadian side, the full length of which was not included in the contract.

Mr. GARDINER: This is an international waterway?

Mr. ELLIOTT: Yes.

Mr. GARDINER: Has the department no information as to the terms of the agreement between the province of New Brunswick and the state of Maine, or did they contribute to the work without such an agreement?

Mr. ELLIOTT: The province is not in it at all; this is an agreement between the federal government and the state of Maine.

Mr. GARDINER: Then the minister will be in a position to give the information as to the agreement?

Mr. ELLIOTT: The only agreement is that each government pays half the cost.

Mr. GARDINER: Are there no international complications?

Mr. ELLIOTT: No.

Mr. LUCAS: Are there any tolls charged?

Mr. ELLIOTT: No; of course, tolls would not be charged on a bridge built by the two countries.

Mr. GARDINER: Is this agreement between the federal government and the state of Maine or between the federal government and the United States?

Mr. ELLIOTT: It is between the federal government and the state of Maine.

Mr. GARDINER: Is there any reason why an agreement should not be entered into between the government of the United States and the government of Canada in regard to bridges over the St. Lawrence river?

Mr. ELLIOTT: Apparently the state has the jurisdiction.

Mr. GARDINER: I understood that this was an international waterway?

Mr. ELLIOTT: Yes.

Mr. GARDINER: Then how does the state have jurisdiction?

Mr. ELLIOTT: The system in the United States is different from our system; the state has a larger jurisdiction than our province. The state contributes its portion to an international arrangement of this kind, to which the federal government is a party.

Item agreed to.

Ottawa—maintenance and repairs to bridges and approaches, $14,600.

Mr. LUCAS: What bridges are these?

Mr. ELLIOTT: This amount is to provide for the following works in connection with the maintenance of the Ottawa river and Laurier avenue bridges:

Maintenance of Chaudiere bridges and Hull causeway, $4,000.

To renew 72 steel beams and 10 buckle plates on Hull causeway, including the removal and replacing of pavement blocks, $3,000.

To paint (one coat) part of Laurier avenue bridge, spanning the railway tracks, renew rivets in lattice works of hand railing and part of bracing under bridge, $3,000.

To erect a corrugated galvanized iron ceiling under part of Laurier avenue bridge spanning the railway tracks, to prevent loose concrete from falling on tracks, $4,000.

To repair parts of stone block pavement on Hull causeway, $600.

Mr. ADSHEAD: Is it the policy of the federal government to assist in the construction of bridges in parts of the Dominion other than Ottawa?

Mr. ELLIOTT: The Chaudiere bridges, built and maintained by the department, carry interprovincial traffic between Ottawa, Ontario, and Hull, Quebec.

Item agreed to.

Telegraph and telephone lines—Nova Scotia —Boularderie—Cape Breton telegraph line—general repairs, repoling, etc., $5,000.

Mr. ADSHEAD: Are these government lines?

Mr. ELLIOTT: Yes.

Item agreed to.

Telegraph and telephone lines—Quebec—reconstruction of the north shore St. Lawrence telegraph system from Murray Bay to Bersimis, $25,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT. This is to provide for the general reconstruction, repoling, wiring and so on, of the telegraph system on the north shore of the St. Lawrence between Murray Bay and Bersimis, a distance of 153 miles.

Item agreed to.

Alberta and Saskatchewan telegraph and telephone lines—general repairs and improvements, $15,000.

Mr. GARDINER: Does the minister think it necessary to keep these telegraph and telephone lines in operation?

Mr. ELLIOTT: As my hon. friend knows, these lines are located in districts where the business is not sufficient to induce commercial companies to carry on. We are conducting these lines as pioneer work, to a large extent, to supply facilities to the settlers in isolated places so they will be in connection with the interior sections of the country. Having constructed them, we think they should be kept up. We are not doing any more than is absolutely necessary, and as soon as we can induce commercial companies to take these lines over, we do so.

Mr. FANSHER (Last Mountain): Could you tell us just where these lines are situated, and the mileages?

Mr. ELLIOTT: I can obtain that information for my hon. friend.

Mr. GARDINER: Have you any information as to income and expenses?

Mr. ADSHEAD: Are these lines linked up with the lines which the governments have all over the provinces?

Mr. ELLIOTT: We try to connect up with the provincial lines wherever it is physically possible.

Item agreed to.

British Columbia—mainland telegraph and telephone lines—general repairs and improvements, $28,000.

Mr. FRASER: I should like to ask the minister if the upkeep of the lines south of Kamloops, recently sold by the government, is included in this vote ?

Mr. ELLIOTT: This would not include the upkeep of any lines we have sold.

Mr. FRASER: Would it be included in last year's vote?

Mr. ELLIOTT. The vote last year would include general repairs for all lines in that district. We have been relieved of certain lines this year by disposing of them, and of course we will no longer be liable for the cost of maintenance.

Mr. FRASER: The vote this year is for $28,000, while last year it was only $17,750, and you have sold a thousand miles of lines; what is the explanation of the increase?

Mr. ELLIOTT: I will give my hon. friend the details of what the divisional superintendent asks for and recommends. The first is the Kamloops section, $5,981.25; resetting poles on the Kamloops-Heffley creek line at an estimated cost of $356; repoling Kamloops-Fruitlands line, estimated cost $1,635; and repoling between Knutsford and Stump Lake on the Kamloops-Merritt line, $3,900. The latter item is the most important item in this estimate, as the present pole line between Knutsford and Stump Lake is now in a precarious position. The present poles have been reset a number of times and are now quite rotten and will not stand a further reset. When this work is done the Kamloops-Merritt pole line will be in first class physical condition and good for a great many years. The other items are: Barriere section, $1,490; Merritt section, $3,825; Chase-Revelstoke section, $2,100; Vernon section, $5,630; Penticton section, $2,482; Arrow lakes section, $1,767; Golden-Invermere section, $3,133; and Princeton section, $1,905.

Mr. FRASER: Two or three of the items you have mentioned are included in the lines that have been disposed of. For instance, the line from Knutsford to Merritt is certainly part of the line which you have already disposed of.

Mr. ELLIOTT: My hon. friend is quite right about that; that line was disposed of after these estimates were prepared.

Mr. FRASER: Could you tell me what amount it will now be necessary to spend on these lines?

Mr. ELLIOTT: I am afraid I cannot tell what amounts will be cut out by the sales that have taken place.

Mr. FRASER: You have sold all the lines south of Kamloops, according to the return which I have here.

Mr. ELLIOTT: Yes.

Mr. FRASER: From Knutsford to Merritt is one line; the Vernon section is another; and the Penticton and Arrow lakes sections; all these lines are south of Kamloops.

Mr. ROBB: Does my hon. friend desire me to move that we reduce this vote?

Mr. FRASER: I do not think the vote is any indication of what you are going to spend.

Mr. STEVENS: If the lines are sold we certainly should not vote money to spend on lines that have passed over to private companies.

Mr. FRASER: I have requests from other parts of that same district, and in view of the fact that you are relieved of a large amount of expenditure and have actually recovered $50,000 of your capital, I should like to ask for the construction of some lines which have been denied in that district for the past three or four years. That is the point I wish to make.

Mr. ELLIOTT: My hon. friend is quite right in what he says, as a number of these lines have been disposed of since these estimates were prepared. If my hon. friend will make the motion, I do not think we shall suffer from having the amount deleted.

Mr. ROBB: What is the amount?

Mr. ELLIOTT: $28,000.

Mr. STEVENS: That includes some lines that are not comprised in the sale to the private company. The minister ought to be careful to strike out only what is sold and leave the balance.

Mr. ELLIOTT: If an amount of $10,000 is left, that will be sufficient.

Mr. FRASER: The minister would be better advised to wait until he knows what parts of those lines have been sold and what is required for the maintenance of the lines which the government still own and operate. I do not think a motion of that kind would be advisable at present coming from the minister or anyone else.

Mr. ELLIOTT: Let the item stand.

Item stands.

Telephone line from Rolla to Rolla landing, $2,500.

Mr. GARDINER: Is this a new line?

Mr. ELLIOTT: Yes. This is an extension from Rolla to Rolla landing, a distance of approximately seventeen miles.

Item agreed to.

Miscellaneous—engineering branch—salaries of engineers, inspectors, superintendents, draughtsmen, clerks, and messengers of outside service, $483,000.

Mr. GARDINER: Will the minister give a brief explanation of this large item?

Mr. ELLIOTT: This amount is required to provide for the salaries of the outside staff of the engineering branch, including district engineers, supervising engineers and their staffs, et cetera, for the fiscal year ending April 1928-29.

Item agreed to.

Miscellaneous—maintenance and operation of water storage dams on Ottawa river and tributaries, surveys in connection therewith, and settlement of land damages, $100,000.

Mr. COOTE: How much was spent under this large item last year?

Mr. ELLIOTT: $88,151.

Mr. COOTE: Is this all for the Ottawa river and its tributaries?

Mr. ELLIOTT: Yes.

Item agreed to.

Miscellaneous—National Gallery of Canada, $135,000.

Mr. FRASER: What is the reason for the increase?

Mr. ELLIOTT: The trustees have requested an additional $35,000, and they have been given that larger appropriation.

Mr. GARDINER: What explanation has been made to justify the demand for more money?

Mr. ELLIOTT: This amount is required to provide for operation and maintenance, workshop supplies, upkeep of premises, purchase of works of art. The addition over last year is to enable the board to complete the purchase of some pictures which they have in mind to purchase.

Mr. EDWARDS (Frontenac): About how much is expended yearly?

Mr. ELLIOTT: The full vote is spent every year.

Mr. EDWARDS (Frontenac): Does the department calculate on a certain appropriation for the national gallery every year?

Mr. ELLIOTT: Yes.

Mr. EDWARDS (Frontenac): About how much?

Mr. ELLIOTT: Usually $100,000.

Mr. FRASER: I have been asked to make a protest in regard to the closing hours of the national gallery. In the first place I should like to ask the minister whether the hours of closing of the national gallery are regulated by early closing in the city of Ottawa; is it correct that the gallery closes at four o'clock in the afternoon, daylight time, or three o'clock standard time?

Mr. ELLIOTT: My information is that it follows the same time that we follow in the house, that is daylight saving time.

Mr. FRASER: That is exactly the point of protest. The people of the rest of the Dominion of Canada go on standard time. Last year there came to this city a representative from my district who is very much interested in art and after his business was concluded he had just one hour to spare for a visit to the art gallery. Under all ordinary conditions he would have been able to visit the gallery for that one hour, but on account of the early closing he failed to have that opportunity. That man will probably not have an opportunity in the next ten years of making a similar visit and I was asked on his behalf to bring the matter to the attention of the minister. Why should the people of the whole Dominion of Canada be inconvenienced to the extent of that one hour to give the people of the city of Ottawa an hour of extra daylight? The position taken by the gentleman appealed to me as being very fair and reasonable. If this property is being operated for the people of the whole of Canada, it is quite reasonable that they should expect it to be open the same hours as if it were run on standard time which prevails throughout Canada.

Mr. ELLIOTT: That is just one of the things that apparently happen in every place that is being run on daylight saving time, a time different from that in use in other places. But may I call the attention of the hon. member to the fact that if the visitor had come from Montreal, Toronto, or any other place having daylight saving time, he would not have noticed the difference. It is the rural sections that are perhaps prejudiced. The same thing would apply to a man who wanted to hear the debates in the house. He might be fortunate if he found himself an hour late.

Mr. BENNETT: That would depend upon what estimates were under consideration?

Mr. ELLIOTT: Probably so. He would not fare quite as badly if estimates were under consideration as if some matters were before the house.

Mr. BENNETT: That might be true too.

Mr. ELLIOTT: The matter is worth considering, and I thank my hon. friend for bringing it to the attention of the committee. I do not know that I can make any promise that there will be much in the way of results, but I shall be glad to look into the matter.

Mr. ADSHEAD: Four o'clock is an early hour for the gallery to close. It could surely remain open as long as the museum.

Mr. VALLANCE: Suppose it opened an hour earlier in the morning?

Mr. JOHNSTONE: Is the museum open on Saturday afternoon?

Mr. ELLIOTT: Yes, and on Sunday. I think my hon. friend is wrong about the hour of four o'clock; I think it is five o'clock, daylight saving.

Mr. FRASER: Four o'clock was certainly the hour that was given to me. This gentleman had business in various departments, and after that was done, he said that it was three o'clock by his time, standard time. He went to an attendant in the House of Commons to be directed to the museum, but was told there was no use going there at that hour as the museum closed at four o'clock.

Mr. JOHNSTONE: The reason I asked the question was that a lady and gentleman came here on Saturday afternoon and found the museum closed. They were told it closed every Saturday afternoon.

Mr. McQUARRIE: It is not everyone, unfortunately, who can come to Ottawa to see the pictures in the national gallery, and I think that the policy which has been adopted by the directors of loaning some of the pictures to other centres to be placed on exhibition is highly to be commended. I know that in New Westminster, through the kindness of the directors, we have for several years been receiving from the national gallery very fine exhibits of pictures, which have been viewed by many thousands of people, and I think that that kind of thing should be

encouraged. There is some charge in connection with the sending out of these pictures, transportation and insurance charges, and so forth, but it is not generally known that the pictures in the gallery are available for that purpose, and I think it would be well if that fact were more generally known, because ordinarily these wonderful pictures in the gallery cannot be seen unless one comes to Ottawa.

Mr. EDWARDS (Frontenac): I do not just get the point raised by the minister. He said that there would be no special inconvenience to people coming here from say Montreal or Toronto, where they have daylight saving time. I would remind him that no matter whether they have standard or daylight saving time in these places, they come to Ottawa on trains running on standard time. It is very commendable that there should be a gallery of this kind, and the name "National" indicates that it is for the whole nation, and not solely for the benefit of the citizens of Ottawa. It is a fact that while many cities and towns, including Ottawa, have adopted daylight saving, the great mass of the people in the country districts, are still on God's time, standard time. You are spending another $35,000 to get some extra fine pictures for the gallery, for whose benefit? Obviously people from outside points will not have the same opportunity that the citizens of Ottawa will have to see these pictures, because of the early closing of the gallery. I think this is a matter in connection wth which the minister ought to get results. He says that he cannot promise anything definite. This is a case where he should promise something definite. He should be definite enough to say that the people outside Ottawa will have a reasonable opportunity to see these pictures and take advantage of the gallery, notwithstanding any difference in time there might be.

Mr. ELLIOTT: I have a good deal of sympathy with what my hon. friend says, but I think he did not get my point when I said that while it did not make any difference to the people who came from Montreal or Toronto, which were on the same time as Ottawa, daylight saving time, it did make a difference to those who came in from the country, and that point deserves consideration.

What my hon. friend from New Westminster has said is very pertinent. I think that principle of loaning pictures should be extended as far as practicable. This gallery is the national gallery of Canada, and that is the reason why in their wisdom those in charge have seen fit to allow the pictures to be loaned to different local galleries, so that the people there will have the opportunity of seeing them, which they would not have unless they paid a visit to the national gallery. I shall be glad to look into the matter and do the very best I can.

Mr. EDWARDS (Frontenac): When I referred to people coming in from the country, I did not mean people coming in from Carleton county or from anywhere in the immediate vicinity of Ottawa, who would walk in or come in on a bicycle. I presume that people from the rural districts many miles away from Ottawa would come in on the same trains as people coming from Toronto and Montreal, and they would be inconvenienced so far as Ottawa being on daylight saving time is concerned.

Mr. GARDINER: How much was spent in buying pictures tlast year?

Mr. ELLIOTT: I have not that information here, but my hon. friend will find a list of the pictures bought in the report of the national gallery.

Item agreed to.

National monument on Connaught Place, $35,000.

Mr. EDWARDS (Frontenac): Will the minister explain this?

Mr. BENNETT: Only $10,000 was spent last year.

Mr. ELLIOTT: There is a revote of $25,000. This amount of $35,000 is required towards the erection of a national commemorative war monument on Connaught place, Ottawa city. This work is being performed by Mr. Vernon March of Goddendene, England, at a contract price of $135,000 for the bronze work, the granite pedestal and foundation work to be performed by the department at an estimated cost of $50,000, thereby making the total cost of the monument approximately $185,000. The work done during the year 1927-28 consisted of the modelling of the large clay figures which are to surmount the arch and also considerable preparatory work on the furnaces, etc. The sculptor is now proceeding with the moulding of the figures. The sum of $10,000 was paid the contractor in September, 1927, on account of work performed.

Mr. EDWARDS (Frontenac): Has the minister received the consent to this of the hon. member for Winnipeg North Centre (Mr. Woodsworth) or the hon. member for South-east Grey (Miss Macphail)?

Mr. ELLIOTT: Not in writing.

Mr. EDWARDS (Frontenac): From their remarks the other day I should judge they would regard this as a glorification of war and might be expected to oppose it strenuously.

Mr. ADSHEAD: I think my hon. friend might have remained silent in view of the fact that the hon. members to whom he refers are not here to defend themselves. I do not think they would oppose this vote.

Mr. EDWARDS (Frontenac): If my hon. friend will turn his head round he will see the member for Winnipeg North Centre sitting behind him.

Mr. ADSHEAD: He is quite capable of defending himself. For my part I do not consider this a glorification of war.

Item agreed to.

River gauging and metering, $30,000.

Mr. ADSHEAD: Does this cover the metering and gauging of all rivers in Canada?

Mr. BENNETT: No, the Department of the Interior looks after some of this work.

Mr. ELLIOTT: This is to provide for the investigation and collection of data as to the fluctuations of various rivers, to pay the salaries of gauge readers at various points and travelling expenses, and to purchase recording apparatus.

Mr. BENNETT: Should not these matters be all brought under one directing head? My difficulty in times past has been that one department or another is each doing a little gauging work on its own account.

Mr. ROSS (Kingston): Is the reading taken at the same time each year?

Mr. ELLIOTT: A record is kept of the flow of the stream at regular intervals throughout the whole year.

Mr. ROSS (Kingston): How often in Kingston, for instance, do you take this data?

Mr. ELLIOTT: I am not able to say. I know in some places daily readings are taken.

[Mr. Elliott.]

Mr. ROSS (Kingston): Are the readings taken daily or once a month?

Mr. ELLIOTT: I cannot say with regard to Kingston.

Item agreed to.

Surveys and inspections, $120,000.

Mr. GARDINER: Will the minister explain this item?

Mr. ELLIOTT: This is required to provide for any surveys and inspections that may be necessary during the fiscal year 1928-29 in connection with harbour, river, slide, boom and bridge works and other services under the control of the Public Works department.

Item agreed to.

For erection of memorial tablet to late Dr. Alpheus Todd, former Librarian of Parliament, $1,000.

Mr. BENNETT: Where do you expect to put this tablet?

Mr. ELLIOTT: It is to be placed in the library, I understand.

Mr. BENNETT: It should be put in a more prominent place, for no man has reflected greater glory on this country in a literary way than Alpheus Todd.

Mr. ELLIOTT: The resolution passed by the committee is:

That it is desirable and fitting that a memorial tablet should be erected in the library.

Item agreed to.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CUMBERLAND RAILWAY AND COAL COMPANY

Mr. J. L. ILSLEY (Hants-Kings): I wish to direct your attention, Mr. Speaker, to order No. 67, for the second reading of Bill No. 304, respecting the Cumberland Railway and Coal Company. I should like very much to have this bill given its second reading so that it may be referred automatically to the railway committee. This would not take up any of the time of the house, and I may say that every other Senate bill in the same situation, with the exception of the one immediately preceding it,

has received first and second readings and been referred to the committee. With the consent of the house I would move that the bill be read the second time.

Mr. SPEAKER: The motion may be entertained if the house will give unanimous consent.

Mr. GARLAND (Bow River): No objection.

Some hon. MEMBERS: Carried.

Motion agreed to and bill read the second time.

ANCHOR CAP AND CLOSURE CORPORATION OF CANADA, LIMITED

Hon. H. H. STEVENS (Vancouver-Centre): On behalf of the hon. member for Burrard (Mr. Clark), I would ask that the same procedure be adopted in respect of Bill No. 303, respecting a certain patent of Anchor Cap and Closure Corporation of Canada, Limited. I would move the second reading of the bill.

Mr. SPEAKER: If there is no objection.

Some hon. MEMBERS: Carried.

Motion agreed to and bill read the second time.

SUN LIFE ASSURANCE COMPANY OF CANADA

The house resumed, from May 25, consideration of the motion of Sir Eugene Fiset for the third reading of Bill No. 56, respecting the Sun Life Assurance Company of Canada.

Mr. L. J. LADNER (Vanucouver South): I had occasion to move the adjournment of this debate last evening. The principle of this measure and all its clauses have been thoroughly considered by the banking and commerce committee. Certain of the clauses were dropped, compromises were entered into with respect to others, and the bill carried almost unanimously in the banking and commerce committee. There were in fact only three audible objections.

Mr. SPENCER: Was there not a small attendance that morning?

Mr. LADNER: No, I do not think so.

Mr. IRVINE: Yes.

Mr. LADNER: At any rate there have been several discussions in the house. We are now drawing to the close of the session and the views of hon. members on this measure are well understood. Most hon. members are fairly well informed on the merits and demerits of the bill. Some hon. members have shown violent—one might say fanatical—opposition to the bill. So strong are their objections that, I submit, they are not inclined to allow other hon. members the right to express by vote their opinion on the question. Intimation has been made to me directly and clearly that certain hon. members intend to block the measure and to talk it out and put it at the foot of the list.

Mr. GARLAND (Bow River): Mr. Speaker —

Mr. SPEAKER: I would ask the hon. member not to use such an expression as "fanatical opposition".

Mr. GARLAND (Bow River): It is an inaccurate statement.

Mr. SPEAKER: At all events the expression is not parliamentary.

Mr. LADNER: I withdraw the words, Mr. Speaker; I merely wanted to convey the idea and to submit to the judgment of the house that the opposition to the bill is of an unusual nature and liable to protract the discussion beyond the close of the session.

Mr. GARLAND (Bow River): May I ask the hon. gentleman a question? I have no desire to do so unless he permits me.

Mr. LADNER: I should prefer to finish; I do not say that in any ill-will. The time is short, however, and I have but a few remarks to make. In view of the circumstances which I have stated, Mr. Speaker, and the fact that we are nearing the close of the session, I take this opportunity to move that the question be now put.

Mr. SPEAKER: Mr. Ladner moves, seconded by Mr. Stevens, that the question be now put. Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: No.

Mr. J. A. GLEN (Marquette): In view of the remarks made by the hon. member, implying that sufficient discussion has taken place on this bill, I want to say to him and to the house that there are a number on this side who, while they do not propose either to block the bill or to bluff their way through it, desire an opportunity of discussing it. And in view of the fact that there are a number of bills which ought to be expedited, and which under these circumstances there is no opportunity of considering, I move now that the debate be adjourned.

Mr. SPEAKER: Mr. Glen moves, seconded by Mr. Spencer, that the debate be now adjourned.

Mr. CASGRAIN: I think, Mr. Speaker, on a point of order, that the motion made by the hon. member for Vancouver South (Mr. Ladner), that the question be now put, has precedence.

Mr. SPEAKER: The authorities are quite clear on the point. At page 144 Beauchesne, after Bourinot, says:

> The motion for the previous question may be superseded by a motion to adjourn or for reading the orders of the day. But such a motion cannot be made if the house resolves that the question shall now be put under this rule. It is also in order to move the adjournment of the debate on the previous question but not if the house decide that the question be put.

Mark those words: "It is also in order to move the adjournment of the debate on the previous question". The previous question has been put and the hon. member now wishes to supersede that question by moving the adjournment of the debate. The motion to adjourn the debate is not debatable; I shall therefore put it forthwith. Mr. Glen moves, seconded by Mr. Spencer, that the debate be now adjourned. Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Carried.

The house divided on the motion (Mr. Glen) which was negatived on the following division:

YEAS

Messrs:

Bancroft,	Glen,
Beaubien,	Irvine,
Bird,	Kellner,
Campbell,	Luchkovich,
Coote,	McMillan,
Evans,	Morrissy,
Fansher (Last Mountain),	Spencer,
Forke,	Ward,
Garland (Bow River),	Woodsworth.—18.

NAYS

Messrs:

Anderson (Toronto-High Park),	Bradette,
Anderson (Halton),	Cannon,
Arthurs,	Cardin,
Bell (Hamilton West),	Casgrain,
Bell (St. John-Albert),	Denis (Joliette),
Bennett,	Dionne,
Bettez,	Donnelly,
Blanchard,	Dunning,
Blatchford,	Esling,
Bourgeois,	Fiset (Sir Eugene),
Bowen,	Foster,
Garland (Carleton),	Fraser,
Hall,	Ralston,
Jenkins,	Robb,
Ladner,	Robinson,
Laflamme,	Ross (Kingston City),
Lapierre,	Ross (Moose Jaw),
Letellier,	Ryerson,
MacDonald (Cape Breton South),	St-Père,
Macdonald (Kings),	Sanderson,
Macdonald (Richmond-West Cape Breton),	Sinclair (Queens),
MacLean (Prince),	Smith (Stormont),
McLean (Melfort),	Spence,
Matthews,	Stevens,
Motherwell,	Stewart (Edmonton West),
Odette,	Telford,
Perras,	Thompson,
Pouliot,	Veniot,
Preston,	White (Mount Royal),
Quinn,	Young (Saskatoon),
	Young (Weyburn).—61.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, it is suggested that I direct your attention to the fact that the hon. member for Peace River (Mr. Kennedy) was in the house and did not vote on this motion.

Mr. SPEAKER: Generally, under the practice of the house, an hon. member who has heard the question put must vote. However, lately, since 1906, I know, in the British parliament this time-honoured practice has been ignored; I have seen a standing order to the effect that when a member does not feel justified in voting he need not do so. I decided this point some weeks ago, when the Minister of Immigration and Colonization (Mr. Forke) was in the same position; he declared that because of conscientious reasons he did not think it wise to vote on the question.

Mr. DUNNING: But he did give an explanation.

Mr. E. J. GARLAND (Bow River): I must confess that I heard the motion of the hon. member for Vancouver South (Mr. Ladner) this evening with considerable astonishment. Especially was I surprised at the words with which he prefaced his motion; he charged, or implied, that certain hon. gentlemen were attempting to put up what he called a fanatical opposition to this bill.

Mr. SPEAKER: In justice to the hon. member for Vancouver South (Mr. Ladner) I must tell the hon. gentleman that he withdrew that expression. I do not think it is parliamentary; all authorities agree that no one may accuse an hon. member of fanaticism or of adopting a fanatical attitude.

Mr. GARLAND (Bow River): I am very glad to learn that the hon. gentleman withdrew that expression, and I trust that Your Honour and the house will realize what he was attempting to do when he used those words.

I regard this bill as of vital importance to the country and to the members of this house, more so than any measure which has ever come before us with the possible exception of the Georgian bay canal bill of last year. With the exception of that one bill this is the most obnoxious measure I have had to consider in the seven years I have been in this house, and in a moment or two I will give my reasons for that statement.

Speaking directly to the motion of the hon. member for Vancouver South, may I point out to Your Honour and the house that in the votes and proceedings of to-day there is a notice of motion appearing in the name of the hon. member for East Lambton (Mr. Fansher), in the following words:

—that the said bill be not now read a third time, but that it be referred back to the committee of the whole, with instructions to amend section 2 by adding thereto the following:—

"Of the capital stock to be hereafter issued no shares shall be distributed to the stockholders as dividends or bonuses, or shall be issued in any other way than in return for the payment to the company of at least the full par value thereof.

"After the issue of any capital in excess of two million dollars no dividends to shareholders shall be declared by the company in excess of fifteen per cent per annum."

I would direct the attention of the house to the fact that this very amendment to this bill was moved last year by the hon. member for Battle River (Mr. Spencer), and was carried by the house. The moment the house agreed to the amendment the sponsors for the bill withdrew it, and so defeated the obvious intention of the majority of the members of this house.

Mr. SPEAKER: Do I understand that the hon. gentleman intends to move an amendment?

Mr. GARLAND (Bow River): No, Your Honour; I am simply calling the attention of the house to the fact that if this motion for the previous question is carried it will preclude the house from declaring itself upon an amendment which the house carried last year.

As I said, the sponsors withdrew the bill, and were unwilling to accede to the majority will of this house. Some hon. members now have the temerity to declare, because it is our wish that the will of the house as expressed last year be sustained on this occasion, that we are deliberately—I cannot repeat the words because I have been instructed not to—talking too constantly and too solemnly on this bill. I do not think there is a more important bill, from the point of view of public affairs, and I will give my reasons in a few moments.

This company was incorporated in 1865, under 28 Victoria, chapter 43, as the Sun Insurance Company of Montreal. Under the charter it was given the right to carry on fire, marine, accident and guarantee insurance, and also life insurance. The powers granted were never used except in regard to life insurance, and very slightly in regard to accident insurance. The capitalization authorized was $2,000,000 in one hundred dollar shares, $800,000 to be subscribed and $100,000 to be paid up and invested. This capitalization covered the life branch.

In 1870 this act was amended by 33 Victoria, chapter 58, and the life insurance business was separated distinctly from the general business. The amendment of that year authorized a capital for the life branch of $1,000,000, which might be increased to $2,000,000, solely for this branch. The same capitalization was permitted for the fire, marine and guarantee branch. Separate accounts of the expenses, profits and claims, losses, liabilities and assets were to be kept. The obvious intent of the charter at that time was to limit the capital of the company to $2,000,000 in respect of life, and $2,000,000 in respect of its general business.

In 1871 business was commenced, and the name was changed to The Sun Mutual Life Insurance Company of Montreal. The life and accident operations were united, and at that time everything inconsistent with these new provisions was repealed. In 1882 the name was again changed to the Sun Life Assurance Company and permission was granted to invest funds in foreign countries. In 1897 the investment powers were extended to include real estate in Canada and bonds and debentures of municipalities in the United States.

It will be noted in passing, Mr. Speaker, that shortly after the passing of this act the investment policy of the company was changed. Up to that time it had been doing a good deal of business in the way of mortgages, real estate loans, and so on, but suddenly the policy was switched and the policyholders' money was invested in the most speculative kind of industrial stocks, chiefly the traction stocks.

In 1871, when the business started, the capital subscribed was $500,000, 10 per cent of which was paid up, or $50,000 in cash. In 1876 another $12,000, or 2½ per cent, was paid up, making a total of $62,500. From 1876 to

1897, or even longer, the total capital of the company was $62,500.

In 1897, when the company wanted to enter into business in New York state where the capital paid up must be $100,000, an arrangement was made, not by causing the original stock to be paid up, but by making a further issue of $200,000 at a premium of $30 per share. According to the report of the commission which investigated the company in 1906, when they found that a bond of $10,000 would be required, they were unwilling to put up that bond. At this date the total capital was $700,000, of which $105,000, or 15 per cent, was paid up, and this was the capital for a great number of years. As the company did not enter New York state at this time a new issue of stock was not necessary.

The following appears on page 19 of the report of the royal commission which investigated this company in 1906:

It is made plain by the evidence that the issue of new stock was not necessary for any financial reason connected either with the operations of the company in Canada or with the proposed extension into the state of New York.

It is to be observed that the management of this company have had differences with the department as to their investments, and as to the classification of accounts and other matters of detail. The company has constantly adhered to its own view without regard to the view of the department.

This situation has largely prevailed to this day. I doubt if any other single insurance company in Canada has, because of its peculiar policy and the dictatorial character of its management, been so constantly in conflict with the department. May I say that if there is one man's opinion in regard to this bill which I am prepared to accept beyond any other in Canada, is that of the man who for years has been trusted with the administration of the Insurance Act. He has carried on this work with the greatest satisfaction, and Mr. Finlayson has again and again declared against increasing the capital of this company. He has given several reasons, and I may be compelled to repeat some of them at this time.

We find that as a result of the increase in capital by the issue of $200,000 of capital stock, only a portion of which was paid up, there was a very rapid increase in dividends. From 1891 to the first half of 1892 the rate of dividend was 12 per cent; for the second half of 1892 the rate went up to 15 per cent, and in 1897 it rose to 15 per cent plus a 2½ per cent bonus. How were these high dividends maintained? First, Mr. Speaker, by fraud; by the wrongful transfer of profits to shareholders' account and, secondly, by revising the interest rate on the capital. I now quote to the house the opinion of the commissioners who dealt with this matter:

It is plain to your commissioners that the large interest of the assurance company in these various enterprises—

That is, those to which I have just referred, namely, the stock enterprises and other speculative investments in the United States.

Mr. ADSHEAD: Is that the Sun Life Assurance Company?

Mr. GARLAND (Bow River): Yes, it refers to no other company.

It is plain to your commissioners that the large interest of the assurance company in these various enterprises is greatly in excess of the limits of reasonable investment. Apart from any question of statutory power, it seems to your commissioners that to engage the funds of an insurance company in enterprises of this character to such an extent as necessarily to involve the directors of the insurance company in promotion, construction and management, is foreign to the purposes of an insurance company and calculated to imperil its funds.

In the opinion of your commissioners, the embarking upon such enterprises is no legitimate function of an insurance company and is a misuse of powers of investment, however wide. It does not seem to your commissioners that the success or failure of any particular undertaking has any bearing upon the question of principle involved, or affords any true standard of propriety. Other enterprises, similar of character, as will be seen in a later part of this report, have ended in serious loss, although the directors were so sanguine in regard to them as their evidence showed them to be in the case under discussion.

I now come to the criticism of the commission with reference to the faulty investment, or the wrongful transfer to the shareholders' account.

Mr. CAMPBELL: Do I understand my hon. friend to state that this money that was wrongfully transferred to the shareholders belonged to the policyholders?

Mr. GARLAND (Bow River): Absolutely. I note the following at page 20 of the commissioner's report:

A shareholders' account has been kept, to which has been credited not only the interest but also the proportion of the profits allotted to them from time to time, and it is out of this account that the dividends have been declared. During 1891, and the first half of 1892, dividends at the rate of twelve per cent, and since and including the latter half of 1892 at fifteen per cent, have been declared, besides a bonus of two and a half per cent upon the old stock in 1897.

This is what the commission state in regard to the matter:

Carrying to the credit of the shareholders' account the ascertained proportion of profits

and interests has not, however, enabled the company to pay these dividends, and from time to time the directors have resorted to various devices for the purpose of increasing the shareholders' account, so as to enable it to pay the dividends which have been paid.

The first of these devices was to credit the practically defunct accident branch with considerable sums of money, upon the theory that that branch in years past had been charged more than its proportion of the general expenses of the company. The accident branch being so credited out of the current profits, the sums so credited were brought into the shareholders' account for the purpose of augmenting it and so enabling the dividends to be paid. Three sums were so credited to the accident branch and brought in to the detriment of the policyholders and in the case of the shareholders; $2,000 in 1895; $4,000 in 1900; and $30,000 in 1902; and the evidence is that there are still at the credit of the accident branch considerable sums of money, the intention being to bring these also into the shareholders' account. It is manifest that in revising the charges made in past years to the accident branch, the directors of the present day have undertaken to overrule what may be presumed to have been the well-informed and deliberate decision of the directors of former years as to the proper proportion of expenses to be charged to that branch, and your commissioners think it clear that the revision was undertaken solely as a device for maintaining the shareholders' account.

Note again what your commissioners have said in this regard:

Another improper means by which the shareholders' account has been enabled to provide the dividends paid to shareholders is by similarly revising the rate of interest allowed upon capital in addition to its share of the profits in past years. The method adopted has been to go through the years as far back as 1877 and to allow, instead of the rates which were allowed, a rate of six per cent, which has been improved at six per cent, compound interest, from 1877 down. The result of this has been to bring into the shareholders' account $9,088.34 (in 1901).

A third method of swelling the shareholders' account has been to go back to the year 1897, when the new capital was issued at a premium of $30 per share—

That is the $2,000 to which I have just referred:

—and to bring into the general shareholders' account interest, compounded at six per cent, upon that premium. This revision of the earlier dealing with this premium, to the prejudice of policyholders, was also, in the opinion of your commissioners, improper. In this way the shareholders' account was swollen in 1905 by the sum of $37,930.73.

Is it any wonder that this company has been able to pay admirable dividends to its fortunate shareholders? But what of the policyholders? The commissioners continue:

Still a fourth method of maintaining the shareholders' account was to take out of moneys realized upon the sale of investments large sums, in addition to the proportion of profits allotted to the shareholders. This is claimed to have been done by way of anticipation of profits—

Anticipation of profits, if you please!

—to be ascertained and declared in the future, the suggestion being that when the time arrived for the distribution of these profits, the shareholders, upon the principle of distribution which has been adopted, will be entitled to the sums so forestalled, or greater sums.

That gives the house some slight conception of the manner in which the company has been conducted from that time on.

Mr. YOUNG (Saskatoon): What is the date of that report?

Mr. GARLAND (Bow River): The commission of 1906. In answer to the implication conveyed in the question I may say that largely the same board of directors exist and the same managing head exists. The single managing head is the dictator of the company. Just as the commission reported at that time that the company had an exceedingly obedient board of directors, so can it be stated to-day that the board of directors is as susceptible to reason by the present general manager and president, Mr. Macaulay, as it was in those days.

A further fact to which attention is called in the commission's report is the extraordinary action of the board of directors or the management with respect to a certain Shawinigan account. The commission states that the management omitted in the government returns accounting for $172,000 worth of bonus stock of the Shawinigan Company. That may be found at page 23 of the report. The company apparently had plenty of money for foreign investment, but I have a serious recollection of not very long ago in western Canada finding the very agents of the company declaring that it was withdrawing from the province. Why? Because it claimed that there were too many prior rights to real estate in the province. But it did not give you any real facts of the case. It did not tell you that in a certain year the whole policy of the company had changed, so that instead of making investments in slow real estate or mortgage loans it preferred more speculative and perhaps more profitable investments in such concerns as the Cornwall Street Railway and many other corporations of that character. The fact of the matter is that this company is coming out to the west, and for that matter, all over Canada,

soliciting insurance, and taking the money from those who take out their policies, and then investing that money, which was produced in Canada, largely in other countries.

Mr. YOUNG (Saskatoon): Does the hon. gentleman really believe that? Is it not a fact that all the money which it raises in Canada must, under the Insurance Act, be invested in this country?

Mr. GARLAND (Bow River): Not at all.

Mr. YOUNG (Saskatoon): I understand that that is the case.

Mr. GARLAND (Bow River): My hon. friend is misinformed.

Mr. YOUNG (Saskatoon): I am not misinformed, either.

Mr. GARLAND (Bow River): I trust that the hon. gentleman will make his point very clear when he speaks. Let me tell him that there is no method of segregating the policyholders' money. The only fact brought out in the committee was that more than seventy per cent, I think it was even seventy-five per cent, of the business of this company was done abroad.

Mr. YOUNG (Saskatoon): That is true.

Mr. BENNETT: I am sure that the hon. gentleman does not want to mislead the house. The fact is that the investments of the company in Canada more than represent the amount of its premiums collected in Canada. The company's foreign business means its life insurance business, not its investments. The hon. gentleman can see it in the blue book.

Mr. GARLAND (Bow River): That brings me to this very nice point. Here we have Mr. Macaulay and the board of directors spreading throughout all Canada in the last year a tremendous volume of propaganda urging that this bill be passed by parliament for one principal reason, that we should save this grand Canadian company from the grasping clutches of American investors, and retain the company within Canada. Would it not have been infinitely better if this company had undertaken to invest all or at least the greater part of its funds, even those secured from its foreign policies, in Canadian enterprises?

Mr. YOUNG (Saskatoon): Surely the hon. gentleman knows that that is not possible, that under the laws of the United States the premiums collected in that country must be invested in the United States. It is the same kind of law as we have in Canada. It is only fair to state that.

Mr. GARLAND (Bow River): The hon. gentleman may have information that I have not got under my hand at the moment. I am not aware that there is such a provision in our act, but in any case it would be far more benefiting this company if its proportion of Canadian investments was greater than it is at the present time. It has gigantic profits, a tremendous surplus, great reserves of many kinds, and I venture to tell the hon. gentleman that only a small fraction of this company's resources is invested in this country.

Mr. YOUNG (Saskatoon): A great deal of the money which this company gets in premiums from countries other than the United States is invested in Canada, in addition to the premiums collected in Canada. Those are the real facts of the case.

Mr. GARLAND (Bow River): Can the hon. gentleman tell me how much there is invested in Canada?

Mr. YOUNG (Saskatoon): About $146,000,000.

Mr. GARLAND (Bow River): Does the hon. gentleman know that the total assets alone amount to about $500,000,000?

Mr. BENNETT: The assets are nearly $1,000,000,000.

Mr. GARLAND (Bow River): And the amount for loaning about $500,000,000. As a matter of fact the policy of the company at the time of which I speak was to use the policyholders' funds to help themselves and their friends to speculate in favoured positions. Let me support that rather startling statement by a reference to page 24 and 25 of this report—I will come to that later. At the time the company engaged in these highly speculative endeavours, they just happened to be lucky; that is all. Their losses in several of their investments were tremendously heavy, and had it not been for a fortunate turn of events as regards their investments in Canada and other countries, the company would have no doubt sustained heavy losses at the expense of the policyholders. For instance, the appleyard enterprise spelled almost disaster for the company for a time, also its investment in Levis County Railway bonds. If you turn to page 29 of the report of the Royal Commission on Life Insurance you will find

there set out at length the method of the company in investing the policyholders' money.

I now come to the question of the need for the capital increase asked for in this bill. It would be well if those who, like my hon. friend from Vancouver South (Mr. Ladner), are anxious to give this company another $2,000,000 capital, with which to cut melons and distribute stock bonuses, would study the report of the Royal Commission on Life Insurance of 1906. The principles laid down by that commission with respect to insurance are as valid to-day as on the day they were written.

Mr. BENNETT: I wonder if the hon. gentleman realizes that in consequence of that report a new Insurance Act was passed, and that under that legislation the character of the investments of the company are fixed by law, and all the company's investments now comply with the Insurance Act.

Mr. GARLAND (Bow River): I had no intention of suggesting for a moment that the company to-day was carrying on exactly the same type of investments that it carried on then. My purpose was to indicate the temperament and type of management of the company, which management still exists, and which is of a peculiar type that sees the possibilities of making and accumulating gigantic profits, possibly more than anything else in connection with the company. The mere fact that they come to this house and ask for an increase in capital when they do not need it is an indication of their type. Life insurance companies need but little capital once they get started. Let me ask hon. gentlemen to listen to this statement of the commissioners:

> It seems reasonably plain that if an insurance business possesses the elements of success, the capital stock soon cease to play any important part in its operation. It is difficult to deny, however, to the capital actually adventured the position of security and profit which its adventure has earned. In cases like that of the Canada Life, where $875,000 was put into an established and flourishing business, for the sole purpose, so far as the commission has been able to ascertain, that it might earn at the expense of the policyholders a larger rate of interest than it inherently commanded, no such considerations apply.

There, in the words of the royal commission, is a principle which should be applied to the consideration of this particular measure before the house. The company has a capital to-day of $2,000,000, fully paid up last year, paid up, I am sorry to say, not in cash; only a very small portion of it was paid up in cash, the rest of it being paid up in stock bonuses, transferred profits and dividends. That the company needs no more capital for continuing and expanding its business is made very clear by the fact that the company in Canada with the smallest capital at the present moment is charging the lowest rate on its life insurance policies, and yet is expanding at a faster rate than any other insurance company in Canada. Let me turn to page 166 of the report of the commission. We will find, dealing with the whole principle of the policyholders trust, that is, the funds of the policyholders—

Mr. CASGRAIN: What company does my hon. friend refer to in relation to lower rates?

Mr. GARLAND (Bow River): The Canada Life, with a million dollar capital, $125,000 of which is paid up, one-half paid out of profits.

Mr. BENNETT: It is fully paid up now.

Mr. GARLAND (Bow River): That is the company to which I have reference.

> It seems to the commission of importance to define the nature and position of the funds resulting from the operation of insurance companies.

I would ask hon. members to note this point:

> Save in so far as capital stock plays a part, these funds are either a reserve kept in hand to discharge the insurance obligation, or a surplus resulting from a charge upon the persons insured in excess of what it has cost to insure their lives.

Here you have a company which last year made a profit of $38,000,000. Is it not clear, Mr. Speaker, to the shallowest thinker on this question that a company doing a business returning $38,000,000 in one year is certainly in no need of capital for expansion, irrespective even of the commission's report? The fact of the matter is, this company is making such gigantic profits that it is afraid of the public clamour that will arise when it continues paying annually 25 per cent or more in dividends, so it wants to have some method of covering up those gigantic profits, which must be disbursed as dividends some time or other, and rather than let the policyholders share in the profits by reducing the rates or mutualizing the company, the management prefer, by increasing the capital, to make possible further watering of the stock. There is a pretty tale in regard to that. Let us run over it for a moment. It might be well to bring up to date the record of the capitalization and dividends to shareholders since the discussion took place on this bill only a year ago.

Mr. BENNETT: Might I interrupt my hon. friend—I did not hear distinctly—to say that the company has approximately half a billion assets, not a billion?

Mr. SPEAKER: The hour for private bills being exhausted, the house will now revert to supply.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public Works—chargeable to collection of revenue—collection of public works revenue, $4,000.

Mr. GARDINER: What is the explanation of this?

Mr. ELLIOTT: This amount is required to cover expenditure in connection with the collection of slide and boom dues and commission to agents for collection of rents, and so on.

Mr. BENNETT: In any community where the department has rents to collect why should it not use its permanent officials for the purpose, rather than pay agents commissions? That is a question I was asked some time ago, and I could not answer it.

Mr. ELLIOTT: The practice has obtained for some time of giving to regular rental agents the collection of rents of this kind.

Mr. BENNETT: For instance, do you pay commission on the collection of rents from the brewery buildings to the west of us?

Mr. ELLIOTT: Yes, we do.

Mr. BENNETT: That is an illustration of what was brought to my attention. Why should the department with the number of officials they have here, who are not overworked, collect these rentals rather than pay somebody outside to do so?

Mr. ELLIOTT: My hon. friend has taken what is perhaps the best paying collection from the standpoint of the agent; but the department owns these residences and certain other property, and on the whole it is considered that the commission we pay—

Mr. BENNETT: What commission do we pay?

Mr. ELLIOTT: Five per cent.

Mr. GARDINER: What is the amount of the rentals?

Mr. ELLIOTT: $111,000.

Item agreed to.

Graving docks—Champlain graving dock, $89,200.

Mr. GARDINER: Is this dock being used for government purposes?

[Mr. Bennett.]

Mr. ELLIOTT: For general public purposes.

Mr. GARDINER: Is it under the control of the government?

Mr. ELLIOTT: Yes.

Mr. BENNETT: It is owned by the government, I take it?

Mr. ELLIOTT: Yes.

Mr. GARDINER: Is this for repairs or extensions?

Mr. ELLIOTT: It is for the operation and maintenance of the Champlain graving dock for the year 1928-29.

Mr. GARDINER: Is there any revenue?

Mr. ELLIOTT: Yes, there is revenue.

Mr. BENNETT: How is this chargeable to collection of revenue? I must confess that I have found it difficult to understand this without some explanation, but probably the explanation is forthcoming. You have over $200,000 chargeable to collection of revenue, while it is really money spent on maintenance and repairs in connection with three graving docks.

Mr. ELLIOTT: That is the way in which the books are kept. The expenses in connection with those docks which give revenue to the government are charged under the heading "collection of revenue".

Mr. BENNETT: Is the revenue equal to the expenditure in any one year?

Mr. ELLIOTT: No.

Item agreed to.

Harbour and river works—Burlington channel bridge, $7,500.

Mr. ANDERSON (Halton): Is there any revenue from this bridge?

Mr. ELLIOTT: No, no revenue. This amount is required for staff, maintenance and repairs for the Burlington bridge which affords a crossing over a ship channel for vehicular and other traffic.

Mr. ANDERSON (Halton): Why is it in this category if there is no revenue? Is there any revenue from the channel?

Mr. ELLIOTT: No; it has been kept in this class as a matter of bookkeeping. The works that we operate are all in here; those that return a revenue are here included. It is a matter partially of cost of collection of revenue and cost of keeping up the docks.

Mr. ANDERSON (Halton): I presume there are expenditures in connection with attendants who look after the bridge. Is that item included in the vote?

Mr. ELLIOTT: Yes.

Mr. ANDERSON (Halton): Who are the persons looking after the bridge, and what are their wages?

Mr. ELLIOTT:

Carey, Morley—bridge tender, $1,260.
Brown, Edward—assistant bridge tender, $1,140.
Duckett, Frank—assistant bridge tender, $1,140.
Irving, Harve—assistant bridge tender, $1,110.
Morrisson, J. A.—assistant bridge tender, $1,110.—Total, $5,760.

Item agreed to.

Kingston—wharfs and bridges, $12,000.

Mr. ROSS (Kingston): Are there any repairs being done at La Salle?

Mr. ELLIOTT: There are certain repairs to the guide piers, as well as replacement of timbers and splicing piles, $1,300; improvements to grounds, $50; renewing floor of the east span of sidewalks, $2,050. These are included in the amount.

Mr. ROSS (Kingston): That highway will require very much more in the way of repairs in order to be in condition for next fall. About eighty large grain boats winter there, and a good deal of damage has been done to the anchorage. The minister would be well advised to have it looked after before next fall.

Mr. ELLIOTT: I shall be glad to look into it.

Mr. BENNETT: I cannot understand what difference there is between the items we are just now discussing and those with which we dealt this afternoon. What is the difference between constructing a wharf and bridge at Kingston, putting a dam at Latchford and a lock and dam at Riviere du Lievre, and repairing a slip at Selkirk, on the one hand, and on the other the works which were under discussion this afternoon? There must be some explanation.

Mr. ELLIOTT: The distinction is this: the works which we operate are kept in this category, whereas the other wharves we build and turn over to the Marine department.

Mr. ROSS (Kingston): Moreover, you are getting a large revenue from these.

Mr. BENNETT: But that goes into the consolidated fund at once.

Item agreed to.

56103—217½

St. Andrew's rapids—lock and dam, $21,500.

Mr. GARDINER: Explain.

Mr. ELLIOTT: This is to provide for staff, repairs and so forth for the fiscal year 1928-29 in connection with St. Andrew's rapids lock and dam on the Red river, Manitoba.

Item agreed to.

Selkirk—repair slip, $3,400.

Mr. ANDERSON (Halton): How much revenue is returned to the department from all the items included in this vote of $55,660?

Mr. ELLIOTT: Of all those mentioned in this vote we get revenue from the last item alone, and that is $2,490.

Mr. ROSS (Kingston): Surely the minister is mistaken, because those boats pay a toll at the La Salle bridge. Why, you must have had revenue from one boat that was seized and was lying there for some time.

Mr. ELLIOTT: That goes to the Marine department; we do not get it.

Mr. BENNETT: I had occasion the other day to ask the minister this question: Why is it that the Department of National Revenue is inviting tenders for the construction of a new building, when the Department of Public Works has always dealt with such matters? A building is being put up in Phillipsburg, in regard to which I wrote the minister. There was no record of it in his department, and subsequently he was good enough to advise me that the Department of National Revenue was in fact putting up a public building there. Why should that department put up a building there? It is a small matter, but I should like to know the reason.

Mr. ELLIOTT: I cannot state the reason, but from time to time that department has put up small buildings. It has not done so very often, only occasionally.

Mr. BENNETT: Here is a public building to which my attention was directed. I inquired of the minister and he said that the Public Works department had no record of it. I was able to give him further information on the matter, and he subsequently informed me that the Department of National Revenue was constructing a public building. What architect is doing the work, for instance, and what services are rendered?

Mr. ELLIOTT: Not any of the Public Works architects.

Mr. BENNETT: We shall have another opportunity to inquire into the matter.

Item agreed to.

Telegraph and telephone lines—land and cable telegraph lines, lower St. Lawrence and maritime provinces, including working expenses of vessels required for cable service, $218,000.

Mr. BENNETT: Will the minister give us some particulars of this vote?

Mr. ELLIOTT: This amount is required during the fiscal year 1928-29 for the working expenses of the land and cable telegraph lines of the sea coasts and island of the lower river and gulf of St. Lawrence and the maritime provinces, including working expenses of vessels required for cable service. The amount called for includes $7,500, possibly required for submarine cable renewals; $75,000 for maintenance and working expense of the cable-ship Tyrian; $70,270 for telegraph staff salaries and commissions and $65,230 for repairs and supplies, making a total of $218,000.

Mr. ADSHEAD: How far north on the Labrador coast do these lines go?

Mr. ELLIOTT: They go as far as Belle Isle.

Mr. GARDINER: What is the revenue from this service?

Mr. ELLIOTT: The revenue earned in 1928-29 was $39,305.92, and in 1927-28 it was $33,150.

Item agreed to.

Alberta and Saskatchewan, $114,000.

Mr. BENNETT: What are these telephone lines for and where are they?

Mr. ELLIOTT: This amount is to provide for the working expenses of the telegraph and telephone lines in the provinces of Alberta and Saskatchewan for the year 1928-29. Prior to the year 1927-28 separate appropriations, one for Alberta and one for Saskatchewan, were always provided for the maintenance of these lines. For administrative purposes the lines in these two provinces were united into one division, known as the Alberta-Saskatchewan division. The mileage is made up as follows:

In Alberta:	Miles
Edmonton—Hudson Hope	739½
Athabasca—Fort McMurray	245
Athabasca—Lac La Biche	78
Mooswa—Onion lake	37
Junor	8
	1,107½

In Saskatchewan:	
Battleford—Isle la Crosse	335
Lloydminster—Onion lake	42
Assiniboia—Willow Branch	84
Grouard—High Prairie	38½
Dawson Creek	8
Kilkerran	6
	513½

Mr. BENNETT: Can the minister tell me the revenue from the Alberta mileage?

Mr. ELLIOTT: They are combined for 1928-29; up to 1925-26 they were separate. In 1925-26 the Alberta lines brought in a revenue of $17,110.08, and the Saskatchewan lines $3,616.14. In 1926-27 the combined lines brought in a revenue of $19,299.62, and last year the combined revenue was $20,726.

Item agreed to.

British Columbia mainland, $92,000.

Mr. GARDINER: Is this also a telephone service?

Mr. ELLIOTT: Yes, telephone and telegraph, the mainland telegraph and telephone lines in the province of British Columbia.

Mr. FRASER: Would not the same question which I asked this afternoon apply to this item?

Mr. ELLIOTT: I am advised that none of these offices have been sold.

Mr. FRASER: I do not want to contradict the minister, but I think he is mistaken. I think that is the same vote we had this afternoon, or that it includes the same district, in which 145 offices have been eliminated.

Mr. ELLIOTT: Perhaps this might be an opportune time to say which of these lines have been sold. The Kamloops section is still in our possession; we still have the Barriere section, the Chase-Revelstoke section and the Golden-Inverness section.

Mr. STEVENS: The best paying sections have been sold.

Mr. ELLIOTT: They are all south of Kamloops, and when we revert to that vote I will move that the amount be reduced to $12,705, for the repair of the lines we have not sold.

Mr. FRASER: Will not the same principle apply to this item? The item this afternoon was for repairs and this is for maintenance of the lines in exactly the same section. You have eliminated 145 of those offices, but this vote covers the whole section.

Mr. ELLIOTT: We will only need whatever amount is required for maintenance; we will not need anything for those lines which have been sold. I think probably my hon. friend is correct in saying that this item does cover some of the lines which were sold.

Mr. STEVENS: In comparing this item with the amount voted last year this would appear to include them all.

Mr. ELLIOTT: Yes, I think that is correct.

Mr. FRASER: As a matter of fact, these lines were sold after the estimates were made up and the estimates have not been altered?

Mr. ELLIOTT: That is it exactly.

Mr. McQUARRIE: To whom were the lines sold?

Mr. ELLIOTT: To the British Columbia Telephone Company.

Mr. McQUARRIE. In competition with other companies?

Mr. ELLIOTT: No, I think not.

Mr. GARDINER: What price was received for them?

Mr. ELLIOTT: We received $50,000.

Mr. McQUARRIE: There is another telephone company operating in that section, the Okanagan Telephone Company.

Mr. ELLIOTT: Yes, but apparently it was not in a position to buy these lines; the British Columbia Company was able to take them over, and we received $50,000.

Mr. McQUARRIE: The Okanagan Telephone Company intimated that they were not in a position to buy these lines?

Mr. ELLIOTT: No, I do not believe I can say that; I understood that the only negotiations carried on were with the British Columbia Telephone Company.

Mr. STEVENS: Do I understand the minister to say that only $50,000 was received for these lines?

Mr. ELLIOTT: Yes.

Mr. STEVENS: Does the minister consider that a satisfactory amount for these lines? That included the lines running from Kamloops to Merritt, the Penticton section, the Vernon section and the portion belonging to the government in the Okanagan, part of it using the British Columbia Telephone Company lines.

Mr. ELLIOTT: I would say to my hon. friend that we got rid of a very big deficit; they were all running behind.

Mr. STEVENS: If I recall rightly, that portion of the line pretty nearly balanced up its cost; that was a very good section of the line. I think there was a section taken out some years ago for the British Columbia Telephone Company.

Mr. ELLIOTT: Some parts were not as bad as others, but we had an annual deficit of over $30,000 for a number of years on the lines we sold. We were pleased to get rid of them.

Mr. ADSHEAD: Is the company which took them over making them pay now?

Mr. ELLIOTT: We hope that they will not have the deficit that we had.

Mr. McQUARRIE: Some of these lines were in competition with the Okanagan Telephone Company, and, if I remember correctly, that company made an offer at one time to purchase some of these lines. I am surprised they were not communicated with and asked to make a bid on the purchase.

Mr. ELLIOTT: I do not understand that they were.

Mr. McQUARRIE: That seems surprising to me. I understand they were anxious at one time to take the government lines over, and they may have given a better price than the British Columbia Telephone Company.

Mr. ELLIOTT: That matter of telephone service was fully discussed in New Westminster in 1923, when the department officials met the board of the Okanagan Telephone Company. The secretary-treasurer of this company, in a letter dated September 26, 1923, said:

> The Okanagan Telephone Company does not feel that at the present time it is in a position to maintain and operate all government lines within territory now occupied by us.

The words "occupied by us" cover only a very small portion of the lines disposed of, 79 miles, and the object of the government was to dispose of the lines in toto, so as to effect a saving of $30,000 a year, and not sell the lines in pieces and disrupt a serviceable system by disposing of the valuable portion and retaining the non-productive portion. This precluded any chance of dealing with the Okanagan Telephone Company. The present transaction has meant that we have disposed of the revenue producing lines along

with the non-producing lines, at the same time guaranteeing to all localities and individuals now being served by the government lines the continuation of such service by the British Columbia Telephone Company.

Mr. FRASER: What amount of money was spent last year on substantial improvements on the lines which have been sold?

Mr. ELLIOTT: We have salaries, contingencies and upkeep all together, and I cannot give the upkeep separately.

Mr. FRASER: I am interested in the cost of the new equipment put into the lines which have been sold.

Mr. ELLIOTT: I shall be glad to get that information.

Mr. GARLAND: Has the minister any information as to the amount of capital invested?

Mr. ELLIOTT: My information is that the original cost for construction and everything else was about $200,000.

Mr. FRASER: Do I understand that this vote is to be allowed to stand, the same as the other one?

Mr. ELLIOTT: I shall be glad to give the information in the supplementaries, and have the discussion there.

Mr. FRASER: All right.

Item agreed to.

British Columbia northern district, $88,000.

Mr. BRADY: Will the minister give us an idea of the extent of the lines covered by this item?

Mr. ELLIOTT: The total mileage is 1,575.

Mr. BRADY: Could the minister give me the points and locations covered?

Mr. ELLIOTT: The mileages are as follows: Oregon-Jack creek, 13; Highland valley, 29; Savona, 32; Lilooet, Pioneer Lytton, 160; Clinton-Gang Ranch, 70; Canim Lake system, 27½; Williams Lake-Alkali Lake, 32. Are there any particular localities that my hon. friend would like?

Mr. BRADY: I want to know if any new lines are being constructed in northern British Columbia.

Mr. ELLIOTT: This does not refer to new lines; it covers the lines already constructed

[Mr. Elliott.]

Mr. GEARY: Were the figures given stations or miles?

Mr. ELLIOTT: Miles.

Mr. GEARY: Where could we get the amount of receipts for these various lines? Is it printed anywhere?

Mr. ELLIOTT: It is in the Public Works report.

Item agreed to.

POST OFFICE DEPARTMENT

Outside service — salaries and allowances, including amount required to provide for salaries, reclassification, revision, promotions and increases which may be authorized by the Civil Service Commission, $16,955,934.40.

Mr. MANION: Would the Postmaster General give us some of the details as to this item?

Hon. P. J. VENIOT (Postmaster General): There are four principal items included in this appropriation. The item for salaries shows an increase of $428,940, of which $187,620 is due to statutory increases approved by the Civil Service Commission and the balance of $241,320 is due to additional assistance, chiefly letter carriers and postal clerks, required to handle the increased volume of mail and to provide for improved postal facilities for the public. The increased vote will be offset by a corresponding increase in the postal revenue. The item for mail service shows an increase of $425,000 of which $100,000 is for mail service by railway and $325,000 for mail service by air and land conveyance including rural mail delivery. The third item, miscellaneous, is the same as last year. The item for the Yukon is the same as last year.

Mr. GARDINER: Does the first item include salaries for postmasters in what are called non-staff post offices—that is, where they get a lump sum for running the post office without any provision for staff?

Mr. VENIOT: Yes.

Mr. GARDINER: Can the minister give the committee give some information as to how those salaries are arrived at? I have had several complaints regarding their being inadequate for the service performed.

Mr. VENIOT: The minimum salary for rural postmasters at the present time is $60 per annum. When the revenue of the post office from the sale of stamps, commissions on money orders and postal notes, et cetera, increases from $120 up to $1,000 the increase in salary is fifty per cent of the increased revenue

I wish to take advantage of the question asked by the hon. gentleman to say that the question having arisen last winter and again this session as to an increase in salary for rural postmasters, it has been decided to increase those salaries. As I say, the minimum now paid is $60, and the minimum in future, beginning 1st April, 1928, will be $100 per annum. The percentage increase of salary on the revenue from $100 up to $1,000 will be seventy per cent instead of fifty; on the revenue from $1,000 up to $10,000, it will be thirty per cent, and on the revenue from $10,000 up to $15,000 it will be twenty per cent. This will give an increase without any discrimination whatever to more than 9,000 rural postmasters.

Mr. BENNETT: An increase of $40 a year.

Mr. VENIOT: That is a minimum, but some will receive increases of $100, $124 up to $200, according to the revenue ranging from $150 up to $15,000.

Mr. MANION: In round figures what does the total increase amount to?

Mr. VENIOT: In consequence of the reduction in the postage from three to two cents the postmaster's salary, if I can call it such, that is, accumulated from the minimum salary and from commissions, would naturally have been reduced, because, salaries being paid on revenue, as the revenue diminishes the salary diminishes. But an order in council was passed in 1927, retroactive for the year 1926, that no salary would be less than it was at the end of the year prior to the reduction in the postage. That entailed an extra expenditure of some $600,000. This increase which we are now giving will maintain that and add to it somewhere in the vicinity of $250,000, making a total of about $900,000.

Mr. MANION: What is the $900,000?

Mr. VENIOT: This amount of $900,000 includes about $600,000 to make up the reduction that would have taken place had we continued to pay the postmaster on the revenue after the reduction in the postage, and we are adding to that some $250,000 which will make up somewhere between $850,000 and $900,000.

Mr. MANION: I notice the minister was speaking of the three items together, so we might put our questions in regard to them in the same way. As regards the second item "mail service, including mail service by air" I think the committee would like to know what services are being carried on by air at the present time. I know of some in northern Ontario.

Mr. SPENCER: While the minister is giving that, he might also give the future program.

Mr. VENIOT: I will find the information in a minute, but I may say from memory that last winter we had an air mail service from Moncton to the Magdalen islands at a cost of about $6,000, and an air mail service from La Malbaie in the county of Charlevoix-Saguenay to Anticosti, costing about $26,000. Yes. It covers the Seven Islands and Anticosti, accommodating six or seven points along that route. We had, in addition to that, an air mail service from Sioux Lookout to Red Lake, serving Gold Pines, Jackson-Manion (Woman Lake), Narrow Lake, Grace or Rainbow Lake, and Clearwater Lake. The name of the company running that service was the Patricia Airways, Limited. The service was at the rate of ten cents per ounce. The company was allowed to carry the mail under what is known as the sticker system; that is, we were not charging anything extra, but in the case of any person who wished to send his mail by that air service, the company was allowed to attach a sticker to the mail at the rate of ten cents per ounce. We had also a service from Rolling Portage to Red lake, serving Gold Pines, Jackson-Manion and Narrow Lake. This service was at the same rate. We had an air mail service from Leamington to Pelee island at $32 a trip. The London Air Transport, Limited, carried on that service, under an arrangement made between Pelee township, Leamington, and the Post Office department.

Mr. MANION: I happen to have received some letters via air mail service, and I note that there is a stamp called "Airways stamp" put on them. Is that a private stamp of their own, or is it a departmental stamp?

Mr. VENIOT: It is a private stamp at the present time.

Mr. MANION: So the revenue goes to the airways company?

Mr. VENIOT: Yes. The reason for that is that the whole system is as yet in the experimental stage, but just as soon as we are in a position to know that we can give the public a regular service, we shall have an air mail stamp, and charge accordingly. We are now arranging for an air mail service, as we had last year, from Rimouski to Montreal, Montreal to Toronto,

and Montreal to Ottawa. We are also negotiating for an air mail service from Montreal to Schenectady, and another one from Toronto to Buffalo. It will be some time before these two latter services will be inaugurated, because we have to enter into special arrangements, a sort of air mail treaty, with the United States.

Mr. MANION: Is this air mail service for special mail, just in case the individual wants to have his mail sent that way?

Mr. VENIOT: The Montreal-New York and the Toronto-Buffalo service will be a regular mail service, and rates will be charged in accordance with the service. At the present time there is no extra charge being made for the service from Rimouski to Montreal, Montreal to Toronto, and Montreal to Ottawa, because it is not yet a regular air mail service, but is given only twice a week. The object of that service is to connect with the transatlantic boats at Rimouski, and hasten the mail across the continent to the Pacific coast. We have found that by taking the mail by aeroplane from Rimouski we can land it in Toronto twenty-four hours ahead of the usual delivery.

Mr. MANION: Is all first class mail taken that way?

Mr. VENIOT: All first class mail matter from across the ocean will be taken in that way for these points. The planes carry from 750 to 1,000 pounds, and they have been pretty well loaded every time. Then when the planes are returning, they gather the transatlantic mail at Toronto, Ottawa, Montreal and Quebec and catch the steamer after she has left port and before she reaches Rimouski. In that way, Canadian mail reaches Great Britain one week ahead of the usual time.

Mr. ADSHEAD: Is the Postmaster General considering establishing an air mail service on the prairies from Winnipeg to Calgary? It would certainly increase the speed of the mail service from the prairies to the coast, and I believe that Calgary is making a special air landing with that object in view.

Mr. VENIOT: In connection with all the air mail services we have established, I may say that so far as the air routes are concerned, they are subject to the air board, under the Department of National Defence. They are working in absolute co-operation with the Post Office department, and it is the intention this summer to have the air board make a survey west of Toronto as far as we can go with the survey this summer, taking in Winnipeg, Edmonton and Calgary, and any other points that we designate. They will make the survey, and then give us a report on the possibilities of establishing an air mail service in those sections. While I will not say that it is a fixed policy, yet if Canada is to follow the movement for air service which is spreading on the continent of America, eventually we will have to have an air service to the coast.

Mr. ODETTE: Will a survey be made of southwestern Ontario with a view to establishing an air mail route between Toronto and Windsor?

Mr. VENIOT: I am not in a position to promise that to my hon. friend, but I think it is included in this survey program.

Mr. TOLMIE: How frequent is the air mail service between Victoria and Seattle, and what are the arrangements there?

Mr. VENIOT: I do not know what the arrangement is. It is a private company.

Mr. ADSHEAD: Does any of these three votes include the payment of the mail carriers who are carrying mail by stage?

Mr. VENIOT: Yes.

Mr. POULIOT: Is it the intention of the department to establish an emergency station for aeroplanes at Riviere du Loup on the route from Montreal and Quebec to Rimouski?

Mr. VENIOT: The Post Office department has nothing whatever to do with establishing airfields or landing ports. That matter belongs entirely to the Department of National Defence. We point out to them where they may be required, and they look into the matter, and if it is decided to establish such an airfield they take the matter in hand and do the work.

Mr. ADSHEAD: How are these rural mail couriers paid? Is there a minimum payment? Is the work awarded by contract?

Mr. VENIOT: The rural mail service is awarded under contract.

Mr. ADSHEAD: By tender?

Mr. VENIOT: Yes.

Mr. ARTHURS: Mr. Chairman, some days ago a question arose on the estimates of the hon. minister regarding the carriage of the mails by boats in northern Ontario. I think

the hon. member for Muskoka (Mr. McGibbon) brought the matter up. The minister at that time stated that he intended not to open the service until the 15th of May. I took some part in the discussion, but I did not hear the minister say whether he intended to discontinue the service on the 15th of October. Does he?

Mr. VENIOT: I will ask permission to explain the situation.

Mr. ARTHURS: I will tell the minister first what I want. This year navigation on all these lakes opened exceptionally late, on the first day of May. It usually closes from the 12th to the 15th of December—not October—because the boats are running during the whole of the hunting season and for some time afterwards, and if the mail is not carried by boat it involves considerable hardship on the men who have the contract for carrying the mail during the other part of the year. Their contracts are usually made on the supposition that they will be drawing the mail on sleighs, and if the mail service by boat is discontinued as early as the 15th of October and is not resumed until the 15th of May, those contractors have to carry the mail over the worst possible roads, a condition which was not contemplated by them at the time they took the contracts. I would ask the hon. minister to reconsider this and continue the mail service in those parts of the country where there is an ordinary resident population until the close of navigation.

Mr. VENIOT: After the matter was brought up about two weeks ago by the hon. member for Muskoka and my hon. friend who has just taken his seat, I stated that the season would not begin this year until the 15th of May, but in the meantime I would have the matter looked into thoroughly. The same week instructions were issued to our superintendent of mail transportation by mail and steamer to visit this district and go into the whole situation. He did so, meeting the steamship company that carries the mail and other mail contractors, as well as a large number of residents of the district. He reports that he has reached a decision which he feels sure will be favourable to all those with whom he discussed the matter. Arrangements will be made with the steamship company for a better and earlier service next spring. We felt we should not allow a steamship company or any other company transporting our mails to impose upon us whatever prices they thought fit.

Mr. ARTHURS: Just there, Mr. Chairman—in the past the price has been relative to the number of boats employed in the spring and fall. I know that was the case in regard to one navigation company some years ago.

Mr. VENIOT: They were asking $50 a day for fifteen days. I did not consider it worth while.

Mr. ARTHURS: During the season ten or twelve boats are in commission, but during the spring and fall the number is reduced to one-third, or at the outside one-half.

Mr. VENIOT: My object is to give them a good and efficient service, and I think we are in a fair way to do it after what took place the other day.

Mr. ADSHEAD: Is a maximum price per mile set for the rural mail carriers beyond which you will not go, or do you leave it open to tender?

Mr. VENIOT: It is all by tender. There is no maximum price set, but we have a scale to guide us in determining whether tenders are too high or not.

Mr. BENNETT: It is not quite correct to say they are all by tender, because frequently the contracts are renewed by the department without calling for tenders.

Mr. VENIOT: That is true. Now I wish to take up a little of the time of the committee on this question. For the last two years an agitation has been started by a person purporting to represent what he calls the Postal Mail Carriers Association. All mail contractors have been asked to contribute from two to five dollars each. Those supposed to be at the head of the association claim that they can influence the Post Office department to such an extent as to have increased allowances made to these mail carriers. Now I want to say right here on behalf of the department that the day has come when, with the knowledge in my possession of the way in which this agitation is being carried on, it is necessary for me to declare that the Post Office department in no way recognizes such an association, and that the gentleman who pretends to be its secretary has no authority to speak on behalf of the department.

Mr. CAMPBELL: May I ask if he has any authority to speak on behalf of the mail carriers? I do not think he suggests that he has any authority to speak on behalf of the Post Office department.

Mr. VENIOT: I have been informed by mail contractors that representations have been made to them that this gentleman is in such close touch with the Post Office department that he can almost guarantee what he is seeking for them. That is why I am making this statement to-night.

Mr. ARTHURS: He must be a Liberal.

Mr. VENIOT: I do not know whether he is or not, and I do not care.

Mr. STEVENS: Hear hear; that looks like daylight.

Mr. VENIOT: I do not care what his politics may be, but I want to stop this agitation among our mail carriers. I find propaganda is being put forward by this gentleman encouraging our mail carriers to ask for $70 a mile; that they be placed upon the same footing as the mail carriers in the United States. This is not practicable in Canada, owing to our sparsely settled country and the different climatic conditions in various parts of the Dominion. For these reasons it is impossible to fix a uniform rate of so much per mile, and it would not be doing justice to the mail contractors to attempt it. But if a uniform rate of $70 per mile were fixed, it would mean an extra expense to the Post Office department of $7,000,000. If we were to make the rate retroactive to the date this gentleman advocates—and he is leading some of the mail contractors to believe it may come to that—it would mean an additional $18,000,000.

Mr. BENNETT: It would be well to be a letter carrier then.

Mr. VENIOT: It would be better to buy them all out. As to the number of renewals, this gives me an opportunity to present a comparison as an answer to the statement that our mail carriers are being paid too little. I am not going to say that they are not being paid too little, but it is their own fault. When the tenders are put out we always find someone tendering below the contract of the year before; and, taking 400 contracts renewed, I find that not 4 per cent of those to whom we have offered renewals refuse. Apparently they are glad to obtain the renewals and to continue their contract at the figure they were receiving before. On the other hand, in many cases—80 out of 100 at least—where the contract was let anew the new contractor obtained it at a figure lower than the previous one.

Mr. ROSS (Kingston): If that keeps on you will ultimately get it done for nothing.

[Mr. Campbell.]

Mr. VENIOT: No, it is not so very much lower. But I maintain that it is the fault of the mail carriers themselves.

Mr. ROSS (Kingston): Is that a fair way to put it? It is a matter of competition and I know that many of these people are absolutely out of pocket.

Mr. VENIOT: Why do they carry on?

Mr. ROSS (Kingston): The government under this system is encouraging dishonesty. These fellows are pretty honest, but when you pare them down it makes for dishonesty.

Mr. VENIOT: I have been nearly two years at the head of the department and I have yet to discover one dishonest mail carrier under contract.

Mr. ROSS (Kingston): That is exactly what I say; if they were not honest fellows this would only encourage them to be dishonest. You are paring them down so that they cannot make a living.

Mr. VENIOT: The department is not paring them down. It calls for tenders, just as in the case of public works, and if they bid down, that is their own business.

Mr. MANION: Are there not many contracts that are renewed without tender?

Mr. VENIOT: Certainly.

Mr. ARTHURS: Is it not a fact that in a great many cases, probably the majority of cases, where there is the slightest advance asked in the price for the carrying of mails by contract, the local inspector peddles the job around trying to get the lowest price he can obtain among the various tenderers?

Mr. VENIOT: I want to know the inspector that does that.

Mr. ARTHURS: It is done right along.

Mr. VENIOT: My hon. friend is talking from hearsay; I will ask him to specify a case, and if he does so I will go into it.

Mr. ARTHURS: I will give the minister many instances if he requires them.

Mr. VENIOT: Give them; I want them.

Mr. ARTHURS: You will get them.

Mr. VENIOT: In the case of opening up a post office in a new district, when the inspector goes in to make his report, he informs us whether or not it is advisable to open that new office. If he reports in favour of it, while he is there he gets, from this one and that one, estimates as to what it will cost to carry the mail, giving the number of miles. That information is submitted to the depart-

ment. The inspector in that case does not try to pare them down, but he gets the prices. We know what the ordinary prevailing prices are on a rural route, and where the tender is anywhere from 15 to 20 or 25 per cent above that rate—where by our scale it is too high a price—then overtures are made; if there are three or four tenderers each one is given another opportunity to submit a price upon the receipt of information from the department that we consider all the prices too high.

Mr. ROSS (Kingston): Can the minister tell us what the average annual payment is to one of these rural carriers?

Mr. VENIOT: That is determined by distance and frequency of service. There are rural routes in the Dominion which have a service only twice a week; there are others with three services, four services and six services weekly. Others are more frequent. And the mileage varies in all these routes; it is very seldom that we have two routes with about the same mileage. It would be impossible to give any average.

Mr. ANDERSON (Halton): With regard to the rural mail carriers, particularly in Ontario and in the section from which I come, I can say very definitely that they are the poorest paid members of the civil service of this country. And they are the hardest worked; they work six days a week and almost every day in the year with the exception of four holidays. These men are not paid anything like the remuneration paid the city carriers. Moreover, they have to supply horse and rig, pay large expenses for upkeep of that equipment, and every day, in all conditions of weather, in all seasons of the year, very often on bad roads, they have to be on the job. Frequently it takes them almost the whole day to make the rounds of their route. Let me cite one specific instance which will typify all the rest. In one rural route the mail carrier covers fifteen miles every day and he receives $750 per annum, which amounts to about $2.40 per trip. He has only four holidays in the year.

Mr. VENIOT: Six.

Mr. ANDERSON (Halton): He has to keep his horse and buggy, has to shoe the horse whenever necessary, and must meet all expenses in connection with his outfit. Hay at the present time costs almost $30 a ton and oats from seventy cents to a dollar per bushel. A bushel of oats will keep a horse about three days, and he requires from six to seven tons of hay a year. It costs $2.50 to shoe a horse, and if the carrier has to buy new shoes that means between $5 and $6. Altogether, they estimate that the cost of shoeing a horse and keeping up a rig is about $70 a year. This man has to keep a family the same as the man in the city, although he gets very much less. The minimum wage for the city letter carrier is $1,080, with a maximum of $1,500, and he gets two suits per annum. He has no equipment whatever to keep up. So that the rural route men do not get enough for the work they do, notwithstanding that it is very much harder work than the city carriers perform.

The minister says the work is done by contract; we know it is. But there are circumstances in which the inspector does try to pare them down, and in order to keep their position they will reduce the price to less than cost of service. One reason why they do this is that many of these men have no money whatever. They have their horse and rig and if they lose their contract they can hardly sell that outfit. Many of these men have been in the service quite a number of years, and hardly know what else to do. I know one or two men who could not do anything else, so they will submit to having their tenders reduced in order to retain their positions.

Mr. VENIOT: I want to say to the hon. gentleman that they are not reduced in their tenders.

Mr. ANDERSON (Halton): I can say definitely to the minister that they are reduced, and I know one man in my own town who was reduced almost half less than a year ago.

Mr. VENIOT: Name him.

Mr. ANDERSON (Halton): He was reduced almost half because he was afraid he would not be able to retain his position. I will give the minister his name afterwards.

Mr. VENIOT: I thought my hon. friend had given the name.

Mr. LETELLIER: Do the rural mail carriers in the constituency represented by my hon. friend carry parcels and passengers?

Mr. ANDERSON (Halton): No, they do not carry passengers, although they do carry parcels and manage to increase their income to some extent in that way. They some times carry bread into the country districts, and of course they carry some parcels. I have known of instances, although I cannot give the names, where inspectors have come out from the city and had each man tender against the other. The inspector would go to one man

and say, "Mr. So-and-So has tendered for so much; can you beat it?" Then he would go to the other man and say, "Can you beat this tender?" I know one occasion at least when the man who had the contract had to reduce his tender considerably. That sort of thing has happened several times; these particular instances I mentioned happened some years ago. I know the minister does not know all about these matters; he is giving the facts as he knows them, but he is not on the job to see how these men work. Many times these mail carriers must wait for hours when a train is late; they are late getting out and late getting home, and unless some of them rent a little field where they grow oats and hay, they cannot carry on.

Mr. LETELLIER: As I have quite a number of mail carriers in my constituency I should like to inform this committee of the satisfaction which they seem to have with the way they are treated by the department. A number of mail contracts were recently renewed in my constituency and I have not heard one of the contractors complain that he is not receiving sufficient remuneration for his services. I believe the tender principle is the most practical method which could be adopted by the department. As members of this committee know, these mail carriers cannot be given a great deal more than they are receiving because this rural mail service is maintained to encourage the rural people to remain on their farms, and it is maintained by the department at a great loss. If the contract prices seem to be low we must not forget that that is the fault of those who tender. Not long ago I had a new mail delivery established in my constituency in the St. Romain district, and I must congratulate the minister for giving us this delivery. He called for tenders; the opinion of the people in that district was that $600 would have been a reasonable compensation, but the contract was awarded on a tender of $520, and the man carrying on the work claims that he is doing well.

Mr. ANDERSON (Halton): Does the hon. gentleman think that man is receiving enough for his services? What mileage does he cover?

Mr. LETELLIER: In the winter time these men use horses and in the summer time most of them use automobiles. Some of them not only carry the mail but also operate private boarding houses or hotels. In the latter cases they must meet the trains in order to meet travellers, and at the same time they carry the mails. This works to their benefit and to the benefit of the country at large. So I believe it is rather unfair for hon. members of this house to try to introduce the idea that this system of calling for tenders should be changed; I think such a change would be prejudicial to the country at large.

Mr. THOMPSON: May I ask the minister a question? If I understood him correctly he said he had succeeded in having a number of contracts renewed without calling for tenders? Is that correct?

Mr. VENIOT: Yes.

Mr. LETELLIER: If no change is to be made in the contract there is no need to call for tenders, but if a mail carrier asks for an increase in his remuneration, the department is obliged to call for tenders.

Mr. THOMPSON: Then the treatment accorded the mail carriers in my hon. friend's constituency is different from that accorded mail carriers elsewhere.

Mr. SPENCER: I wish to ask the Postmaster General a question with regard to the rural mail delivery routes. As he well knows, in the prairie provinces, and particularly in the province from which I come, there are many rural mail deliveries made only twice a week. That is a very poor service. As one of my hon. friends has said, the rural mail carriers sometimes cover great distances; I believe they go up to thirty miles and over on a round trip.

Mr. VENIOT: Yes, thirty-five and forty miles.

Mr. SPENCER: The minister knows perfectly well that a very poor service is being given in many of these districts. I admit the expense, but the expense is necessary, in my opinion, if we are going to give satisfaction to the hundreds of thousands of newcomers settling on the prairie. I should be glad if the minister would give the committee an outline of the policy of the department with regard to opening up new rural mail routes.

Mr. VENIOT: At the last session the house voted an amount for the purchase of about 40,000 rural mail boxes. Upon investigation we found we might require more than that in order to meet the requirements of the next three or four years. Renewal of boxes takes about 3,000 per year, and adding to that number the applications we expected to receive we therefore ordered in the vicinity of 50,000 boxes. For the information of the committee I have a compilation here of the number of applications received during part

of last summer, and the fall and winter, divided up into postal districts. For Charlottetown there were two applications received; tenders were invited for both, a contract has been awarded in one case, and the other is under consideration. For Halifax district, which includes all of the province of Nova Scotia, there were 32 applications received, 14 tenders invited, 11 contracts awarded, and 3 are still under consideration. In the St. John district, which includes the province of New Brunswick, 42 applications were received, 20 tenders invited, 14 contracts authorized, and 5 are still under consideration. In the district of Quebec, which covers the lower section of the province of Quebec, 49 applications were received, 21 tenders invited, 19 contracts awarded, and 10 still under consideration. In the Montreal district of the province of Quebec, 37 applications were received, 16 tenders invited, 12 contracts awarded, and 9 are under consideration. In the Ottawa district, Ontario, 49 applications were received, 20 tenders invited, 14 contracts awarded, and 9 are under consideration. In the North Bay district, Ontario, 22 applications were received, 8 tenders invited, 4 contracts authorized, and 4 are still under consideration. In the Toronto section, 14 applications were received, 10 tenders invited, 5 contracts awarded, and 5 are under consideration. In the London section, Ontario, no applications were received, 3 tenders were invited, one contract awarded, and one is under consideration. In this case the matter was one that came under the special supervision of the inspector of the district, and he made the report without applications being received. In the Winnipeg district, 28 applications were received, 16 tenders invited, 9 contracts authorized, and 7 are still under consideration. In the Moose Jaw district, 39 applications were received, 8 tenders invited, 4 contracts awarded, and 5 where the date of operation is not yet fixed. In the Saskatoon district, 51 applications were received, 36 tenders invited, 22 contracts awarded, and 10 where the date of operation is not yet fixed. In the Calgary district, 30 applications were received, 11 tenders invited, 7 contracts awarded, and 4 where the date of operation is not yet fixed. In the Edmonton district, 20 applications were received, 9 tenders invited, 3 contracts awarded, and one where the date of operation is not yet fixed. In the district of Vancouver, 20 applications were received, 14 tenders invited, 10 contracts awarded, and 4 where the date of operation is not yet fixed. The totals show 435 applications received, 208 tenders invited, 136 contracts awarded, and 78 where the date of operation is not yet fixed. The total number of eligible residents on the 136 routes authorized is 8,568. The total number of eligible residents on the proposed routes, for which tenders are invited but not completed, is 2,150. The total of these two figures is 10,718, which is the increase in the number of people to whom service will be given this year as compared with 1927.

Mr. SPENCER: In what way are the new routes being decided? Is there any limit to the number of rural routes being opened up in each constituency, or is it regulated by the nature of the route?

Mr. VENIOT: When an application is received for a rural route, instructions are immediately sent to the district superintendent. He then authorizes one of his inspectors to go and examine this route, and he in turn gives a report on it, favourable or unfavourable as the case may be. We generally require that fifty per cent of the people on the route should purchase boxes before the route will be established. When we receive a favourable report from the inspector tenders are immediately invited so that we may know what it will cost.

Mr. BRADY: There must be some basis upon which a rural route is established. You mentioned that fifty per cent of the people would be required to take these boxes, but there must be a certain number that you decide as being necessary before a mail route is established. I should like to know what that number is upon which you base your ruling.

Mr. VENIOT: There is no real minimum fixed; it depends a great deal upon the location and the proximity to already existing post offices. We have to decide whether we can give better service by leaving a post office in a small district, where there is only a small number demanding rural delivery, or to establish a mail route and abolish the post office, or we may decide to open another office to accommodate the people. There is really no minimum that I know of, but you must understand that it would never do to open a route for from six to ten families. Anything from fifteen to twenty families has been the figure that we have been generally working on.

Mr. GARDINER: The Postmaster General had a scale or schedule, to which he referred, and which he used as a guide in granting rural mail contracts. Could we have some details of that?

Mr. VENIOT: We consider that anything ranging from $40 to $50 per mile is a reasonable price.

Mr. GARDINER: That is per annum.

Mr. VENIOT: Yes, $40 to $50 per mile per annum.

Mr. FRASER: The Postmaster General mentioned a moment ago that he had purchased 50,000 letter boxes. Would he be good enough to tell the committee if he called for tenders for those boxes, whom he bought them from, and what price was paid?

Mr. VENIOT: Tenders were called for. I think we received about 50 tenders. I know there were at one time in the cellar of the department 52 models. That would not represent 52 tenders, but it would represent around 40 tenders. The contract was awarded to a sheet metal firm in Montreal who were the lowest tenderers.

Mr. FRASER: What price was paid?

Mr. VENIOT: I have not that information here and I would not want to guess at it. We endeavoured to get a box at a cost that would make the price to the boxholder no more than he had been paying previously, which would be around $4.50, and we succeeded in doing that.

Mr. FRASER: Do you charge the boxholder exactly what you pay for the boxes?

Mr. VENIOT: We charge the boxholder exactly what the box costs us; that is the contract price, plus freight and storage charges. That comes to about $4.50.

Mr. FRASER: How long does the minister suppose the supply he has will last at the rate they are going now?

Mr. VENIOT: At that rate it will, I think, last for four years, perhaps more.

Mr. ROSS (Kingston): In regard to rural mail contracts, is there still in the contract form a clause which gives the department the right to impose upon the contractor for the same contract price additional work to what he is already doing?

Mr. VENIOT: If that refers to additional mileage, his contract allows him to be paid pro rata. But if it refers to quantity of mail to be carried the same distance, there is a clause under which he must carry the mail. A limited quantity is not mentioned in the contract, but we have had cases where the quantity has grown so large that an adjustment has had to be made through the officers of the department.

Mr. ROSS (Kingston): In some cases I know a section has been added which has proved a serious burden to the rural mail carrier and no consideration has been given although he has requested it. This is a matter in which postmasters would have to be careful because unless they were acquainted with what was added, it might mean a serious burden to them.

Mr. VENIOT: If any case like that came up I would certainly try to adjust it.

Mr. MANION: I notice that the cost of stationery and printing has been increased by $75,000. I have the estimates from 1924 on, and for 1924-25, 1925-26, 1926-27 and 1927-28, the cost was $350,000. I have not the figures further back. This year the estimate is $425,000, or an increase of $75,000. Will the minister explain this?

Mr. VENIOT: My information is that a few years ago the vote was decreased by $50,000.

Mr. MANION: That must be quite a few years ago because I have the figures for 1924-25.

Mr. VENIOT: A few years ago the vote was reduced by $50,000, but due to the growth in all phases of the postal work it is necessary at this time to increase it.

Mr. MANION: In what year was it reduced?

Mr. VENIOT: I have not the year. The explanation given to me by my officials is that the increased business has brought about the necessity for the increased amount for supplies, et cetera.

Mr. MANION: If the minister cannot give me that, I wish to go a little further in regard to general costs. I was looking up the same figures in regard to the general cost of the department. I notice that in 1924-25, the year I went back to in regard to stationery and printing, the total estimates amounted to $29,586,118. This year the total estimates amount to $33,312,109, or an increase of $3,725,991, or almost $4,000,000. Will the minister explain why there is such a large increase in that period of time? Of course I can understand that there has been a gradual increase from 1924 on.

Mr. VENIOT: The only information I have before me is regarding the difference between last year and this year, and if I can judge by that, the increase can easily be explained. The item for salaries shows an increase of $428,940, of which $187,620 is due to statutory increases approved by the Civil Service Commission and the balance of $241,320 is due to additional assistance, chiefly letter carriers and

postal clerks, required to handle the increased volume of mail and to provide for improved postal facilities for the public. The item for mail service shows an increase of $425,000, of which $100,000 is for mail service by railway and $325,000 for mail service by air and land conveyance, including rural mail delivery. You will find that the increase in these two items between last year and this year is roughly a million dollars.

Mr. MANION: I have now in my hand the estimates going back to 1920-21 and they show an increase of practically $1,000,000 a year. I will give the round figures:

Year	Estimates
1920-21	$24,000,000
1921-22	25,000,000
1928-29	33,000,000

From 1920-21 to this year there is an increase from $24,000,000 to $33,000,000, or an increase in eight years of $9,000,000, so that we are increasing the estimates for the Post Office department a little better than a million dollars a year. I can quite well understand that there would be an increase because we are extending our rural mail delivery and so forth, but this seems to be rather a heavy increase. At the rate of about a million dollars a year, if we go on for another ten years, the estimates for the Post Office department will amount to between $40,000,000 and $45,000,000. I think in some way we should cut down the ratio. I admit that some increase is necessary, but such an increase seems rather heavy.

Mr. VENIOT: May I draw the attention of the hon. gentleman to the fact that the opinion was expressed very freely on the floor of the house last winter that the Post Office department should not be a surplus department; that is, that we should if possible endeavour to live within the revenue, but not look for large surpluses.

Mr. BENNETT: Balance your budget.

Mr. VENIOT: Yes. That is, we should spend the revenue from the postal service in giving the people a better service. It will be noticed that when there is an increase in expenditure there is also an increase in revenue. I think it was in 1926 that we reduced the postage from three to two cents, and I think it will be found by looking carefully into the records that the house was then told that there would be a deficit of between $5,000,000 and $6,000,000 owing to that decrease in the postage rate, provided that the business did not increase. The business has increased to such an extent in Canada in the last three years that that $6,000,000 has practically disappeared. The difference in revenue to-day as compared with what it was in 1926, when the postage was three cents on letters and first-class mail matter is under $1,000,000.

Mr. BENNETT: What is the total revenue to-day?

Mr. VENIOT: Roughly, it is $33,000,000. What has brought about the increases this last year? I have given a few items amounting to $850,000, practically $1,000,000, due to the extra mail service that we have been called upon to give by train and water and air. That all mounts up very rapidly. In expending this extra money for the purpose of giving extra service to the public I feel that we are doing a good thing. The people are asking for it, the service is required, and the only regret I have, as the head of the department is that I cannot meet all the demands made on the department, many of which I know are honestly made for service that is really needed. But we cannot meet all these demands at one time. We can only go as fast as our revenues will permit.

I made a statement the other night, just to give an idea to the committee how I feel about giving service to the country in the proper distribution of the mails. I said that in the sparsely settled districts, in some cases isolated districts, where people receive but one mail a week, they might as well receive none, and that that kind of service should no longer be tolerated in Canada. I have attempted, and I am attempting in all cases of that kind, to give a better service. We have instances where our mailmen have travelled from twenty to twenty-five miles to get to isolated points where the revenue is only forty or fifty dollars a year, and yet to get there has cost the country the sum of $500 or $600 to give the service to these people. Naturally, therefore, it must be expected that the expenditure of the department will increase year by year. Outside of one item alone, stationery and post office orders, the demand for which is very largely increasing in Canada to-day, the other increases in the expenditure have been due to the additional service rendered.

Mr. MANION. The item of stationery is the one I was speaking of a few moments ago. I notice that in the estimates of 1921-22 that item was down as "stationery, printing and advertising," and the amount was $375,000. There was apparently a reduction between that year and 1924—

Mr. VENIOT: A reduction of $50,000, I think.

Mr. MANION: What I am coming at is this, that advertising was included in the item for stationery and printing in 1921-22 and in 1920-21, but it is not included in the item for stationery this year. Is advertising included in any other item in these estimates?

Mr. BENNETT: Is that for the government annuities, which went to the Labour department?

Mr. VENIOT: To show you how the increase runs up, in one item alone, money orders, there has been an increase in the number of orders issued of 5,700,000.

Mr. MANION: The minister did not answer my question as to advertising. Is advertising included in a different item in these estimates? In 1920-21 and 1921-22 it was included in the stationery item.

Mr. VENIOT: I will have that looked up.

Mr. BRADY: In the matter of establishing new rural mail routes, is there a condition requiring a definite number of boxes per mile before the route can be established?

Mr. VENIOT: For long distances, yes. I think it requires at least five boxes to the mile. For shorter distances, it is different.

Mr. GEARY: Would the minister say to what extent the adverse balance, if I may call it so, has been due to the reduction made a year ago in the rates for the carriage of newspapers?

Mr. VENIOT: The estimated deficit on the reduction from 1½ to 1 cent a pound on newspapers was $500,000. Hon. gentlemen will remember that when the bill was before the house I claimed that the increased volume of business which I hoped would follow the reduction would work off that deficit in two or three years. It has disappeared already down to $169,000. That is the deficit now.

Mr. GEARY: That is what it cost to carry that class of mail?

Mr. VENIOT: No. Following the reduction we got an increased volume of business, so that instead of having a defiicit of $500,000, which we would have had following the reduction if there had been no increase of business, the deficit is only $169,000.

Mr. BENNETT. What was the total deficit?

[Mr. Manion.]

Mr. VENIOT: On the whole newspaper business? I think it was $1,750,000.

Mr. BENNETT: I think it was more than that.

Mr. VENIOT: I can look it up. I will take a note of it.

Progress reported.

SUPPLEMENTARY ESTIMATES FOR 1928-29

A message from His Excellency the Governor General, transmitting supplementary estimates for the year ending March 31, 1929, was presented by Hon. Charles A. Dunning (for the Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

ROYAL COMMISSION ON FISHERIES

Mr. SPEAKER: By leave of the house, I beg to lay on the table a memorandum addressed to the House of Commons by the Canadian Fisheries Association.

On motion of Mr. Mackenzie King the house adjourned at 10.55 p.m.

Monday, May 28, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Fifth report of the select standing committee on railways, canals and telegraph lines—Mr. Young (Saskatoon).

PRIVATE BILLS

THE PEOPLE'S THRIFT CORPORATION

Mr. P. F. CASGRAIN (Charlevoix-Saguenay) moved the first reading of Bill No. 340, to incorporate the People's Thrift Corporation.

Mr. STEVENS: Explain.

Mr. CASGRAIN: This bill was introduced in the Senate and passed by that body. It is similar to the bill introduced in this house some time ago by the hon. member for South Timiskaming (Mr. Lang), to incorporate the Central Finance Corporation; this bill carries the same privileges and asks for the same rights. When the Central Finance Corporation bill was discussed in the Senate this bill was also considered, and they were both passed by that body. Special clauses were embodied in both these bills at the instance of the superintendent of insurance, Mr. Finlayson;

those clauses were submitted to the law clerks of the Senate and were approved by the committee and passed.

Motion agreed to, bill read the first and second times and referred to the select standing committee on banking and commerce.

EASTERN BANK OF CANADA

Mr. STANISLAS BLANCHARD (Restigouche-Madawaska, for Mr. Foster) moved the first reading of Bill No. 341, to incorporate the Eastern Bank of Canada.

Hon. H. H. STEVENS (Vancouver Centre): The hon. member has not moved for leave to introduce the bill.

Mr. DEPUTY SPEAKER: This is a Senate bill.

Mr. STEVENS: Then I would ask the hon. member to explain it.

Hon. J. A. ROBB (Minister of Finance): in the absence of the hon. member in whose name the bill appears I might tell the house that representatives of financial men in New Brunswick have expressed their desire to incorporate a bank. The bill was presented in the upper house and comes to us from there. I understand it is in accordance with all the terms provided by the Bank Act.

Motion agreed to, bill read the first and second times and referred to the select standing committee on standing orders.

Some hon. MEMBERS: The banking and commerce committee.

Mr. DEPUTY SPEAKER: I might explain that the name of this bill was changed in the Senate, and therefore it must go to the committee on standing orders.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

LIEUTENANT-COLONEL H. W. COOPER

Mr. McQUARRIE:

1. What were the reasons for the dismissal of Lt-Col. H. W. Cooper, late warden of British Columbia penitentiary at New Westminster?
2. What charges were made against said Cooper?
3. Was said Cooper informed of said charges, or were particulars thereof withheld from said Cooper even after he had requested same?
4. Was an investigation conducted by Inspector Jackson?
5. If so, who recommended to the minister the holding of said investigation, and the choice of Inspector Jackson as investigator?
6. Had there previously been differences between said Jackson and said Cooper, and were they on unfriendly terms?
7. Did said Inspector Jackson refuse to permit said Cooper to be present during the taking of any evidence (except his own) and also refuse to permit said Cooper to examine or cross-examine any of the witnesses or to be informed of the nature of their evidence?
8. Did said Inspector Jackson also refuse to permit said Cooper to be represented by counsel during the investigation?
9. Did said Jackson recommend the dismissal of said Cooper, and if so, on what grounds?
10. Was said dismissal recommended by the superintendent of penitentiaries, and if so, on what grounds?
11. Was said Cooper ordered by telegraph to turn over the control of said penitentiary to Trollope, the late deputy warden thereof, and if so, what urgent necessity prompted such action?
12. Was said Cooper, after dismissal, granted an allowance which is strictly contingent upon a finding of good conduct?
13. Had any adverse reports on said Cooper been previously received? If so, when and what was the purport of same?
14. Had said Cooper been highly commended by the Superintendent of Penitentiaries in all his annual reports since said Cooper's appointment?
15. Were there any escapes from the said penitentiary during the tenure of office of said Cooper?
16. Has there been any such escape since dismissal of said Cooper, and if so, who was in charge of the said penitentiary at the time, and under what circumstances did the escape take place?
17. Did any personal difference between the Superintendant of Penitentiaries and the said Cooper with reference to persons and incidents outside the penitentiary service immediately precede the request for an investigation of said Cooper's administration?
18. Has the resignation of Trollope, late deputy warden of said penitentiary, been received?
19. What reasons were given for such resignation?

Mr. LAPOINTE:

1. Colonel Cooper was not dismissed.
2. No charges were made against Colonel Cooper.
3. Answered by No. 2.
4. Yes, into matters of administration generally.
5. Superintendent of penitentiaries.
6. There were no personal differences. They were not on unfriendly terms.
7. Yes. The investigation was held in connection with general administration and not on charges against said Cooper. Colonel Cooper was refused permission to examine or cross-examine witnesses. He was informed of and questioned regarding any evidence taken that affected himself or his administration.
8. Yes.
9. Inspector Jackson did not recommend the dismissal of Colonel Cooper. He recommended his retirement immediately, to promote efficiency and harmony in the penitentiary service, because of maladministration.

10. Superintendent of penitentiaries did not recommend dismissal but recommended that he be retired to promote efficiency and harmony. This because of his inability to properly administer the affairs of a penitentiary, proven by his admissions and the information adduced.

11. Yes, Because it was considered unwise and unsafe to leave him longer in control.

12. Warden Cooper was not dismissed. He was granted an allowance which may be paid to officers retired to promote efficiency. See section 32, subsection B, chapter 154, revised statutes of Canada.

13. Superintendent repeatedly complained about unsatisfactory correspondence. Also had repeatedly drawn warden's attention to lack of work accomplished at his institution.

14. No.

15. Three inmates escaped from custody and were missing from Saturday until Monday. They were afterwards recaptured by Deputy Warden Trollope secreted in the roof of the administration building.

16. Warden Cooper was not dismissed. Since his retirement a Chinese inmate did escape from British Columbia penitentiary. Inspector E. R. Jackson was in charge of the penitentiary. Said Chinese inmate was under control of a guard and was employed in renovating the residence vacated by Warden Cooper. This residence was not occupied.

17. No.

18. Yes.

19. He resigned because of ill-health.

RADIO—BROADCASTING STATION CFCA

Mr. GEARY:

1. What air channel is used by broadcasting station CFCA?

2. Is this channel reserved for the exclusive use of CFCA?

3. Does any station other than CFCA use this channel?

4. Has any station other than CFCA used this channel in the past, and if so, when did it discontinue such use, and why?

Mr. CARDIN:

1. (840 kilocycles)—356.9 metres.

2. No.

3. Yes. 840 kilocycles is also used by CKLC (Red Deer, Alta.) and by phantom stations CNRT (Canadian National Railways Toronto), and CKOW (Nestle's Food Co. Toronto); the latter are licensed to broadcast over CFCA's plant.

4. Yes. CKCL (Dominion Battery Co., Toronto) and CKNC (Canadian National Carbon Co., Toronto). Discontinued 31st March, 1928. CKCL and CKNC were transferred from the 840 kilocycle channel to the 580 kilocycle channel, in order to give each station more time on the air. These stations now enjoy the equivalent of 3½ days each per week as against 2⅓ days per week each when they shared time on 840 kilocycles.

CANADIAN NATIONAL RAILWAYS—ROCK BALLASTING

Mr. PRICE:

1. Was there any rock ballasting done between Toronto and Montreal during 1925 and 1926, and 1926 and 1927?

2. If so, how many miles, between what points, and at what cost per mile?

Mr. DUNNING:

1. Yes; a total of 83.59 miles of double track was ballasted with crushed rock and crushed, washed and screened gravel.

2.

Year	Location	Double track miles	Cost per double track mile
1925	Dominion to Vaudreuil	17.33	$ 14,337
	Port Hope to Newcastle	13.00	9,909
1926	Vaudreuil to River Beaudette	19.58	10,345
1927	River Beaudette to Cornwall	23.33	10,698
	Grafton to Port Hope	10.35	9,774

CANADIAN GOVERNMENT MERCHANT MARINE—BASIS OF PAY

Mr. TOLMIE:

1. What is the basis of pay for the officers and men of the Canadian Government Merchant Marine?

2. Do the officers receive permanent appointment? If so, are they allowed any leave of absence at the end of voyages when in the home port?

3. Are the sailors paid off each voyage?

4. Is any standard of ration fixed for the men and officers? If so, what standard has been adopted?

5. Has the government received any complaints of the treatment of sailors manning the Canadian Government Merchant Marine ships?

Mr. DUNNING:

1. The rates of pay for British mercantile marine steamers, similar in type and tonnage to the ships of the Canadian national steam-

ships, were taken as a guide, but increases were added thereto when fixing the wage scales of the Canadian national steamships.

2. Officers whose services are satisfactory are assured of continuous employment, except when steamers are laid up. Officers are given leave, which is mutually arranged and taken either wholly or in parts, to suit the convenience of the company and ship.

3. Sailors are paid off at the end of each voyage, and if they do not care to remain in port until the ship's next date of departure, they are given the privilege of joining another ship, if one is available.

4. The ship's articles contain a victualling scale similar to that of the British Board of Trade, but in practice the officers and crew are victualled on a better scale, which has given general satisfaction.

5. A few complaints have been received from some members of the crews sailing from Vancouver, but after investigation it was found that such complaints had no foundation and were the result of some petty grievance of the men with the officers. No complaints of any kind have been received from members of the crews sailing from Atlantic coast ports.

PELAGIC SEALING TREATY

Mr. NEILL:

1. What amounts have been received year by year from the United States Government under the Pelagic Sealing treaty of 1911, up to the end of 1927?

Mr. CARDIN:

1. Statement of amounts received year by year from the United States government under the Pelagic Sealing treaty of 1911, up to the end of 1927-28 (March 31):

1912-13	$200,000 00
1913-14	10,000 00
1914-15	10,000 00
1915-16	10,000 00
1916-17	10,000 00
1917-18	nil
1918-19	10,000 00
1919-20	nil
1920-21	185,748 07
1921-22	83,901 98
1922-23	58,540 76
1923-24	35,580 70
1924-25	28,274 89
1925-26	74,765 64
1926-27	34,376 83
1927-28	95,014 07
	$846,202 94

56103—218½

DEVELOPMENT OF SEA FISHERIES

Mr. NEILL:

1. Has the sum of $160,000 provided by section 2, chapter 74, revised statutes of Canada, 1927, to aid in the development of the sea fisheries of Canada, been entirely expended on the Atlantic coast?

2. Will the government take steps to see that the fishing industry on the Pacific coast receives its due share of this payment?

Mr. CARDIN:

1. Yes.

2. As the bounty is based on the interest on Canada's share of the award made under the fishery articles of the treaty of Washington, 1871, and as the said articles apply to the Atlantic coast only, the payment is restricted to that coast.

IMPORTATION OF CATTLE FROM UNITED STATES

On the orders of the day:

Mr. WILLIAM IRVINE (Wetaskiwin): I would like to ask the Minister of Agriculture if it is the intention of the government to cancel the order in council passed last March providing for the importation in bond of American cattle for grazing?

Hon. W. R. MOTHERWELL (Minister of Agriculture): If my hon. friend will ask that question again to-morrow I think I will be able to report progress.

APPLICATION OF DUMPING DUTY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): On Saturday last the hon. member for Victoria (Mr. Tolmie) asked a rather long question, to which I intimated I would, after reading the question over, give an answer to-day. The first part has reference to an answer of my own; I was asked the question:

> Are you going to put into effect another order in council to-morrow as you state you have power to do?

To that question I replied:

> Yes, the very minute the minister comes to council and gives us reasonable grounds for putting that order into effect the governor in council will act on the advice of the minister.

On looking at the text of my reply, it is quite clear that it has special reference to the length of time it would take to put an order in council through, once reasonable grounds were given the governor in council for so doing. My hon. friend continues:

> In view of these statements will the government relieve the anxiety of the fruit, vege-

table and egg producers in the province of British Columbia and elsewhere by stating why action has not been taken as promised?

The promised action has not been taken because an order has not been presented giving reasonable ground why it should be put into effect.

FEDERAL DISTRICT COMMISSION

ERECTION OF OFFICE BUILDING ON WELLINGTON STREET

On the orders of the day:

Hon. R. J. MANION (Fort William): I would like to draw the attention of the Prime Minister to a matter which is of some importance, but perhaps I may be too late to be of very much use. In view of the millions which this parliament has voted for the beautification of Ottawa, in view of the desire on the part of the Prime Minister and all of us that that beautification shall be continued and in view of the beauty of the square in front of this building, I would ask if the attention of the Prime Minister has been called to this ghastly architectural monstrosity being erected opposite the west block, and which will ruin the beauty of this whole square when it is completed?

Mr. MACKENZIE KING: I might say that it has not been drawn to my attention exactly in the terms the hon. gentleman has used.

Mr. MANION: I have tried to make it emphatic.

Mr. MACKENZIE KING: There has been no formal communication to the government on the matter.

Mr. MANION: Everyone will agree that the building is going to ruin the beauty of this most attractive square out in front of the parliament building. Does the Prime Minister not think it advisable that this government should ask the city of Ottawa to put on some building restrictions, so that this general plan of beautification, which is being paid for by the people of Canada, shall not be ruined by such architectural monstrosities as that? I would not say this about the building if it were down in some business section of the city. But this whole square is very uniformly beautiful; on the north side we have this building, and on the east and west sides we have the east and west blocks; and Wellington street, while not particularly beautiful, is in keeping with the rest of this square. That building is going to ruin the whole beautification of the square. I draw this matter to the attention of the Prime Minister because I think the city should be given some notification of what I suggest.

Mr. MACKENZIE KING: I agree with my hon. friend that there should be control over the class of buildings to be erected in the vicinity of buildings which are the property of the people of Canada. The Federal District Commission did ask the city council to secure to it that power with respect to Elgin street, where the new park is to be developed, and I believe the city council applied to the Ontario government for that power. I cannot say positively, but I am inclined to believe that a bill was passed for that purpose. I have directed the attention of the commission to the advisability of seeking to get that power extended with a view to effecting exactly what my hon. friend has in mind: some control over the style of buildings that are erected in important public parts of this city.

Mr. MANION: Cities have the right, in fact the duty, to pass upon permits for buildings to be erected within their boundaries, so that even if the city has not passed to the commission that right, the city itself has the power to act.

INTERNATIONAL PEACE

MULTILATERAL TREATY PROPOSED BY THE UNITED STATES

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I would like to ask the Prime Minister if the Canadian government has made any reply to the invitation of the United States government in the matter of a peace treaty?

Mr. MACKENZIE KING: I expect to be able to lay on the table within a day or two the correspondence that has taken place in this matter. Up to the present time a reply has not been sent forward, and I am therefore not in position to give the reply to the house to-day.

CANADIAN NATIONAL RAILWAYS

On the orders of the day:

Mr. I. D. MACDOUGALL (Inverness): I would like to ask the Minister of Railways why it is that the province of Nova Scotia has no representative on the board of directors of the Canadian National Railways, and why they have not been represented for the last three years. Is it the intention to appoint representatives in the near future?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Nova Scotia in

that regard is in no position different from that of my own province of Saskatchewan or the province of Alberta. The constitution of the Canadian National board is not a matter of provincial representation, although some regard must be given to considerations of that nature.

Hon. R. B. BENNETT (West Calgary): That is the reason the druggist is there from Prince Rupert.

Mr. DUNNING: If my hon. friend has any remarks to make in regard to that there will be a proper time to make them. The matter of adding to the present representation on the Canadian National Railways board has been receiving the consideration of the government during the past few months, and I will not forget the representations made by my hon. friend, which have been made, I can say, even more strongly by the Minister of National Defence (Mr. Ralston).

Mr. BENNETT: That is politics.

TRADE RELATIONS WITH RUSSIA

On the orders of the day:

Mr. MACKENZIE KING: The other day the hon. member for Labelle (Mr. Bourassa) asked for some correspondence respecting the severance of relations with Russia, and in particular for the exchange of letters and notes on the subject between the British government and our government. Since coming into the house I have received a communication from His Majesty's government in Great Britain agreeing to the papers being tabled, and, with the permission of the house, I will now table the correspondence.

PRIVILEGE—MR. COOTE

On the orders of the day:

Mr. G. C. COOTE (Macleod): In my remarks made in this house some time ago, appearing on page 1077 of Hansard, I quoted the price of an Erskine six coach as being $735 in the United States and $995 in Canada, or an increase of 35.4 per cent. The American price was quoted from page 6-8 of the February issue of Motor, a magazine published in New York. I now find that there was an error in the printing of this page, and that the price quoted referred to an Essex coach. The correct price for an Erskine coach in the United States appears to be $795, which would make the price in Canada approximately 25 per cent higher than the United States price. I am making this statement to correct as far as possible any injustice that may have been done to this company, and I regret that the error did not come to my attention sooner.

SUPPLY—IMPERIAL AND FOREIGN RELATIONS

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee of supply.

Mr. HENRI BOURASSA (Labelle): I am sorry to delay the proceedings, but it seems to me that before we prorogue we should have a statement from the government with regard to our foreign relations, and also an explanation of what has been done since the last Imperial conference to implement its decisions. I am still more sorry to have to bring this matter up in the form of a motion of want of confidence. There is just a sufficient degree of diffidence or disquietude regarding the course of the government to make it sincere on my part; but if I resort to this procedure, it is rather because the regulations of the house prevent any individual member bringing an important subject before the house unless it is in this form. Thus I will have to conclude these remarks with a motion of regret at the course followed, or rather the lack of action on the part of this government and other governments represented at the Imperial conference, in not giving full sanction to the decisions arrived at in London.

In the report of the conference, the following statement appears:

> Every self-governing dominion of the empire is now the master of its destiny. In fact, if not always in form, it is subject to no compulsion whatever.

Further on:

> Equality of status, so far as Great Britain and the dominions are concerned, is thus the root principle governing our inter-imperial relations.

Is it not important for all concerned that "forms" should be made to coincide as exactly as possible with "facts," but still more so with the "root principle" thus stated emphatically by the conference to be now the basis of inter-imperial relations, and therefore the basis of external relations of each individual member of the so-called British commonwealth of nations with foreign countries? Of "compulsion" it was rather useless to speak. For many years past, the British government can be absolved from any attempt at exercising compulsion on any of the dominion governments in any matter political, whether in internal or in external affairs. But there are certainly still in existence limitations over the exercise of our full sovereign powers, either in internal or external matters;

and, what is perhaps worse still, there are loopholes and equivocations that were not dispelled at the last Imperial conference, and which, I think, should be clarified as soon as possible. If full and individual freedom of action is now the constitutional basis of government in each of the self governing nations acknowledging King George as their sovereign, then all obstacles preventing the full and unhampered exercise of that freedom should be removed, and points which are still obscure should be clarified in order to dispel in the present and to avoid in the future all possible misunderstanding between Great Britain, Canada and the other self-governing dominions or sister nations, call them by whatever name you like, or between each of those countries and any foreign country with which it may have to deal.

As regards the head of our government it was stipulated at the last Imperial conference:

> It is an essential consequence of the equality of status existing among the members of the British commonwealth of nations that the governor general of a dominion is the representative of the crown holding in all essential respects the same position in relation to the administration of public affairs in the dominion as is held by His Majesty the King in Great Britain, and that he is not the representative or agent of His Majesty's government in Great Britain or of any department of that government.

Further:

> It seemed to us to follow that the practice whereby the governor general of a dominion is the formal official channel of communication between His Majesty's government in Great Britain and his governments in the dominions might be regarded as no longer wholly in accordance with the constitutional position of the governor general. It was thought that the recognized official channel of communication should be, in future, between government and government direct.

This was adopted in the month of October, 1926, and to my great surprise, in taking cognizance of the papers deposited on the table during this session, relating to the rupture between Canada and Russia which took place in May, 1927, seven months afterwards, I noticed that all the correspondence exchanged between the Canadian government and the British government was exchanged through His Excellency the Governor General. Therefore, I hope the Prime Minister will explain to the house why, seven months after the adoption of this resolution, it was not put into effect in a matter of this importance. May I suggest, just in passing, in order to make the position clear both to the people of Canada and to the people in the other British communities as well as to the foreign world, that the Governor General being no more a governor should receive the title and dignity of Viceroy, so that it would be made quite clear that the Governor General occupies, as was stated in London a year ago last fall, the same position, enjoys the same privileges, and is limited to the same extent in the exercise of his functions, as His Majesty the King is in Great Britain.

A matter that was considered at the conference was the reservation of dominion legislation for the assent of His Majesty, or for the disallowance of such legislation. This is now a pure matter of form. Another question was the jurisdiction of the dominions outside of their own territory, what is known generally as extra-territorial jurisdiction. This is an important matter. Another was the revision of the Colonial Laws Validity Act. This act was invoked not long ago by the Privy Council in London to annul a statute of Canada which had been in force for years and years and respected by all Canadian tribunals. It was wiped off by a stroke of the pen, not because of the situation of Canada, but because of the possible application of the precedent to Ireland. This is, I think, a very important matter. These three subjects were to be submitted to the study of a committee. I should like to know, and I think the house will be interested in learning from the Prime Minister, who is at the same time Minister of External Affairs, whether that committee has been appointed, of whom it will be composed, what questions will be referred to it, what directions will be given to the representatives of Canada upon it and when we may expect to have a report therefrom. That committee was supposed to enlighten itself, with the help of experts on various matters of legislation, and therefore to be in a position to report to the various governments in a very informed way.

Then the important matter of merchant shipping laws was to be submitted to a subconference which was to sit at the same time as this committee, with its array of experts, so, I suppose, that both bodies could help each other. I would respectfully ask the Prime Minister to tell us when the sub-conference is going to convene, how it will be composed, what will be the various matters submitted to it and when we may expect or hope for a report.

The matter of appeals to the Privy Council has been practically left in the hands of each parliament of the various dominions. It is not so stated in so many words, but it is easy to read between the lines of the paragraph of the report relating thereto, that all the members of that conference acknowledged or asserted the right of each so-called sister nation

composing the British commonwealth to deal with this matter as it thought fit. I am not going to touch upon this point at all, because in itself it would require very wide consideration. I simply beg the government, when they take it up, to read carefully the debate which took place not very long ago in the House of Lords relating to the decision of that semi-judicial, semi-political body with regard to the payment of pensions to civil servants in Ireland. This may dispel the delusion that the Privy Council is altogether infallible either in judicial or political matters. I refer to the case of Wigg and Cochrane versus the Irish Free State.

But what I desire to bring more especially to the attention of the government and the house is all that concerns our foreign relations. The conference has acknowledged broadly, in a spirit of true British statesmanship, the right of Canada, as well as of any other British dominion, to open and maintain direct relations with any foreign country, and to place itself in its relations with those foreign countries on the footing of a free nation. The government, quite properly, I think, has given effect to that decision, first by the appointment of a representative of Canada in Washington, an act now reciprocated by the appointment of an American minister in Ottawa; and very soon the house will be called upon to approve of similar action being taken with regard to France and Japan. I may say that the policy of the government in this connection has, though it does not amount to very much, my full approval, but it has also the full approval of all true-thinking Canadians. I simply give the friendly advice that in everything which relates to the material organization of the various legations, the government should not lose sight of the fact that Canada is still a small country, in importance and in population. The government should not undertake to put these foreign legations on the material footing of embassies from large countries. If we want to multiply those relations for the good of Canada, for the extension of our foreign relations, we must be in a position to establish such agencies or legations in every country with which we may have relations, and therefore I think it would be at once wise, prudent, modest and proper to be a little more economical in the display of material installation, and look for the multiplication of those agencies rather than make a few of them very costly and, may I say, parvenu-like.

What is extremely important is that before we go on multiplying our relations with foreign countries by establishing legations, we should have a clear and above-board understanding with Great Britain on the one hand, and with foreign countries on the other, as to what will be the exact situation of those representatives of Canada in foreign capitals where the British government is equally represented by an ambassador or a minister plenipotentiary; and likewise, as to what will be the situation of the representatives of those foreign countries with us in regard, on the one hand, to our relations with Great Britain as a member of the so-called British commonwealth of nations, and on the other, in regard to the relation of those countries with the government of Great Britain. In order to make my point clear, I wish to bring before the house a sketch or short history of the establishment and rupture of our relations with Russia; and second, to take up the standing of foreign consuls representing in Canada countries which have not yet established direct relations with us.

The history of our relations with Russia makes very interesting reading indeed. It took birth first in the form of a trade agreement concluded on the 16th of March, 1921, between His Britannic Majesty's government and the government of the Russian Socialist Federal Soviet republic. That trade agreement, it is easy to see by reading it, was preliminary to the conclusion of a complete international treaty. In fact, in the very preamble it is said:

> Whereas it is desirable in the interest both of Russia and the United Kingdom that peaceful trade and commerce should be resumed forthwith between those countries, and whereas it is necessary, pending the conclusion of a formal general peace treaty between the governments of these countries, etc.,

May I say, to soothe some disquieted consciences, that this trade agreement was not concluded between the Soviet republic and a Radical government in England, but by the coalition government of which Mr. Lloyd George was then prime minister, and signed by Sir Robert Horne, a good, thorough, proven Tory of England. Canada, under an equally good Tory government, headed by Mr. Arthur Meighen, decided to adhere to that arrangement. Their first order in council was passed on August 22, 1921, upon the recommendation of no less a statesman than Sir George Foster, then Minister of Trade and Commerce, and with the full approval of the Secretary of State for External Affairs, Mr. Arthur Meighen. It did not materialize at once. A general election came on in the fall of that year; but the then Conservative government attached such importance to the establishment of those trade relations that before quitting office, they passed a second order in council, dated December 26, 1921, incorporating a formula prepared for them in London by the

Department of Foreign Affairs, under which Canada declared that it adhered to the arrangement concluded between the British and the Russian governments on March 16, 1921.

Now that created quite a queer situation. There was no reservation whatever on the part of Canada. It was not an adhesion to one section or the other of the treaty; it was not a mere acceptance of those clauses of the treaty which established trade relations alone. No, it was an adhesion to the whole treaty. It is, of course, too long to read, but I would advise every member of parliament who thinks of the general interests of the country once in a while, to read it through. They will find out that there were mutual undertakings on the part of Russia and England to clear the seas surrounding Europe of what mines would still be floating around after the war; it made very long and precise stipulations for the sojourning of their respective nationals in each country; it stipulated in what manner the official agents of each country should reside—the Russians in England and the English in Russia; it stipulated also in what manner the property as well as the persons of the nationals of each country would be protected by their respective governments, and so forth. So that by accepting the formula written in London and sent to Ottawa, and accepted here, with eyes closed or opened—I am not quite sure which —by the Canadian ministers, we adhered to all those stipulations. I mention this merely en passant, to show how wise the Imperial conference of 1923 was when it stipulated that each government thereafter should negotiate for itself and according to its own needs the nature and extent of its relations with other countries.

The adhesion of Canada was communicated internationally by the exchange of those notes, which have been produced to-day by the Prime Minister after permission received from London. May I say in passing that there is something ludicrous in the idea that it should take fifteen days to get permission from either the Dominion Secretary or the Foreign Secretary in London to enable Canadians to take cognizance of a paper which concerns them alone. I quite realize, as the Prime Minister said the other day, that if we entertain relations with various governments, then when there is in the correspondence or the records matters of concern to those governments, it is an elementary rule of diplomacy and international etiquette than none of the governments concerned should make the documents public without the consent of the other governments. But in this instance the British government acted, as Lord Haldane defined it many years ago, merely as a trustee, so to speak, for the Dominion of Canada; and therefore this document should have been a Canadian document, not to be made public without the consent of the Russian government so long as our friendly relations continued; but since they were broken we should be as absolute masters of this as of our own orders in council.

Matters went along more or less smoothly between the British and Russian governments for a couple of years. In 1924 Mr. Ramsay MacDonald gave a warning to the commissar for foreign affairs in Leningrad that his agents in London should be a little more careful about the manner in which they were carrying on their trade and other activities.

Mr. ADSHEAD: Did you say Mr. Ramsay MacDonald gave the warning?

Mr. BOURASSA: Yes, in 1924. In 1926, pressure was brought to bear upon the then Conservative government, of which Lord Balfour was the foreign minister, but he refused to break relations with Russia. He admitted that certain activities were carried on by the Russian agents; he questioned the wisdom of having concluded arrangements with the Russian government, but he thought it would be unwise and imprudent on the part of the British government to break off all relations because of the actions of this or that man. But, as the story goes in London, during all that time in Leningrad there was a tug of war between the Standard Oil Company and the Royal Dutch Oil Company —which, in spite of its Dutch name, is a British company headed by Sir Henri Deterding. There had been what is called a "gentleman's agreement" between those companies. As a rule these gentlemen's agreements cover many things which, for the sake of the parties concerned, are better not uncovered. But it came out that the Russian government had, on the side, granted to the Standard Oil Company certain advantages. Thereupon Sir Henri Deterding beseeched Sir William Joynson-Hicks, the Home Secretary —who in London is known among friends and foes by the familiar name of "Jix"—to take action, upon which the Home Secretary decided to raid the Arcos building in London, against the wise advice of Sir Austen Chamberlain, Foreign Secretary. But the thing being done, and the documents sought not being found, Sir Austen, thanks to the sanctimonious principle of cabinet solidarity,

was obliged to cover the indiscreet but very radical action of his colleague in favour of Sir Henri Deterding; and therefore he had to announce that the British government could no longer continue relations with the Russian government, because the Russian agents in London had been carrying on frightful acts of international dishonesty and discourtesy, organizing spying on the British government, and so forth.

Following this the very clever and active gentleman who heads the Department for Dominion Affairs, Mr. Amery—who, by the way, if the policy recommended on the other side of the house was carried out would be obliged to step out of the British Empire, because he who rules the dominions is not of English blood; he is a Hungarian Jew, but a very clever man—Mr. Amery wrote to Ottawa to inquire what Canada would do in the matter. His despatch dated May 23, 1927, is very interesting reading:

In connection with my telegrams—

Of course, various telegrams had already been sent to keep us au courant.

—as to Anglo-Soviet relations, we are advised that the termination of the Russian trade agreement of 1921 in relation to this country—

England—

—would not—

I call the attention of the Prime Minister and the house to this point:

—would not, in the absence of intimation that the notes exchanged on July 3, 1922—

That is, the notes which made us a party to the agreement—

—are no longer regarded as governing the relations between Canada and Soviet, necessarily terminate the operation of the agreement as between the Soviet government and the Canadian government.

In other words, the British government was then advised, and it was its opinion, that Canada stood as a separate party in its relations to Russia. Then, further down:

Especially as the Soviet action which has led to the present situation is directed against the institutions of all parts of the British Empire, we should like to suggest for consideration that as regards the retention of Soviet representatives that this is a matter on which uniformity of action by the various members of the commonwealth concerned would present great advantages.

Upon which the Canadian government—speaking through its improper channel of communication, His Excellency—wired back quite properly:

The despatches received—from Mr. Amery—do not indicate that any documents have been found in the Arcos raid which establish that the official agency in Canada has been a centre of espionage and subversive propaganda. If any evidence to this effect has been discovered, it is desired to be informed as early as possible.

Further down, and quite properly again, His Excellency reminds the British minister that under the very agreement to which Canada was a party, if one government had cause to complain, it had to call the attention of the other government to the fact and ask for an explanation. He asked whether any special steps had been taken towards giving the other party an opportunity of furnishing an explanation; upon which Mr. Amery replied:

Such information as was obtained from Arcos raid directly relating to Canada consisted of addresses found in possession of Anton Miller.

We shall see in a moment what these are.

Second question: It is under third paragraph of article XIII of 1921 agreement that action is being taken by His Majesty's government.

In other words, the British government broke relations with Russia on the strength of this provision:

In the event of the infringement by either party at any time of any of the provisions of this agreement or of the conditions referred to in the preamble, the other party shall immediately be free from the obligations of the agreement.

But the same paragraph contained these words:

Nevertheless it is agreed that before taking any action inconsistent with the agreement the aggrieved party—

In this case Great Britain—

—shall give the other party—

In this case Russia—

—a reasonable opportunity of furnishing an explanation or remedying the default.

Now, by agreeing unreservedly to this provision we were bound to pursue a course which Sir William Joynson-Hicks did not think fit to adopt. Strange to say, without waiting for the documents to be submitted—either those that related to Britain or those obscure but famous addresses found in the possession of Anton Miller—and without having in their possession any of the evidence gathered by the police of London—without waiting for any of these documents or for the documents deposited on the table of the British Commons, the Canadian government decided to break the agreement. The reason I do not know, but we have this admission dated May 26. I may say that Mr. Amery's letter was dated May 23, to which we replied on the 26th:

So far as Canada is concerned there has been a steady and substantial growth of trade under the agreement, and there has not been any substantial ground of complaint as to espionage or propaganda against the present official agent in Canada.

This is an official declaration signed by the Governor General on Canada's behalf. Nevertheless,

My ministers have concluded that the evidences of espionage and subversive propaganda set forth by your prime minister (Mr. Baldwin) make it clear that an essential condition of the agreement as entered into by Canada as well as by Great Britain, namely, that each party should refrain from hostile action, etc., . . . has not been fulfilled. In order to remove any doubt as to whether the agreement lapses automatically and having regard to all the circumstances they have accordingly decided to terminate the agreement.

It appears therefore, that without having in their possession the whole or any part of the evidence in the matter, and while admitting that they had no ground of complaint against the Russian representative in Canada, the Canadian government broke that agreement upon a mere despatch from Mr. Amery stating that the prime minister had deposited some papers on the table in the British House of Commons.

Mr. DEPUTY SPEAKER: Does the hon. member intend to move an amendment?

Mr. BOURASSA: Yes, Mr. Speaker.

Mr. DEPUTY SPEAKER: It would be advisable for the hon. member to move the amendment now; his forty minutes will soon be up.

Mr. BOURASSA: Very well, Mr. Speaker. This is the amendment:

This house regrets that proper steps have not yet been taken to give full effect, both in domestic and external affairs, to the "equality of status" acknowledged by the Imperial conference, 1926, to be the "root-principle" of the relationship between the self-governing Britannic communities.

The papers came, but they came late. After we had followed suit, upon Mr. Amery's prompt invitation, we find that Mr. Amery was not in a hurry to dispatch the papers. The rupture occurred on May 26 and the papers left London by mail on June 10. They arrived here, and all that was found relating to Canada was this:

List of addresses found in possession of Anton Miller.

Canada: (No. 1) Communist Party, Canada, Room 301, 95 King St. E., Toronto, Canada,
Private address: (No. 2) Miss Skene, 54 Victor Ave., Toronto, Canada.
(Inside envelope: I. Macdonald).

Then there is a very long list covering all the countries on earth. It ends with the following:

Canada, confidential matter:
1. Mr. Charles Gray, 167 Lisgar Street, Toronto, Ont., Canada.
2. Mr. E. Pirttinen, 56 Wroxeter Ave., Toronto, Ont., Canada.
3. Mrs. Mary M. Sutcliffe, 34 Tyndall Ave., Toronto, Ont., Canada.
(Inside envelope Macdonald or other).
Miss Alice Ayres, 54 Delaney Crescent, Toronto, Ont., Canada.

I do not know whether it is due to the influence of Toronto, but strange to say all these bolshevists are to be found in that holy, sanctimonious centre, the Queen City. Now, that is all that concerns Canada in all that record; there is nothing else. With regard to those evidences of which His Excellency the Governor General, speaking in our name, felt quite satisfied that they justified us in breaking the agreement, without reference to the procedure which we had undertaken to follow in such a situation, they also came later on. I will not read them. May I venture to say that before the government had acted without reading them, they should at least have read the expressions of opinion given in the parliament at Westminster? If they were obliged to draw their inspiration from London, it seems to me that a Liberal government might perhaps have borrowed something from the leaders of liberalism in England rather than to take their cue exclusively from Mr. Amery. What did Mr. Lloyd George think of the matter, as leader of the Liberal party in England? I have the British debates here and any hon. member may consult them if he cares to do so. Mr. Lloyd George said in effect: "Of course you have evidence of espionage; you have evidence of intrigue. But that is exactly what we are doing ourselves in every country; that is what every government has been engaged in, not only during the war, but before and after. Every government employs spies in every other country. We knew that when we entered into relations with Russia. Lord Balfour knew it; and notwithstanding the same propaganda and espionage, or worse, he refused to break relations in 1926." Mr. Ponsonby, one of the most distinguished members of the Labour party, and, as everyone knows, the scion of a very aristocratic family, related how, in a previous incident, the head of the criminal investigation department in London, Sir Basil Thomson, to make a case against Russia, had forged a document, which Mr. Ponsonby read to the House of Commons. And this was not contradicted. Mr. Arthur Henderson, who had been a member of the coalition government during the war and who was also in the Labour government in 1924-25, related how he himself, a member of His Majesty's government, sitting

in Berne as a delegate of the British government in an international conference, was spied upon by a paid agent of the same British government; and that spy, not receiving his fee quickly enough from the minister of the crown who employed him to spy on one of his colleagues, went to the Swiss government and sold the documents. It was the Bernese police who put into the hands of Mr. Henderson, a minister of the crown, the papers and reports of an English spy employed by the English government to spy upon another member of that government in a foreign capital.

After these expressions of opinion and statements of the policy pursued by all governments in every country, perhaps we might have waited at least to read the papers and the judgment passed upon them by such distinguished members of the Labour party and the Liberal party before we agreed, on a simple command from Mr. Amery, to break relations with Russia. I do not say that we had no cause to do so; I do not know. However, I find in the record before us that we have broken relations with Russia simply and solely because the British government did so; and that break in London was condemned by some of the most representative men of public Liberal opinion in England as contrary to the interests of England. Now the story is out, although I do not know whether or not it is true, that this was done at the command of a large financial institution in London, quarrelling with a rival American institution for the favour of the Leningrad government.

I have not brought up this matter for the mere pleasure of unearthing disputable proceedings on the part of the British or any other government; in this regard the British government is no worse than any other government in the world. As Mr. Henderson and Mr. Lloyd George pointed out, in the present state of things, all governments follow these practices; but I have brought this matter up to indicate how important it is, now that we are beginning to establish relations with foreign countries, to be very prudent in concluding those relations, in order to make sure that they are designed to serve those interests which are confided to us. We should confine our engagements to what is commanded by our own position, and should not rely blindly upon statesmen responsible to the people of the United Kingdom, on the other side of the ocean, to prepare and to conclude our relations, and then break them, for reasons which may be good or bad but have no application to Canada.

There is one feature which it is perhaps still more important to keep in mind. In this instance, we broke our relations with a foreign country because of some difficulty arising in London between the British government and the representatives of that foreign country. There is now a representative of the United States of America in Ottawa, and we have a representative of Canada at Washington. Supposing trouble arose to-morrow; supposing the American government found fault with Mr. Massey or whoever might succeed him, and asked us to recall our representative, as once the American government requested the recall of Sir Lionel Sackville-West for some indiscretion in political matters. Are we going to write to London and, for the sake of "unity of action," ask that the American ambassador be expelled from London? The Irish Free State is also represented in Washington, and the United States is represented in Dublin. Supposing trouble arises, as it may, since modern Irishmen take an equal interest in politics to that which they took in the olden days; supposing the representative of the Irish Free State in Washington should commit some indiscretion such as the representative of the English government committed forty years ago, and the American government asked Dublin to recall their indiscreet representative. Would Mr. Cosgrave, or his successor, write to the Prime Minister here and ask us to expel the American representative from Ottawa, or recall our minister from Washington, for the sake of "unity of action?" This is an aspect of the situation which should be studied immediately. We should consider seriously whether we are to maintain our relations with these foreign countries regardless of what action is taken in London, or whether we are to break our relations every time there is trouble between London and any of these other countries. I think this is a very important point. It is a source from which may emanate more trouble than we anticipate, if we do not make our position quite clear in the beginning. If our relations are not to stand by themselves; if we are obliged to break relations every time there is trouble between London and Washington, or Tokyo, or Paris, what becomes of our "equality of status?" If it works only one way and never the other I do not see where the equality lies. As I have already said, this is a very important point, and I am quite sure the Prime Minister will take it in the spirit I am bringing it forward, that is, in order to find a happy solution for all concerned.

In contrast to this, let me point out the absurd situation which we had to face, as a nation and as a government, through an unhappy incident which preceded the present session. I refer to the action of the Mexican consul, Mr. Barron. I need not tell the house that I am not going to discuss the religious or any other policy of the Mexican government. I am not concerned with that to-day, although I have my own views about it. It has been said that we should have broken relations with Mexico in a tragic fashion. I do not agree with that, first because as a matter of fact we have no official relations with Mexico. Then again, I am not quite sure that our standard of Christianity as a nation gives us any moral authority to teach lessons to all nations on earth. Again, it must be admitted, gladly or sadly, that for many centuries past religion and morality have ceased to have any connection with international relations, and it would have been ludicrous for the Canadian government to break relations with Mexico on account of its religious policy when, at about the same time, we were establishing official relations with the government of France. The Mexican policy is more brutal; but if it is a question of Christianity, I think if any modern government on earth has worked effectively for half a century to destroy Christianity, it is the government of the French republic. But there is a further reason. When we see that the Holy See itself is entering into relations, when the opportunity affords, with all governments, Catholic, Protestant, pagan or unfaithful, I do not think it behooves us to be more Catholic than the Pope and to establish or break relations in international affairs on the basis of religion.

But when it comes to the personal attitude of Mr. Barron, that is a different question. This gentleman chose to make use of the Canadian press to insult a bishop of Canada, a Canadian citizen, and then to insult a member of this house, another Canadian citizen. In every other country on earth, including the Black republic of Liberia, that gentleman would have been invited to leave within twenty-four hours. Sir Lionel Sackville-West, the ambassador of the great British nation, was asked to leave the United States for an indiscretion of much less magnitude than that committed by Mr. Barron, and this without any protest on the part of the British government.

It has been suggested that the Canadian government could do nothing because Mr. Barron was not accredited to the Canadian government, but to the British government. A certain Mr. Aiken, consul ad honorem of the republic of Venezuela, gave his opinion on this great question to the Montreal Gazette. He said that the Canadian government could take no action because Mr. Barron, as well as himself and other consuls, was not accredited to the Canadian government but to the British government. He was then asked this question, "But what about the last Imperial conference?" and he replied, "The last Imperial conference had nothing to do with that. In that respect Canada is still a colony." I should like to know from the Prime Minister, who has in such glowing terms and eloquent language extolled the glorious position which this country occupies since the last Imperial conference, whether or not it is the Canadian government that is right, or whether it is Mr. Barron or Mr. Aiken. I should like to know whether or not foreign consuls in this country are to be allowed to commit indiscretions, breaches of etiquette and of international rules, which they would not be allowed to commit in Hayti or in the republic of Liberia. Not that I have any poor opinion of the niggers; but, to come back to the comparison I used once, I am afraid that the quality niggers of Canada have a little less pride than the less sophisticated negroes of these republics.

If we want to give full force to what was decided at the last Imperial conference, means should be taken to have all foreign consuls accredited to the Dominion government, and they should receive their approval from this government and not from London. If we want to avoid such misunderstandings, if we want to avoid the ridiculous position we were placed in in this instance, I think we should insist—it would be a very easy matter to settle—that these foreign consuls should be accredited to us, just as they are accredited to the Irish government in the Irish Free State, and to South Africa and so forth.

Mr. GARLAND (Bow River): Will the hon. gentleman permit a question on this point before he leaves it? Was it not agreed at the Imperial conference that in future a consul should receive his exequatur—I think that is the term—from His Majesty's government in Great Britain, and then be referred to this government for the countersignature of this Dominion?

Mr. BOURASSA: The report of the Imperial conference reads as follows:

The Secretary of State for Foreign Affairs informed us that His Majesty's government in Great Britain accepted the suggestion that in future any application by a foreign government

for the issue of an exequatur to any person who was to act as consul in a dominion should be referred to the dominion government concerned for consideration and that, if the dominion government agreed to the issue of the exequatur, it would be sent to them for countersignature by a dominion minister. Instructions to this effect had indeed already been given.

Now let us consider the broader question of foreign relations generally. I pointed out last year that there had been introduced in the last report of the conference a reservation which is apt to open up the possibility for very serious difficulty. I will read this passage:

When a government has received information of the intention of any other government to conduct negotiations, it is incumbent upon it to indicate its attitude with reasonable promptitude. So long as the initiating government receives no adverse comments and so long as its policy involves no active obligations on the part of the other governments, it may proceed on the assumption that its policy is generally acceptable. It must, however, before taking any steps which might involve the other governments in any active obligations, obtain their definite assent.

Where by the nature of the treaty it is desirable that it should be ratified on behalf of all the governments of the empire, the initiating government may assume that a government which has had full opportunity of indicating its attitude and has made no adverse comments will concur in the ratification of the treaty.

Evidently the sentence containing the words "no active obligations" was inserted après coup. But to my mind it is quite insufficient. This declaration, taken as a whole, is apt, is bound to create misunderstandings and equivocations. This I pointed out last year in relation to the Locarno treaties. The negotiations with Egypt have since emphasized the falseness of this situation. I need not tell the house the enormous importance the Egyptian question occupies in imperial affairs. It is not the possession of Egypt; it is not having this or that form of government in Egypt, as everyone knows who has taken the trouble to study the situation; it is the possession and continued possession of the shortest sea route to India. It is quite clear to anyone who has given time to the study of this question that the British ministers had this in mind at the last Imperial conference. The following appears on page 25 of the report:

On the 20th October, the Secretary of State for Foreign Affairs made to the conference a comprehensive statement on foreign affairs, and on the invitation of the conference His Majesty's High Commissioner in Egypt attended and made a more detailed statement on the position and prospects in that country.

And then again:

As in 1923, emphasis was laid on the vital importance to the British Empire of the maintenance of the route to the east and south Pacific via the Suez canal, and attention was directed to the bearing of these interests on the conduct of foreign relations.

To anyone who was in London and could get near the sources of information, it is a well known fact that Lord Lloyd came from Egypt to expose the situation there to the Imperial conference, and that the relation between the maintenance of the Suez canal route and Egypt is practically one. Now, at the conference, all the dominions, Canada included, agreed that the maintenance of communications through the Suez canal is an imperial question. Canada has apparently agreed to share with the rest of the empire the obligation of maintaining Gibraltar, of keeping the British fleet supreme in the Mediterranean, of holding Malta, of defending British interests in Cyprus, and of keeping Port Said and Aden in British hands. We have agreed that the question of dominating the basins of the Mediterranean and the Red Sea is an imperial affair in which we are just as much concerned as Australia, New Zealand and India. That is of course absolutely untrue. That means that at any time—and every thoughtful man in London knows it—the Egyptian question may bring England into difficulties with Spain at one end, with Italy and France in the middle, with Greece at the other end, not to speak of the small nations. The question is a very important one. It is natural that Australia and New Zealand should take at once an imperial and national interest in the matter. It is natural that, I will not say India, but that group of Englishmen who think the maintenance of English power in India is a necessity of imperial dominion, should think the situation in Egypt is a most vital one. But that Canada, occupying the position which she does on the continent of America, should associate herself in such broad terms with a declaration of that kind, is, I think, very imprudent.

Let us see now the course that was followed. On the 29th of March last Lord Parmoor questioned the British government in the House of Lords with regard to the Egyptian question and the correspondence exchanged with the dominion governments in relation thereto. I have in my hand the report of the parliamentary debates, House of Lords, of that date. Lord Salisbury, answering for the government, said:

There was no question at any time of asking the Dominions to take part in being responsible for the treaty or the results of the treaty.

He admitted that they had exchanged communications, and he added:

All the dominions replied to this request and they all expressed themselves satisfied with the

prospect held out to them that there would be an agreement, or might be an agreement—unhappily it has not yet taken place—on this subject with the government of Egypt. I need not say they raised no objection whatever to the terms.

Apparently the dominions have placed themselves exactly in the position provided for the year before at the Imperial conference by making no "adverse comments" upon the negotiations carried on by the British government. The day after, on the 30th of March, the Prime Minister of Canada gave quite a different version and he was wise and prudent enough to base his assertion on documents which he produced. He produced a first draft treaty dated July 28, 1927, under which the British government, stipulating for the whole empire including us, would have taken certain engagements with regard to the situation in Egypt. Therefore, if that treaty had been agreed upon, Canada having made no "adverse comment," the sole signature of the British foreign minister would have engaged us, Australia, South Africa, Ireland and the other dominions under the very terms that were agreed upon at the Imperial conference in the month of October, 1926. The government very rightly—and I congratulate them upon their action—protested, and thereupon the British government receded from their position and drafted another treaty which they signed only in the name of Great Britain and Northern Ireland. It took some time before the report of that speech reached London. In the meanwhile another question was put in the British House of Commons:

Viscount Sandon, on the 5th April, asked the Secretary of State for Dominion Affairs the nature of the communications made by the government to the dominion governments and the answers received on the subject of the proposed Anglo-Egyptian treaty.

Upon which Captain Margesson—he is Junior Lord of the Treasury, if I am not mistaken—answered in the name of the government:

I have been asked to answer this question. The dominion governments were kept informed of every stage in the negotiations with Egypt and, as soon as the text of a treaty had been agreed with Sarwat Pasha, its terms were communicated to the dominion governments by telegraph and their concurrence was sought in the proposal to present it to the Egyptian government. The replies to this telegram made it clear that the policy of His Majesty's government in Great Britain was satisfactory to all the dominion governments.

Therefore in the short space of six days there was one version by the Marquess of Salisbury, one version by the Prime Minister of Canada, and another version by another minister of the crown of Great Britain. When the reports of our debates arrived in London, Lord Parmoor took the matter up again, upon which the Marquess of Salisbury naturally had to explain:

The noble and learned lord has pointed out that the gravemen of Mr. Mackenzie King's speech was the slight change of form which took place in the draft which was originally submitted to the Canadian government and the form in which the treaty was ultimately signed.

Lord Parmoor: The noble marquess means ultimately submitted to Egypt?

The Marquess of Salisbury: Ultimately submitted to Egypt. I am obliged to the noble and learned lord. Unfortunately, it was not signed; it was ultimately submitted to the Egyptian government. I had not, when I spoke,—

On the 29th March—

—the two forms in mind in addressing your Lordships' house, and perhaps I was to blame in that particular.

I should think so.

I frankly admit that I had not those two forms in my mind and, undoubtedly, Mr. Mackenzie King was fully entitled to call attention to the distinction. There was, therefore, perhaps, a misunderstanding in the matter. But it is quite clear now.

Why? Because the Prime Minister here, being questioned, gave the true version which contradicted flatly and absolutely the version given in the House of Lords by a representative of the British government. Am I not right in saying that such misunderstandings should be avoided? that such equivocations should be made impossible for the good of all concerned, of Great Britain as well as of Canada? Nothing good can come out of such misunderstanding, from such extraordinary exhibitions of short memory by a British minister stating that at a certain date there was only one draft treaty; that the dominion governments were never asked to agree to that. Then comes another British minister stating in the other chamber that there was a draft treaty and that the dominion governments were asked to agree to it; and then the Prime Minister of one of the dominions states that there were two draft treaties; that the dominions were asked to agree to the first; that they refused and then that the second one was framed without their concurrence. That is sufficient to show how unsatisfactory is the situation in which this portion of the report of the last Imperial conference has left us. I may point out to the Prime Minister and to the house the very timely observation which Lord Parmoor made during that debate. He said:

The noble marquess, Lord Salisbury, said the other day that I seemed to forget that it is a question of parents and children.

That is, this question as between the government of Great Britain and the dominion governments. That looks like full equality of status!

I certainly did not forget it, but I feel that as between parents and grown-up children there is more need of care and right understanding than in almost any other relationship.

I fully agree with that. But what thinks the Prime Minister? Does he think himself a fully grown up child, a semi-grown, or a babe at the pap bottle, as Lord Charles Beresford once said to that other distinguished English statesman, Mr. Winston Churchill? I should like to know if in those very complicated and involved foreign relations, the initiation and negotiation of which must perforce be undertaken by the British government—not because of the superiority of the position occupied by Great Britain, but because Great Britain, on account of her possessing the vastest empire that has ever been, is obliged constantly to keep in close relations with all governments on earth, and to enter into negotiations with them, to hasten those negotiations or protract them, according to the international situation—I would like to know if it is not in the best interests of all concerned, not only that we should be "kept informed," but that such misunderstandings should not happen? They never would happen as between two foreign governments. Could one imagine that the British government, having carried on negotiations with a foreign government, would one day state in the House of Commons or in the House of Lords through one of its members, that it had proposed a treaty, that that treaty was refused, and that it had then proposed another treaty which was accepted, and then that another minister of the crown would upon another day state just the opposite? No, but they think apparently they can afford to do that without any difficulty when the babes of the colonies are concerned. But if we are to establish with the British relations as between men and men, between young men, if you like, and old men, but between men and men, equally devoted to the same king, one set just as much as the other, as respectful and as cognizant of the same principles of British government, the one set as the other, equally responsible to the respective people who put them into power and throw them out of power, in Canada or in England, I think it is about time that these things should be avoided in the future, and be made impossible to occur.

I want to finish by calling the attention of the government to this point. It seems to me that all through these negotiations, and generally in this very important and growingly important matter of foreign relations, there is confusion between moral obligations and active obligations. Last year, when I referred to Locarno, I think it was the Minister of Justice (Mr. Lapointe) who told me that this government did not subscribe to any active obligations, and therefore we were absolutely free from the consequences of that policy. May I remind the house of two instances which show that moral obligations, undertaken sometimes without fully realizing their importance, carry a country pretty far?

I am one of the last remnants of the parliament which had to ratify the sending of troops to South Africa in that first venture into imperial wars in which Canada took part. Two years previous, the distinguished Prime Minister of Canada, Sir Wilfrid Laurier, was in London, and he made fine speeches in which he promised the hearty support of Canada in all the ventures in which England should be engaged—let the fires be lit on the hills, let the bugles sound, and so forth. I know from the very best authority that in close chamber with Mr. Joseph Chamberlain, when Mr. Chamberlain asked if he would be prepared to promise Canadian troops in the event of war—because two years in advance Mr. Chamberlain was already planning the conquest of South Africa—Sir Wilfrid Laurier said no. He undertook no active obligations. Two years later an agent of the South African Chartered company came here and succeeded in inducing Sir Wilfrid and the leader of the opposition to submit to the house a resolution of sympathy with those poor brigands of South Africa who wanted to get their gold cheap and pay no taxation to the government of the Transvaal or to the government of the Orange Free State. We expressed that sympathy. We assumed moral obligation in one of the most immoral wars waged in the last century, one which revolted the consciences of the noblest men of Great Britain as well as the rest of the world. I shall never forget when, a year and a half later, I was put this question by that venerable survivor of the great Victorian days, Leonard Courtney, who asked me, among ten or twelve of the faithful Liberals who had not betrayed morality and honour to serve the ends of the Prussian-like Mr. Chamberlain: "How is it that a Liberal government headed by a French-Canadian lends its moral support to a policy pursued as against the honour of Britain, and in the name of principles against which you have yourselves fought in Canada for fifty years?" What could I answer?

But there is an example still more striking, and closer to us, which should appeal to the men responsible for the present situation in

Canada. It is the position in which that great and noble man, Sir Edward Grey, found himself placed by the uncertainty of the policy pursued for the ten years previous to the war. This should appeal to the Prime Minister, for will he permit me to say that in reading through Sir Edward Grey's memoirs, very often I thought of him. They have many points in common—nobleness of mind, the seriousness of their studies, literary accomplishments, and even that bucolic characteristic, with this difference, that Sir Edward Grey is rather fond of trout and birds, and our Prime Minister, which is much more plainly his task as party leader, gives himself to the raising of sheep. Sir Edward Grey entered the Foreign Office in 1905. He took a situation that had been already vaguely sketched by the Conservative government, of a rapprochement with France, a vague understanding with Russia, and with a queer policy towards Germany, of friendship for half the week and diffidence the rest of the week. He had to pursue that very difficult policy, and he pursued it with great ability; but after ten years in what position did he find himself? In many instances he had given his word of honour to the people of England that he stood under no obligation whatever to France and Russia. He had given his word to the various German ambassadors who passed through London that he was not obligated to France or Russia in any respect. But from week to week, from month to month, and year to year, he was being carried into a process of vague and undefined moral obligations until he woke up on the eve of the war to a situation where if he did not force the hands of his colleagues to make good a policy which he had left unknown to half of them during those ten years, he felt that he would be dishonoured before the French government and its distinguished representative, M. Paul Cambon, in London. On the other hand, when he was put the question by Prince Lichnowsky, his bosom friend, and as earnestly devoted to the cause of peace as Sir Edward Grey himself, whether England would stand neutral in case Germany would respect the territory of Belgium, he was forced to admit he could not give that pledge. Why? Because he had taken towards France and Russia moral obligations, undefined, and because those moral obligations had been followed up and pursued and strengthened by conversations—secret conversations—between the officers of the French general staff and officers representing the English war office, and between the heads of the French navy and the first lord of the British admiralty, Lord Fisher. This so-called moral obligation had been carried to the point that, if it had not been sustained by military action, the French government would have been in the position, as Lord Grey makes it quite clear in his book, of telling him, "You have deceived us for ten years." On the other hand, the German government was also in the position of telling Sir Edward, "You have deceived us for ten years." And what is the melancholy conclusion of that poignant book which tells us so much of the nobleness and greatness of mind, of the sincere idealism of one whose brilliant career ended in bankruptcy, because he did not realize the tremendous task that was put upon him? He says:

> Anyone who has taken an important part in public affairs, looking backward after it is over, may be amazed to see how far the results of what he did differ from what he intended them to be. He may well feel, as he reflects upon this, that he has been but an instrument for purposes of which he did not think at the time, and which are beyond his power to comprehend or fathom.

This is the confession of one of the noblest, of one of the best informed, of one of the acutest minds of Great Britain, after ten years' playing with moral obligations undefined. I think I am safe in saying that I am only doing my duty to Canada by calling the attention of the house to the vital importance of realizing what moral obligations mean, of taking great care before we pass resolutions of sympathy with the Locarno policy, before we agree to the general policy pursued by Great Britain in Egypt or elsewhere, because a time may come when a man, master of his mind and perhaps of other people's minds, will demand of us, "What did you mean?" And who will pay the price in the last instance, but the youth of this country?

Now, sir, it may be said the conclusion to be drawn from my remarks is that I favour a complete separation of Canada from Great Britain. No, no, not a bit of it. I am always surprised to find that I feel more British-like than so many of my English-speaking fellow-citizens. I am not in a hurry. I think the best definition that has been given of the present situation of Canada in its evolution is that by our distinguished fellow-citizen, Mr. Ewart. To him was put—as it has been put to me very frequently—the question: What is Canada? is Canada a colony still? is Canada a nation? is Canada independent? Well, as he says, in some respects it is, in others it is not. He gives this illustration:

There is no name or word which can be used as correctly indicative of Canada's status. All that we can say is that Canada has ceased to be a colony, but that she is not yet a sovereign state. That is not an unusual difficulty. Transition states, very frequently, must be described rather than named. Look at the polywog. He is an aquatic blob with an active, wiggling tail. But, shortly, he sloughs off the tail and protrudes four lusty legs. He closes his gills, useful in the water, and develops lungs, necessary for life on land. Eventually, as a full-grown frog, he contributes to the enjoyment of Canadian summer evenings by giving us his version of "O Canada". He was a polywog. He is now a frog. During his intermediate life, all that we can say of him is that he is no longer a polywog, and he is not yet a frog.

I think the comparison is very apt. Now, many people are disquieted at that transition period. You have the hasty nationalist who would pull off the tail and force the poor animal immediately to seek its living on the land. You have the typical colonist who often is disquieted as to what kind of beast it is. Then you have the ardent imperialist who would cut off the legs the moment they show themselves. Or again, you have the French-Canadian colonist like Mr. Taschereau, for example, who hangs on to the tail and tells us in Quebec: This is the bulwark of our national liberty. Well, I do not feel that way. All I ask is that we should let the poor thing grow according to its own nature and temperament. Let those legs protude gradually, let the tail fall off when the time comes, but for heavens' sake do not drown the poor animal in the quagmire of colonialism, as Mr. Amery would do under pretence of what he terms preserving "unity of action," or because we may be afraid of new things. But if we want that process of evolution to be harmonious, if we want these relations as between Canada and Great Britain, or as between Canada and the foreign world, to develop harmoniously, to develop steadily, if we want the slate to be cleared gradually, if we want to establish our relations on a solid footing and enlarge our scope of action according to the needs of our situation as it grows, I claim the first thing we should do is to give an example to the world that we, a young country, unmixed as we have been so far in the old diplomacy the world over, need not resort to those habits or practices that diplomats of the old school still believe they are forced to resort to. I think we should play the game in the full light of day, above board, and that we should have a clear understanding with the British government upon every issue, if it is an issue in which Canada is concerned, whether we are prepared to take this or that responsibility. In those issues in which we are not concerned we have no opinions to express. If those sanctimonious congratulations to the British government mean nothing, then why should men who style themselves "practical" send them by the bushel. Why should we, in this house or at the Imperial conference, pass resolutions of congratulation to the British government with respect to its action on matters for which we are not responsible? Foreign governments do not do that. The British government itself does not pass resolutions to congratulate us on doing this or that, or not doing this or that. In this respect the British government has ceased to treat us like children. Why do not we, on both sides of the ocean, act as straightforward men, and define clearly our foreign relations, as well as matters upon which we claim and mean to exercise our full responsibility of internal government?

To this, Mr. Speaker, I do not think I need add anything further. In many respects I think this government has well deserved of the people of Canada for its attitude on imperial matters. In many respects it has helped to clear the atmosphere of some old misunderstandings. But as a sincere and outspoken and candid friend, I tell them, do not let clouds gather in other spheres. You have cleared the atmosphere, you have helped in having the status of the governor general settled once and for all and, I repeat, for the best advantage of both countries; you have expressed your views on the necessity of adapting forms to fact in many other respects. But in regard to those important matters of foreign relations I think it is vital to define, in view of Canada's close neighbourhood to the United States, the position you are going to take before long of adhering to the treaty of universal peace and arbitration which is being proposed to us as separate from Great Britain, without having to make reservations such as the French government has made, and such as the British government is still making, though in a milder form. Why? We have no empire to keep up; we have no intricate situation to maintain in either Egypt or Morocco. We have a clean slate; let us keep it clean. Let us make it the solid foundation of a free British nation, proud of its ancestry, proud of its traditions, but also proud of a clean record in the sphere of international politics, not being mixed up in any of the intricacies of foreign affairs which are likely to embroil us in much more dire consequences than we conceive at the present time.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): After the thoughtful, comprehensive and convincing speech to which we have listened, I fancy very little remains to be said. However, I should like to associate myself with the motion that has been proposed, as I regard it as of very far-reaching importance. The form of the motion has been explained by the mover. I am frank to say that although I wish the government to travel a bit faster and to take a more courageous course along this line I have no more confidence—perhaps I might say, a little less confidence—in the Conservative party in regard to international affairs.

It is rather remarkable that these questions of our foreign relations should create so little interest in Canada. We are interested in post offices in the maritimes or in harbours in Quebec; we become tremendously excited about the tariff. But in these questions, which are of importance to every Canadian, it seems as if comparatively few members take any vital interest. I need only remind the house that approximately one-half of our total revenue goes to pay the interest on the last war. That in itself should indicate the necessity of placing our international relations on some better footing than has been the case in the past. I know that not merely in Canada, but even in the old land, it has not been very customary to have foreign affairs freely discussed by the rank and file in parliament.

Mr. BENNETT: Did my hon. friend say that one-half of our revenues went to pay the interest on the war?

Mr. WOODSWORTH: Practically one-half.

Mr. BENNETT: If the hon. gentleman had said one-third he would have been nearer the fact.

Mr. WOODSWORTH: If the hon. gentleman would take the trouble to consult a speech I made a little earlier in the session, in which I took as the basis the statement of the Minister of Finance, and added certain other figures which properly should be charged—increased cost of collection of debts, and so forth—he would find that I am well within the mark. As I was saying, it has not been very customary for the rank and file to discuss foreign affairs; but now that we in Canada are brought so closely in touch with various other countries it is important that we should form the habit in this parliament of discussing, more fully than we have done heretofore, those questions which relate to our external affairs.

[Mr. Bourassa.]

Several years ago we set up a committee on industrial and international relations. The Prime Minister (Mr. Mackenzie King) himself suggested that international relations should come under the supervision of that committee, but so far not one question of international relationships has been referred to it. I would urge upon the Prime Minister that next year some of these questions be brought before this committee in order that we may discuss them in greater detail than can be done in the house.

I wish to state in a very brief form my own opinion with regard to the question before the house. First of all Canada's views on imperial policy or international affairs are not necessarily those of Great Britain. That, I think, has been well illustrated by the last speaker. Secondly, opinions on these matters differ widely in Great Britain. We all know that there is a Conservative policy, there is a Liberal policy and there is a Labour policy in Great Britain. Why should we always take the point of view of the Baldwin government? I hope within a very short time to see the Labour party in power in Great Britain. When that takes place I trust I shall have the great satisfaction of urging my friends in this house to follow the lead of the motherland.

An hon. MEMBER: Why any more than any other?

Mr. WOODSWORTH: Not more than any of the others, of course. But since my Conservative friends are continually telling us when the Baldwin government is in power, that we ought to follow the motherland, they would be only consistent in following the motherland even when the Labour party is in power. As for me, I would say that we ought to choose our own policy whether the Baldwin government or a Labour government be in power in Great Britain.

In this country we so rarely read anything in regard to the policies of the opposition parties in Great Britain that I venture to quote from The Spectator, a quite respectable English paper which I think ought to appeal to the present government. This paper, in the issue of January 28, 1928, gives a summary of certain observations of His Majesty's government in Great Britain on the suggested program of work of the subcommittee on security of the Preparatory Commission on Disarmament which, states this journal:

> —constitutes a document of considerable importance, for it embodies a full statement of the considered views of the British government on the questions, first of arbitration, and secondly of security agreements.

I will not stop to read the summary but I wish to quote the Spectator's comment:

This statement of policy must be read in its relation to disarmament on the one hand and security on the other. The doctrine gaining increasing ground on the continent of Europe is that for disarmament to become a practical proposition it is necessary to arrange for the peaceful settlement of all international disputes, not merely of some. That means submitting all such disputes to some form of pacific settlement, legal or justiciable cases normally going to the Permanent Court and non-justiciable cases being settled by arbitration, if conciliation fails. The British memorandum, it will be observed, assents to neither part of this proposition, and Great Britain still declines to undertake to have legal disputes settled by the court or non-legal disputes by arbitration.

With regard to legal cases, Lord Phillimore has recently stated convincingly in the Spectator the case for sending all such questions as a matter of course to the Permanent Court. Twenty-eight nations have so far signed the optional clause, whereby they undertake to do this, and, though ratification is still required in some cases, the clause at present binds twenty states. Germany and France both have bills providing for ratification before their respective parliaments.

If twenty-eight states are willing to sign the optional clause why should not Canada sign it? The trouble is, we have bound ourselves at the Imperial conference to take no action without first consulting the motherland. I think we should at once represent to the motherland the advisability of our signing the optional clause. However, let me proceed with this statement:

With regard to non-justiciable disputes, it is to be observed that Great Britain appears to have gone back on the policy she supported at Locarno, for she there applauded France and Germany in their decision "to settle by peaceful means all questions of every kind which may arise between them," whereas the British note declares that there are some political questions, even of a justiciable nature, which a state cannot agree unreservedly in advance to submit to arbitration. Elsewhere it is stated that non-justiciable disputes are unsuitable for submission to a tribunal capable of giving a binding decision. These objections, which appear—if they have any meaning at all—to leave the door open for war in the last resort, are equally difficult to reconcile with the resolution unanimously carried with the specific approval of Great Britain at the last League assembly, declaring "that every pacific means must be employed to settle disputes of every description which may arise between states."

It would seem, Mr. Speaker, that the real trouble with regard to the optional clause lies in Great Britain's traditional policy of sea power in time of war, and I fancy that in Canada, sooner or later, we will have to face the question of whether or not we propose to stand by Great Britain's position in this regard. I think very few people realize that Great Britain has not receded from the position of one hundred years ago. I would like to quote a few passages with regard to the Stigstad case, which was before the Privy Council, and which I think well illustrates what I would regard as the perfectly indefensible position of Great Britain in this regard. This was an appeal from the prize court of England. A neutral ship on her way to Rotterdam with goods destined for Germany was required to discharge at a British port; no unreasonable delay or expense in carrying out the provision of the order was incurred. It was held, that the order in council did not entail unreasonable inconvenience on neutrals and was valid, and that the neutral shipowner was not entitled to damages for the detention of the ship or to expenses.

I quote from the argument on which this decision was based, page 285 of the English law reports, appeal cases, 1919:

What is here in question is not the right of the belligerent to retaliate upon his enemy the same measure as has been meted out to him, or the propriety of justifiing in one belligerent some departure from the regular rules of war on the ground of necessity arising from prior departures on the part of the other, but it is the claim of neutrals to be saved harmless under such circumstances from inconvenience or damage thereout arising.

And again:

—the only question open to the neutral claimant for the purpose of invalidating the order is whether or not it subjects neutrals to more inconvenience or prejudice than is reasonably necessary under the circumstances.

And again:

In considering whether more inconvenience is inflicted upon neutrals than the circumstances involve, the frequency and the enormity of the original wrongs are alike material, for the more gross and universal those wrongs are, the more are all nations concerned in their repression, and bound for their part to submit to such sacrifices as that repression involves. It is right to recall that, as neutral commerce suffered and was doomed to suffer gross prejudice from the illegal policy proclaimed and acted on by the German government, so it profited by, and obtained relief from, retaliatory measures, if effective to restrain, to punish and to bring to an end such injurious conduct. Neutrals, whose principles or policy lead them to refrain from punitory or repressive action of their own, may well be called on to bear a passive part in the necessary suppression of courses which are fatal to the freedom of all who use the seas.

And a little later on:

The assumption was that a neutral, too pacific or too impotent to resent the aggressions and lawlessness of one belligerent, can require the other to refrain from his most effective, or his only, defence against it, by the assertion of an

absolute inviolability for his own neutral trade, which would thereby become engaged in a passive complicity with the original offender. For this contention no authority at all was forthcoming.

I ask whether any member of this house would subscribe to this doctrine:

The seas are the highway of all, and it is incidental to the very nature of maritime war that neutrals, in using that highway, may suffer inconvenience from the exercise of their concurrent rights by those who have to wage war upon it.

Surely it is an altogether new doctrine that the warring people have the rights while the neutral people have no rights, or only partial rights. I proceed:

. . . . to say that retaliation is invalid as against neutrals, except within the old limits of blockade, contraband, and unneutral service, is to reduce retaliation to a mere simulacrum, the title of an admitted right without practical application or effect.

That is still the position of Great Britain. Let me contrast that with the attitude of the United States, our great neighbour to the south, who will not and need not tolerate very much longer the unwarrantable position taken by Great Britain. I would like to quote a few passages from a recent article appearing in the Contemporary Review for April, 1928, by Colonel Edward M. House, who says:

The failure of the Geneva naval conference has emphasized the difficulties of reaching an understanding regarding the relative strength of armaments. A simple and far more effective way out would be for the sea powers to agree to a code of sea laws making battleships of all kinds useless except for defensive purposes. The only adequate means by which this may be accomplished is through an agreement to accept the principle of the freedom of the seas in so far as it means the abolition of contraband and immunity of private property at sea.

He refers to the second Hague conference of 1907, when an American proposal was presented urging the immunity of private property, of neutral and belligerent alike, from seizure at sea, and also a British proposal urging the abondonment of the principle of contraband altogether. Lord Reay, stating the case for the British proposal, said:

Recent experience, gentlemen, has therefore confirmed my government in its opinion. It remains firmly convinced that in the present condition of world commerce and of human knowledge the exercise of the right of seizure results only in hampering neutral commerce without giving belligerents compensating advantages and in bringing the former eventually into the war. It is, therefore, with the firm conviction that the time has come to remove the dangers which I have pointed out, that the British delegation has the honour to propose that contraband be abolished and that neutral commerce be restored to the freedom which it requires.

[Mr. Woodsworth.]

Then Mr. House comments on that statement, and says:

The British were absolutely right in abandoning the principle of contraband. No halfway measure will suffice. There can be no longer a distinction between articles destined for military purposes and those intended for the civilian population. On the other hand, until private property on the high seas is made immune, the troublesome and dangerous differences of opinion that arose in 1812 and 1915 are bound to return in the case of another war. What is suggested, then, is simply the acceptance of the British proposal of 1907 for the abolition of contraband and of the American proposal of the same year for the sanctity of private property at sea.

He quotes Commander Kenworthy as having stated in an article in the London Review of Reviews:

The one nation that can be successfully blockaded is Britain, and yet we cling to the weapon which may possibly bring about our destruction.

And he concludes:

With the freedom of the seas guaranteed by covenant between nations, there would be no incentive for the United States, France, Germany or Russia or other powers to maintain navies larger than sufficient for police purposes.

And again:

The benefits which would accrue to Great Britain through the freedom of the seas would be free communication with her dominions, and the certainty that her food supply and raw materials could never be interrupted. Such a policy would eliminate the terrors of submarine warfare, for submarine could be used only against battleships and craft of war.

I do not think I could better summarize the position of some of the most thoughtful English Liberals and Labour leaders with regard to this question of the blockade than by quoting from a recent speech by Mr. W. Arnold-Forster. He says:

(a) The blockade weapon is no longer divisible. It is impossible to distinguish between civil, medical, and military stores.

(b) It is more generally detested than ever. Europe remembers that 760,000 died in consequence of England's blockade before the armistice and 100,000 during its continuance afterwards; that the Russian famine resulted largely in consequence of the stoppage of farming machinery; that supplies were refused to Greek islands which favoured Constantine; and that for the year 1917-18 even the neutral nation Sweden received no supplies. And America remembers our interference with her shipping, and the 12,000 tons of her copper which were piled up on the mole at Gibraltar.

(c) It is now much more impracticable. In 1914 there were only two cables between Germany and America, one of which we cut, and the other we diverted and tapped. And the prize courts showed the value of the information which came from that source. Now there are many means of communicating the movements of ships, both under the sea and above it.

(d) It follows that it is now less defensible as a weapon, from all points of view. We must, of course, remember that the United States is outside the League of Nations, and might decide to help a nation which had disobeyed the league. But if we renounce the blockade we shall be in a position to ask that the United States of America on her part will not assist a proven aggressor.

I am quoting at length to-day for a set purpose. If on my own authority I made these statements they might be challenged by members of this house as being merely my own personal opinion, or as representing the opinion of one small group in this house. I would point out that these are the views of very large and influential groups of people in Great Britain. I will quote the position of the Liberals in Great Britain, and I wonder if the Canadian government will go as far as the Liberals in Great Britain are willing to go. They demand that the British government should at once take the following measures:

1. To sign the undertaking framed by the League of Nations, to refer all international disputes of a legal character to the league's court of justice at The Hague.

2. To enter into general or particular treaties of arbitration providing for the peaceful settlement of other disputes.

3. To reduce our own existing armaments, which are beyond the needs of the present situation, and specifically to repudiate any policy of entering into a competition in naval construction with the United States of America.

4. To press forward the action which is contemplated for codifying and defining more closely the principles of international law.

The Liberal memorial states:

In our judgment the failure of Great Britain to retain the foremost place in the world movement towards a more rational and a more moral civilization is due in material part to the hesitating action and divided counsels of the government.

This is not a statement made by some irresponsible group, but is the formal statement of the Liberal party of Great Britain.

I would also appeal to my Conservative friends to be as broadminded and as far-seeing as some of the leading Conservatives in Great Britain. About the time the Liberals were taking the position they did, the general council of the League of Nation's Union, upon motion of Lord Robert Cecil, put out a declaration urging upon the government a programme of co-operation with the league under five heads, the second being in these terms:

2. To promote the peaceful settlement of all international disputes by every means in its power, and with this object immediately,—

(a) To sign the optional clause with any reservations that may be necessary to provide for the special position of this country.

(b) To announce its willingness to negotiate all-inclusive arbitration agreements with any civilized nation, on a model to be established by the League of Nations.

I would ask the Prime Minister why we should not proceed immediately to negotiate with the British government with a view to securing our release from our present obligations and enabling us to sign at once the optional clause.

Further since the Root treaty of 1908 has now expired, I would ask why a treaty cannot be made between Canada and the United States which will be much more inclusive in its character than that which is now being proposed by Mr. Kellogg. If I understand the situation aright, Great Britain is putting in so many reservations that the treaty will be comparatively useless, or at least will stop very far short of what we in this country want. Why should we not proceed at once to renew our treaty with the United States, renew it in the name of His Majesty on behalf of Canada, and make it without any reservations—an all-inclusive arbitration treaty?

Mr. ADSHEAD: Does my hon. friend suggest that the treaty forwarded to Canada by the United States is not the treaty without any reservations or without the reservations put in by Sir Austen Chamberlain?

Mr. WOODSWORTH: I will leave that to the Prime Minister to answer. I would hope that it was the original treaty as put forward by Mr. Kellogg and not the treaty as emasculated by the interpretations of the present administration in Great Britain.

I want to follow the hon. member for Labelle (Mr. Bourassa) for a few minutes in his references to Russia. It may be comparatively safe for the member for Labelle to refer to Russia, but I suppose it is much more dangerous for me to do so because of the general popular conception that the Labour movement is seriously affected with sympathy for Russia. We are sympathetic with Russia; I do not deny it. I regard the experiment in Russia as one of the greatest that has been made in any part of the world, or in any age in history. We can look back to-day with something like a dispassionate view to the achievements of the French revolution, and I believe the time is coming when we will look back to the Russian revolu-

tion of ten years ago as marking one of the greatest epochs in the history of the world. I am not suggesting that we in Canada should proceed along Russian lines—that is another question.

The trouble is that we have been prejudiced by our newspapers against Russia. Instead of quoting some socialist or labour authority, I would like to quote, in opening up this discussion, a few words from our good friend Colonel H. J. Mackie. Colonel Mackie has spent a good many years in Russia; he was head of the Canadian section of the movement which attempted to relieve the children of Russia some years ago. Colonel Mackie, who I believe is regarded as a good Conservative, was quoted by the Toronto Daily Star of February 2, 1927 as follows:

"The chief obstacle in the way of friendly relations between Great Britain and Russia is the wilful, stupid hostility and misrepresentation of British politicians, particularly Churchill, Birkenhead and Joynson-Hicks", declared Col. Herbert J. Mackie, former M.P. for North Renfrew, who, since 1920, has been in Russia ten different times. He has just recently returned from his latest visit.

Colonel Mackie continues:

The situation in Russia to-day is simply unbelievable to anyone who has the picture of the Russia of 1920 in his mind.

To the external view the people one sees on the streets of Moscow and Leningrad are well dressed, happy, contented and prosperous.

Wonderful strides are being made in education. The commissar of education told me that he was much interested in the Canadian rural school system and that he hoped to send a commission of five educationists to Canada next spring to study our methods.

Again:

I have been greatly impressed with the absolute sincerity of the men at the top of Russian affairs.

"Stalin is the great man of Russia to-day," said Col. Mackie.

He is a quiet, reserved man, but he is very able, and the people trust him.

Trotsky's power is on the wane.

One thing that has impressed me greatly in Russia is that the leaders there are willing to admit their mistakes and to change their plans if they find they will not work.

Mr. ADSHEAD: What happened to Trotsky?

Mr. WOODSWORTH: I think we all know that Trotsky was banished. For the few minutes that remain to me I should like to speak of our relationship with this Soviet Russia, which is apparently not nearly so black a country as many have painted it. I would refer hon. members to a very interesting article on Russia in Toronto Saturday Night on March 24 of this year. An hon. member suggests that this is a socialist paper. I think I am comparatively safe in quoting Toronto Saturday Night.

Mr. IRVINE: No, the hon. member is not. It is not a safe paper.

Mr. WOODSWORTH: Let me read a few paragraphs from this journal, which has usually very little good to say concerning many of us:

Behind the controversy between the Standard Oil Company of New York and the Royal Dutch Shell Oil Company lie two fundamental causes as old as industry itself: a desire for raw materials and the need for a larger market.

The article goes on to tell of the development of the oil industry in Russia:

As soon as Great Britain had signed a trade agreement with Russia in 1920 the British company began negotiations with the Soviet government with a view toward obtaining a monopoly on the purchase of oil produced in Russia.

There were too many competitors for the Russian oil reserves, however, for the Soviet government to consent to any such arrangement. The latter contemplated an amalgamation of all the oil interests in one company in which the Soviets, too, would participate.

Such an arrangement was unsatisfactory to the Royal Dutch Shell Oil Company because it would have given the Standard Oil Company of New York, its chief rival, privileges similar to its own; for a number of years the British company continued its efforts towards a monopoly contract.

The article records further developments in which Soviet oil, despite all obstacles, began to play an increasingly important role in the industry and commerce of European and Near-eastern nations and concludes:

In the end the disposition of Russian oil will probably be worked out on an economic and not an ethical basis.

This warfare between the two rival companies, British and American, culminated in the Arcos raids in Great Britain. To substantiate this I should like to call attention to two very significant articles published in the English Foreign Affairs for October and November, 1927: "Oil and the Arcos Raid," by Francis Delaisi. This statement confirms and supplements the article in Saturday Night to which I have referred. I read only brief extracts, but as so few of my fellow members spend very much time with the old country papers, apparently I am justified in giving the information therein contained:

The breaking-off of diplomatic relations between Great Britain and the Soviet union was not the spontaneous action of the British government, but was inspired, and perhaps commanded, by certain large-scale oil interests.

Again:

At last the various oil interests—Anglo-Dutch, British, American, Franco-Belgian, et cetera—grasped that they were playing the Bolshevik game by indulging their rivalries, and concluded a kind of "pact of non-aggression." They engaged not to seek separately any concession from the Moscow government. They did not prohibit trade with the soviets, but they agreed to allow Russia no credit, and brought all their influence—and it is considerable—to bear on the banks to prevent the grant of any credits other than those promised by treaty. Thus the financial blockade of Soviet Russia was determined.

Then the writer goes on to give details of the various events in the continued warfare between the different oil interests. He continues:

At the end of 1926 the export of Russian oil had surpassed the 1913 tonnage.

Curiously enough, the principal market was England. With the collaboration of Arcos and of several individual Englishmen, a powerful company, the Russian Oil Products, was formed in Great Britain. And—supreme impertinence! —R.O.P. brands are to-day competing, often successfully, with the Anglo-Persian, the Shell, and the Royal Dutch under the very eyes of Sir Henri Deterding. Here, plainly, was a degree of presumption which the oil magnates could not tolerate.

Notwithstanding this there developed considerable trade between Great Britain and Russia. It went so far that Mr. McKenna, a former Chancellor of the Exchequer, whom I have quoted in the house in other connections—

—had been brought to agree to a credit of £10,000,000 (not, it is true, in cash, but in goods) to the successors of Lenin.

But at this point Sir Henri Deterding came on to the scenes in a towering rage. What! at the very moment when he, the petrol king, was seeking to close the British market to these vile bolsheviks, the doors of the stock exchange were being opened to them . . . .

Such a loan at such a moment was worse than defection, it was insubordination!.....

To force Sir Austen Chamberlain's hand, then, a great coup was necessary. Sir Henri Deterding likes to be called the "Petrol Napoleon". Like his model, his ideas are bold, his persistence unconquerable, and he has a taste for violent and sudden attacks which rout the enemy.

On Wednesday, May 11, the agreement for the Soviet loan of £10,000,000 was signed at a private meeting held at the Midland Bank.

The following day, by order of the Home Office, the police invaded the offices of Arcos, and, in defiance of the extra-territoriality granted by Britain to the agents of the Soviet government, proceeded to institute a detailed search.

In the following article of November, 1927, there is a summary of the situation as follows:

In substance, the raid of the Home Office upon the offices of Arcos was a raid of the oil magnates upon the Foreign Office.

I will not venture to indicate to British readers the lesson which may be learnt from these facts. Moreover, the interference of the great oil trusts in foreign policy is by no means an exclusively British phenomenon.

The writer goes on to develop that; and then concludes:

The idea of transforming a means of accumulating wealth into an instrument of power and domination belongs to the realm of feudalism and romance; it is a survival of past ages. It cannot fail to lead the nations into war and the trusts themselves to their ruin. It is anti-economic and inhuman.

I have indicated, Mr. Speaker, the articles where this information may be found. I put it to the government, in what an absurd position Canada is placed in view of these revelations. On account of pressure exerted by certain oil firms in Great Britain for their own interests, there was a reversal of policy by the British government, and in spite of the arrangement then existing, under which credits were to be extended to Russia. We in Canada meekly followed the lead of Great Britain, and indirectly the behest of the oil kings of Great Britain. In what a position are we placed! I suppose we shall now have to wait until some other industrial kings of Great Britain take action, and then we shall again meekly fall into line. I say that this is an absurd position, and I would appeal to the Prime Minister that his Department of External Affairs should exercise a great deal more independence in such matters as this.

One of the difficulties in having the Kellogg peace treaty signed at the present time arises because of the problem as to whether or not Russia will be asked to participate in the treaty. According to the treaty of some years ago made between Great Britain and Russia after the war, which was read by the hon. member for Labelle (Mr. Bourassa), there was every desire to re-establish business relationship between Russia and Great Britain. All was going well until these oil kings came in for their own purposes and upset the whole arrangement, forcing the hand of Great Britain and indirectly involving us in the trouble. I wonder why it would not be possible at this time to carry out the expressed desire of so many people in Canada, a desire expressed among others by our Alberta farmers, to re-establish relationships between Canada and Russia.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I assume, Mr. Speaker, that hon. members who wish to take part in this debate have spoken, because I would have preferred to wait before replying until all the members who have any intention of speak-

ing have spoken, as I would like in my remarks to cover whatever points may be raised by the different speakers.

May I remind the house that the motion before it at the moment is that the house go into committee of supply, the supply being that of the Department of External Affairs. I refer particularly to this because my hon. friend from Labelle (Mr. Bourassa), who has moved an amendment, has mentioned that one of his reasons for his so doing was that in that manner only was it possible for him to address the house on the various subjects to which he has referred. I might say to my hon. friend that I think he would have had that opportunity the minute we got into supply, with respect to the different items that would come before the committee. However, I recognize he might not have had it in a manner which would have afforded him the opportunity of reviewing in the comprehensive and logical way he has done the different subjects referred to in the course of his remarks.

I should like to read the amendment anew. It is as follows:

> This house regrets that proper steps have not yet been taken to give full effect, both in domestic and external affairs, to the "equality of status" asknowledged by the Imperial conference, 1926, to be the "root-principle" of the relationship between the self-governing Britannic communities.

That amendment has this merit in particular, that it approves in no uncertain tone the formula which was laid down at the Imperial conference with respect to the position of Canada and the other self-governing dominions and the British government. The equality of status which is there set forth is the root principle of the relationship.

I may say that on the whole, my hon. friend's remarks in relation to the government were quite as appreciative as they were critical of its attitude in dealing with matters pertaining to Canada's external affairs, and I am sure that I am not far off the mark when I say that I do not think my hon. friend desires his amendment to be considered as a motion of want of confidence in the administration. I hope that when I have endeavoured to reply to what he has said, he will feel that his purpose has been served in bringing before the house and the country the various matters he has, and that it will not be necessary to press the amendment to a division; for certainly were that to be done, the government would be obliged to ask the house to vote against the amendment. With the exception of the one word "regrets," which appears in it, and the delay alleged, I for my part would be rather prepared, under other circumstances, to accept a resolution along the lines of the purport and purpose my hon. friend has in mind. The purport and purpose of the resolution is simply that, as opportunity arises, the government should do what lies in its power, to carry out the principles laid down at the last Imperial conference, establishing Canada's position as one of the British dominions, on an equality so far as status is concerned, with that of Great Britain. With respect therefore to the real purport of the resolution there is no exception to be taken on the part of the administration, and as I have already said, I hope that my hon. friend will later on feel in regard to the matters he has brought up that perhaps he has seen them from an angle which has not afforded him the full light which he should have had in moving a resolution critical of the administration.

The first point that my hon. friend dealt with was the manner in which communications were being carried on between the government of Canada and the British government. He drew attention to the fact that at the Imperial conference of 1926 it was decided that thereafter communications passing between His Majesty's government in Canada and His Majesty's government in Great Britain should be direct as from government to government, and not through the channel existing at the time, namely, the office of His Excellency the Governor General. My hon. friend said that he was somewhat surprised in looking at the correspondence relating to the severance of relations with Russia to discover that though that correspondence took place in May, His Excellency the Governor General was still the medium of communication, and that the Canadian government was not communicating direct with the government of Great Britain. May I say to my hon. friend that in all these matters of changed relations, if they are to be described as such, the line of evolution, rather than of revolution, is in the long run almost certain to be the most effective one and the most enduring, and a change, even when it is a desirable one, is sometimes carried out to the better satisfaction of all concerned where time is taken to see that all interested parties are fully apprised of the significance of the change, and that all the necessities in relation thereto are properly met. My hon. friend will realize that for the Department of External Affairs to take over the work of conducting the direct communication with England, as it was being done through the

office of His Excellency the Governor General, there was need, for that purpose, of an appropriation by this parliament to the Department of External Affairs. The conference met in London in November; the estimates which were brought to parliament for the current year contained an appropriation which would enable the Department of External Affairs to take over the communications. It was necessary to add to the staff of the department for purposes of coding and transcribing despatches, and to have therefor, as well as for the cost of transmission, extra appropriations. Parliament had only voted the appropriation at the time the correspondence took place with regard to our relations with Russia. That of itself, as I think my hon. friend will recognize, was a sufficient reason why the change should not have been made abruptly or immediately after the conference had registered its decision with respect to it. On the other hand, there was the further circumstance that the British government's wishes had also to be considered. It was to some extent a matter as between the British government and all the dominions with respect to the form this particular change would take and the time when it would be made. We were led to believe that it was desirable to give the foreign office and the dominions office time to perfect the necessary changes in their departments, and that was another reason why there was no immediate action taken in changing the channel of communication.

However, I might say to my hon. friends that there was still a further reason. When the estimates were introduced it would be the beginning of the fiscal year, and the change, I presume, might have been made then on the assumption that parliament would support the administration. But, all things considered, it seemed to us that the first of July last year, being Dominion Day and of particular significance in that it marked the diamond jubilee of confederation, would be an appropriate date on which to bring this change into effect. Therefore early in the year we suggested to His Majesty's government in Great Britain that we hoped, so far as they were concerned, matters would not be delayed beyond the first of July. That date was regarded as quite acceptable to the British government, and on the first of July the communications between His Majesty's government in Canada and His Majesty's government in Great Britain began to be exchanged direct, and have continued from that moment to be so exchanged. My hon. friend may now feel assured that the change about which he was so anxious was made nearly a year ago. Many of the communications which now for nearly a year have been exchanged direct between the two governments are between prime minister and prime minister; some of them are sent direct to the Secretary of State for Foreign Affairs in London; but for convenience sake, and also for the sake of record, all communications in the first instance come to our government through the office of the Secretary of State for External Affairs, and communications to the British government go through the office of the Secretary of State for Dominion Affairs in London. Let me say that from the moment the arrangement was introduced up to the present it has worked admirably and I think to the distinct advantage of both governments. I do not wish to make comparisons with the length of time previously taken, but certainly there has been to some extent a lessening of the time required through the elimination of the roundabout process which formerly was in vogue.

My hon. friend spoke next of the particular paragraph in the report of the Imperial conference which sets forth that matters relating to the operation of dominion legislation should be referred to a special committee, and he took exception to the fact that up to the present time that committee has apparently not been formed.

Mr. BOURASSSA: If the right hon. gentleman will allow me? I put it in the form of a question.

Mr. MACKENZIE KING: I am glad to accept my hon. friend's correction. I apologize to him for having used the term "took exception." My hon. friend asked: Has the committee been formed; if not, when is it to be formed? When the Secretary of State for the Dominions, the Right Hon. Mr. Amery, was in Ottawa at the beginning of this session, I spoke to him concerning the convening of the committee. Mr. Amery had been in touch with the other dominions in the course of his tour, and he told me that they had all to some extent brought up the subject with him, or he had brought it up with them, and after his return home he expected to be in a position formally to communicate with all the dominions as to the formation of the committee. In other words, I gathered that he had ascertained from the several dominions their wishes, and was intending to have a communication sent out which would enable the committee to be formed forthwith. Up to the present time we have not received a formal communication. I might say that as a result of this discussion to-day I shall have pleasure in drawing the attention of the Secretary of State for the Dominions to the fact that hon. members think there should not be any further delay

in the establishment of the committee. But may I say this? I do not think there has been any intentional delay on the part of the Secretary of State for the Dominions. I have no doubt that what has been happening here has been happening also in Great Britain and the other dominions, namely, that the departmental officials have been engaged on what might be considered the statement of the case from the point of view of their respective governments with respect to the several matters to be considered so as to be in a position the minute the committee is called together to make a presentation of the case. As to Canada, some of the officers of the Department of External Affairs and the Minister of Justice (Mr. Lapointe) with the officers of his department have been conferring together and studying certain aspects of the question. Similarly, in the Department of Marine and Fisheries there have been experts at work on different phases of the question relating to merchant shipping, which is also to be dealt with by means of a committee. I think my hon. friend may feel assured that the committee will be called very shortly, and that the position of Canada or of any other part of the empire will not be prejudiced by the delay.

Mr. BOURASSA: Hear, hear.

Mr. MACKENZIE KING: As my hon. friend knows, whatever work these committees perform will likely come before the next Imperial conference, and I presume their report will be made to that conference. Just when the conference will be held I cannot say at the moment, but in the natural order of things it would not be before the fall of next year. I think, therefore, there is plenty of time for the committee to meet and make its report.

I was pleased to see that my hon. friend approved so whole-heartedly of the intention of the government to establish legations in Paris and Tokyo, and also of the step already taken in establishing a legation at Washington. With respect to the word of counsel and advice he gave to the administration to proceed in a modest way, may I assure him that we are entirely in accord with him in that particular. There is an old saying which comes to one's mind with respect to these legations, it is that in Rome one must do more or less as the Romans do; and no doubt my hon. friend had in his thoughts the expenses of the legation at Washington. Quite frankly I may say that they are on a scale which the government does not contemplate with regard either to Paris or to Tokyo. But, as he knows, Washington is generally conceded to be the most expensive capital in the world. Even the legation which Canada has is small compared to some of the legations of other countries of very much less importance than our Dominion. What we have done at Washington has been done appropriately, having regard to Canada's relationship to the United States; and I think my hon. friend will be pleased when he sees how Canada's action at Washington will be reciprocated by the United States in its legation here at Ottawa. It is an open secret that the United States government contemplates erecting very shortly in this capital an important and, I may say, an imposing building for the purposes of its legation. As Canadians we shall, I believe, feel proud of what will be done in that regard by the country to the south.

As to the importance of the representation being clearly defined, I agree absolutely with my hon. friend that it is essential that the position of Canada's minister at any of the capitals in which there may be legations should be perfectly clear, both as respects his relations with the British minister at that capital and as well, in regard to his relations with the country to which both are accredited.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: When the house rose at six o'clock, Mr. Speaker, I had been touching upon the representation of Canada in legations abroad and the position of our representatives in relation to the other British representatives and also in relation to the representatives of the countries to which they are accredited. The hon. member who moved the amendment stressed the importance of these relations being clearly defined. Naturally I entirely agree with him in that; personally I see very little difficulty in the definition. The representatives of Canada to other countries are appointed in reference to the domestic and external affairs of Canada, and they have to deal only with matters in respect of which we are primarily concerned. At these legations they meet, in the same capitals, the representatives of the British government who are similarly charged with the responsibility of representing the British government in regard to its domestic and foreign affairs, wherever those domestic and foreign affairs come to be a matter of international interest and concern. It is conceivable that in some cases the foreign affairs of one part of the empire will intersect the arc which relates to the foreign affairs of

another part of the empire. In that event one would assume that the obligation with reference to what is held in common would be a joint obligation and that the two representatives, or more if there are such, would carry out their trusteeship in co-operation with each other after consultation. Possibly there may be some who will object that there is always the possibility of difference arising. That possibility exists everywhere and if it is to come up between representatives of different parts of the empire perhaps it is fortunate that it should arise first of all between two individuals, and subsequently be referred to their respective governments, by whom any difference could be smoothed out, as differences have been dealt with in the course of years where they have arisen between different governments of the same empire. I believe that is all I need to say with reference to the position of our representatives abroad.

The next subject mentioned by the hon. member for Labelle was the action of the Dominion government in severing relations with Russia. That action was taken just a year ago this month, about the time or rather at the time the British government severed its relations with Russia. As the hon. member said, the agreement which we had with Russia was one which originated between His Majesty's government of Great Britain and the Union of Soviet Socialistic republics in Russia. That agreement came into being under a previous administration; Canada's adherence to that agreement was given under that former administration. When we came into office we found that agreement in existence; both governments were parties to it, and naturally we accepted the obligations which arose under it. I think there was an exchange of notes, six months after we came into office, accepting or rather confirming a formula which had been agreed to prior to the time we assumed office.

Mr. BENNETT: May I ask a question? Is not the right hon. gentleman in error in stating that the agreement had been confirmed before Mr. Meighen's government was defeated? My memory is that there was no formal agreement until after my right hon. friend came into power, although I speak subject to correction.

Mr. MACKENZIE KING: What I am now saying is that an order in council had been passed, first of all, asking the British government if they would ascertain from Russia whether Canada might not become a party to the agreement. Then, after having taken that action, a formula was drafted which was submitted to or by the British government, and they or our government were asked whether that formula would be acceptable and also if it would be acceptable to the Russian government in order to make Canada a party to the agreement. That formula was approved by an order in council passed by a previous administration, and the British and Russian governments were both advised that Canada would adhere to the treaty under that particular formula. Then, as I recall it, in the following August our administration received a communication from Lord Balfour, who was acting Foreign Minister at the time, stating that the formula had been formally signed.

Mr. BENNETT: That was in August of 1922.

Mr. MACKENZIE KING: That is correct, but that was merely carrying out the obligation, in the matter of signature, to which the previous administration had committed the government of Canada. However, that is a mere detail; the facts are that we continued to be bound by the terms of the treaty with Russia, and we received in Canada in 1923 what was known as the Russian trade mission or agency. Russia sent to this country a trade agent, who opened an office in Montreal with a small staff of employees and undertook obligations or duties relating in part to trade and duties in part of a consular character.

I might say to the house that that particular office did not have a very happy beginning as far as the government of Canada was concerned. At the time the Russian agent came to Canada he brought with him what seemed to members of our administration an unnecessary amount of literature of the character of propaganda of communist ideas. So much of this material was brought in that the government found it necessary to question the head of the agency as to its character. Some of the material was brought to Ottawa and examined, and I personally saw a good deal of it. It was not the kind of literature which I think should have been brought into this country ,and I very frankly told the Russian agent that that was my opinion of it. I sought to obtain from him reasons as to why this literature was being brought into Canada, and I obtained answers which were far from satisfactory, so far as my own feelings were concerned, and I think I was inclined to be generous in the attitude I took toward him.

Mr. BENNETT: In what language was this material printed?

Mr. MACKENZIE KING: It was printed in different languages. Some of it was tran-

slated and the government went to particular pains to ascertain the nature of the propaganda. Some of it was in the nature of posters which children of any age, whether or not they could read or write, could understand. They were of a character which I do not think any hon. member of this house would wish to see exhibited about this country.

Mr. SPENCER: May I ask if any of the literature was in English?

Mr. MACKENZIE KING: I drew the attention of the agent to these posters and asked him whether he thought they were the kind of thing that should be brought into this country, and he admitted quite frankly that if they had not been brought in for the purpose of wrapping he did not think they would have been brought in at all.

Mr. BENNETT: My right hon. friend is referring to pictorial posters, not printed ones?

Mr. MACKENZIE KING: Yes.

Mr. HEAPS: Will the Prime Minister give us an idea of how much of this literature was brought in at that time?

Mr. MACKENZIE KING: I cannot say how much, but I know sixteen boxes were brought in when the agent arrived.

Mr. HEAPS: What was the size of the boxes?

Mr. MACKENZIE KING: They were so large that the only explanation that could be given of them was that their contents were intended as a library or to be used as exchanges with other libraries of this country. Some of the literature attacked religion; some was an attack upon organized economic society, and generally speaking, the literature that I saw was not of the character that I believe my hon. friend would have wished to see circulating in this country. The extraordinary thing about it was that this particular material should have been brought in by an organization whose purpose was the friendly one of the development of trade between this country and Russia.

There were other matters, which I think I may be excused from mentioning at the moment, which gave rise to considerable suspicion in the minds of the administration, so much so that the government contemplated at one time making a search of the quarters in Montreal where this mission was located. This was some time previous to the announcement in the British house that relations had been broken off with Russia, on the part of the British government. Then one day we were advised that the British government had broken off relations, for reasons already mentioned. We had in our possession a statement made by the Prime Minister of Great Britain to the British House of Commons. In addition to that we had the information concerning which there was no question about the circulation of communist propaganda in China by one of the agents of the Russian government. This was contrary to the obligations entered into by Russia in the treaty, and we felt that everything considered we had more than sufficient ground at the time for severing relations with the Russian government. We took prompt action in the matter; we did not wait until the British government had communicated its view of the situation to parliament, we acted before that.

The criticism that has been directed against the government has been that we merely followed the British government. The hon. member for Labelle drew attention to what was in the communication from the Secretary of State for the Dominions, to the effect that unified action on the part of the British Empire would be helpful at that stage. He argued that it was because of that communication and request from the British government that our action was taken. The hon. member for Winnipeg North Centre (Mr. Woodsworth), who seconded the amendment, also stressed the point that we should have waited to see what was said by Liberal and Labour members in the British parliament. It was precisely because we wished our action to be understood as independent action that we did not wait until discussion had taken place in the British parliament. The criticism of my hon. friend is directed towards us for following the British government, and then he says we should have waited to follow the British parliament. We were not following anyone, we were acting on our own initiative and taking action towards this particular trade mission which we felt was justified in the light of circumstances as we knew them to exist. We did not hesitate to make it known to the officers of the original mission that we were not satisfied with its personnel, and these officers were changed some little time prior to the breaking off of the relations with Russia under the treaty. The agent who was here at that time appeared to me to be a thoroughly honest and honourable man. I had no reason to mistrust him in any particular, and I said so at the time we broke off relations. I am sorry that I can not say the same with respect to his predecessors in office.

I would point out to the house the position in which this country would have been placed had the government's action at the time not been what it was. Up to the present time the United States has never made a treaty with the Union of Soviet Socialistic republics in Russia. At that time Great Britain had severed connections with Russia in the matter of trade, and this country would have been left as the one part of the English speaking world which had maintained relations. It seems to me that we would have been put in a position where the rest of the world might well have demanded what exceptional reasons we found to continue a relationship which was likely to prove embarrassing to the rest of the British Empire.

While our action was taken independently of Great Britain and all other parts of the empire, I am perfectly frank in saying that if it was helpful to any one part of the British Empire in a difficult situation, I am all the more pleased on that account. What I want to make clear is this; the taking of similar action to that of another part of the British Empire does not mean that our action is necessarily obsequious, a mere imitation, or, above all, that it is in any shape or form yielding to dictation.

Mr. ADSHEAD: Would the Canadian government have broken off relations if the British government had not done so?

Mr. MACKENZIE KING: If we had had occasion to go carefully into the evidence that we obtained at that time, I think it is quite possible we would have severed relations. In fact, it was very much against our will that we continued relations as long as we did. We continued them simply because we were anxious to avoid embarrassment to other parts of the empire as well as to ourselves. When the situation became such that to have continued longer would have been taking a course which would have been very doubtful, as far as Canada was concerned, and embarrassing to other parts of the empire, we had no hesitancy in taking the course we did.

Mr. HEAPS: Is the statement that the Prime Minister is at present giving to the house not rather at variance with the statement he issued after relations were broken off?

Mr. MACKENZIE KING: No, I made it quite clear at the time of breaking off the relations that as regards the then Russian agent, we had no exception to take to any action on his part. I confess to my hon. friend that I did not go into the detail into which I have gone to-night with respect to the grounds which we had prior to that time for suspecting the work of this particular trade mission. The government did not do so at the time because we were anxious not to say any more than was necessary, and I would not have said as much as I have to-night had it not been that, in view of what has been said in the course of the debate, I have felt it was only fair to hon. members to bring before the house these other factors. We were particularly careful to make it clear that we in no way wished to prejudice dealings in trade between Canada and Russia, rather that we were anxious in every way to have those relations furthered. There is no reason why trade relations should not be developed between Canada and Russia just as speedily, happily and effectively as are trade relations between the United States and Russia at the present time, particularly in view of the circumstances that while Russia has no diplomatic relations with the United States, nevertheless she is trading there. She is free to trade in this country. We will welcome the representatives of Russian firms or any representatives who come to trade with the people of Canada. We are anxious that normal trade relations in all particulars shall be restored between Russia and Canada in any particular in which they have been impeded.

May I add this further fact which perhaps I should have mentioned before? The particular agency which had its office in Montreal was claiming, under the treaty it is quite true, immunities and rights of a character which went much beyond those conceded to any consular agencies of other countries. For example, the right was claimed by means of couriers to bring into the country in sealed bags whatever they wished to bring in of their correspondence; in other words, that the mails of Canada were not to be trusted for communications passing between Russia and its office in Montreal. That was a kind of immunity that we could not see was either desirable or necessary for the purpose of promoting legitimate trade, and the importance that was attached to that kind of thing by the office in Monreal aroused a suspicion which the absence of it might have prevented altogether. That, I think, covers all that I need say at the moment with respect to the severance by Canada of its relations under the trade agreement with the union of soviet socialistic republics.

Mr. ADSHEAD: Does the Prime Minister know of any other diplomatic consulate that brings in political propaganda from the country from which it comes?

Mr. MACKENZIE KING: I am not aware of any. What I have never been able to understand is what any consular agency or trade mission wants to do with matters of propaganda. It does not seem to me that it enters into their particular sphere of legitimate action. I have, I hope, made it clear to the hon. member for Labelle that so far as the communication that came from the Secretary of State for the Dominions was concerned, that communication had no influence at all upon the government's action. Our action was taken of our own initiative and knowledge of affairs and was in no way at the instance of any member of the British government. We are prepared to take the full responsibility for our action and to defend it on the ground of what we thought at that time in the interest of Canada was necessary and advisable.

My hon. friend has spoken of the consuls and he has intimated that a consul should receive his exequatur with the approval of a minister of the Dominion government rather that with that of the Secretary of State for Foreign Affairs. May I say that prior to the last Imperial conference the practice differed somewhat as between the two classes of consuls. There are the honorary consuls and the consuls of career. The honorary consul, as my hon. friend is aware, frequently or usually resides as a citizen of the country to which he is accredited. A consul of career is one coming from his own country to reside in the country to which he is accredited. Prior to the Imperial conference the consul of career received his exequatur from His Majesty the King on the advice of the Secretary of State for Foreign Affairs of Great Britain; the honorary consul received his exequatur also from the crown but only after the Dominion government had been approached in the matter in the first instance and had given its approval. From the time, however, of the conference that procedure was changed and both classes of consul, the honorary consul and the consul of career, received their exequaturs from His Majesty the King as formerly but the countersignature was not that of the Secretary of State for Foreign Affairs of Great Britain, but that of the Secretary of State for External Affairs of Canada. That is the practice now and has been the practice for more than a year, and all consuls who have come to Canada since the last Imperial conference have received their exequaturs in that form. As to consuls who were formerly resident here claiming any right on the score of holding their exequaturs from the crown at the instance of the British government, I might say that that point was taken up by our government with His Majesty's government in Great Britain and the question was formally put to the British government. Did they in any way regard the holding of an exequatur countersigned by the Secretary of State for Foreign Affairs as giving ground to the holder thereof to believe that he was holding his exequatur from the British government? The reply was an unequivocal no; that all consuls holding their exequaturs in Canada at the time the change of procedure was made were subject to the change as it stood now as if from the beginning they had held their exequaturs from the king on the approval of the Secretary of State for External Affairs of Canada. Therefore, the federal government of Canada in the matter of its relation to the consuls from the time that this new procedure was adopted, has had entire control with respect both to their appointment and the demanding of their recall. If in any particular that power has not been exercised, the responsibility must lie on the Dominion government, and in no sense is the British government in Great Britain responsible for the action of this government. I think that answers the point which my hon. friend wished to bring out.

There remains then the question of the Egyptian treaty, and here I do not think there is very much to be said. Speaking in the house some time ago I mentioned that the government was under the impression that it had been invited by the British government to become a party to the treaty which was being negotiated between the British government and the Egyptian government. Subsequently a communication from Great Britain appeared in the press to the effect that the Marquess of Salisbury had stated in the House of Lords that that was an erroneous impression; that Canada had not been invited to become a party to the treaty. When I saw that statement I immediately gave to this House of Commons my reason for believing that we had been invited and I drew attention to the fact that the treaty which we had been asked to approve and concur in was drafted and presented to us in a form which, under the procedure laid down at the previous conference, would have bound all parts of the British Empire. After we had pointed that out to the British government and at the same time mentioned that we could not become a party to the treaty, the form of the treaty was changed, and the treaty was put in a form which would bind only His Majesty's government in Great Britain and Northern Ireland. Lord Salisbury stated that it had not been the intention of the government to invite us,

and I am quite prepared, and said so at the time, to accept fully Lord Salisbury's statement in that regard. I would like the house to have the statement made in the House of Lords itself, by members of both parties there, as to the correctness of the impression which our government drew in the first instance from the treaty in the form in which is was presented. I have in my hand the report of the debates in the House of Lords on April 26. It was Lord Parmoor, acting as leader of the opposition in the House of Lords, who brought up this subject in the first instance. His lordship, among other things, said, after seeing my statement in the House of Commons here:

It is quite clear that if the form there adopted had been approved, the Dominion government would have become a party to the Egyptian treaty.

I might read the entire statement so that hon. members of the house will have it in a form that I think will tell the whole story. Lord Parmoor said:

I do not want to go back into the forms of treaties which were examined and explained at the last Imperial conference, although I think that the Prime Minister of Canada— and I believe the noble marquess will agree with this—is perfectly right in saying that, having regard to the forms and principles there laid down, the inference which he drew was a perfectly accurate one, that the Dominion of Canada was being asked to become a party to the Anglo-Egyptian treaty. He calls attention—and I think this is the most convenient way I can put it—to page 9 of the White Paper, which has been published in regard to the treaty negotiations between this country and Egypt. He points out that under the head of the counterdraft approved by His Majesty's government, July 28, 1927, it is stated that this was forwarded to the Dominion government. It is quite clear that if the form there adopted had been approved, the Dominion government would have become a party to the Egyptian treaty. He further points out that it was because of the objection which the Canadian government through their Prime Minister, took, that the form was subsequently altered and the altered form was the form to which the noble marquess called my attention the other day. It is to be found on page 36, where, in accordance with the principles laid down at the Imperial conference, it is made quite clear that the only parties involved at a subsequent stage were Great Britain and Northern Ireland, on one side, and Egypt on the other. But that result was brought about by altering the form in which the treaty was originally submitted to the Canadian government, and it really emphasizes the change in policy of His Majesty's government between those two dates.

Mr. CAHAN: Will the Prime Minister state what were the words of the other form?

Mr. MACKENZIE KING: Under the procedure laid down at the Imperial conference, a treaty that was to bind only one part of the British Empire was to be made in the name of His Majesty's government for that part, and that part was to be specifically named, but if the treaty was intended to bind the whole empire, not just one part, it would still be in the name of His Majesty, but the reference would not be specifically to any particular part. It was the latter form in which the treaty was submitted to us. Then elsewhere Lord Parmoor says:

I have on former occasions asked that papers might be laid showing what were the reasons given. I will not press that to-day, because it is not the particular point with which I am dealing. All I can say is that Mr. Mackenzie King's statement is anything but obscure. It is perfectly straightforward. What he originally stated in the Canadian parliament is correct, that the Anglo-Egyptian treaty was first submitted to the Canadian government in a form which made Canada a party to that treaty.

That statement was made by Lord Parmoor in the House of Lords, and to that the Marquess of Salisbury replied a little later on in the course of the debate. I might read the reference which Lord Salisbury makes in that regard (House of Lords reports, page 894):

In regard to Canada, we have this advantage which we did not possess on the last occasion, that by reason of the lapse of time we are now in possession of the full report of what was said by Mr. Mackenzie King, the Prime Minister of Canada, in the debate to which the noble and learned lord had made reference.

Here may I pause to say a word with respect to these misunderstandings that sometimes have arisen between the British government and our own government. The hon. member for Labelle said this afternoon it was unfortunate that any misunderstanding should arise. I agree wholly with him in that regard, and I think that every effort should be made to prevent such a possibility. But devise what plans we may for communication between governments, we are still subject to the possible misrepresentation that may come from press reports between this country and the old country, and I wish to say, after looking at the press reports which passed from this country with respect to a certain debate which took place here, and which gave rise to this discussion in the House of Lords, that I am convinced that particular discussion would never have taken place in the Lords had a correct report of the debate which took place here been sent to the paper I have in mind by its correspondent in this country.

Lord Salisbury goes on to say:

I have read the report of that speech with the greatest care, and I may say at once that His Majesty's government have no reason to complain in the least of anything which the right hon. gentleman, Mr. Mackenzie King, said on that occasion. On the contrary, I should like to bear testimony to the great courtesy

and consideration with which he discharged the very responsible task which was thrown upon him. I have the honour of Mr. Mackenzie King's acquaintance, and I am not surprised to read that he entered into this subject with a full regard to the responsibility under which he stands and with the circumspection which the subject demands.

Elsewhere he goes on to repeat that there was this difference in the two drafts, and that I was entitled, indeed, that it was my duty, to point out the difference between them.

Mr. STEVENS: Would the Prime Minister permit a question? In submitting the original draft of the treaty, the British government, I presume, observed all the courtesies and requirements under the Imperial conference agreement?

Mr. MACKENZIE KING: Entirely so, yes.

Mr. STEVENS: And furthermore, that treaty was not executed in any respect before it came into the hands of the Canadian government?

Mr. MACKENZIE KING: No, and as a matter of fact it is not executed yet.

Mr. BENNETT: Egypt refused it.

Mr. MACKENZIE KING: Yes.

Mr. STEVENS: My point was this: There was no suggestion that the British government was seeking to commit Canada without giving the Dominion government full opportunity of considering the matter?

Mr. MACKENZIE KING: As I have said, the original draft we received admitted, to my mind, of only one interpretation, which was that we were being asked to become a party to the treaty. Apparently there were members of the British government who had no such intention in their minds. Lord Salisbury I am perfectly certain had not, from what he said. I am quite certain that Lord Salisbury would never have said in the House of Lords that that was not the intention if there had been in his mind any such intention. But what may have been in the minds of others I cannot say.

Mr. STEVENS: But whatever the form was, it was submitted to us first.

Mr. MACKENZIE KING: Yes, certainly, and the first form that was submitted was the form which led us to believe that we were being invited to become a party to the treaty. We made it perfectly clear that we could not accept the treaty in that form, and here may I say that I am happy to be able to inform my hon. friend the leader of the opposition, who asked earlier in the session for the correspondence, that I have received word from His Majesty's government in Great Britain which will enable me to table what is essential in the correspondence to disclose the difference, and I shall table that correspondence to-morrow.

I think, Mr. Speaker, that with respect to Egypt I have covered the point which my hon. friend the mover of the amendment had in mind. In the concluding part of his remarks he spoke more particularly of Egypt as an illustration of what might be regarded as the incurring of a moral obligation on the part of Canada through any expression on the part of our government in the nature of approval or concurrence in a matter which was submitted to us. My hon. friend referred also, I think, to Locarno, or if he did not, the hon. member for Winnipeg North Centre (Mr. Woodsworth), who seconded the amendment, did, and intimated that the expression of approval which was given at the Imperial conference in London of the action of the Secretary of State for Foreign Affairs in having succeeded in having the Locarno agreements drafted and signed was equivalent to a moral obligation on the part of Canada towards the matters referred to in those treaties, which moral obligation might grow into an act of responsibility. May I say first of all in regard to the conferences which have to be attended by members of different governments, and also in respect to communications which are submitted for the purpose of giving information, and perhaps for the purpose of receiving approval, that I cannot see how it is going to be possible to conduct conferences or correspondence between different parts of the empire if we are not to be permitted in these matters of great international concern the same kind of courtesies and amenities we are accustomed to use in our daily social intercourse with our neighbours. The mere fact that one gentleman expresses satisfaction at another having succeeded in doing something that is meritorious, does not to my mind involve the one who has the courtesy to convey that expression in any moral or other kind of obligation with respect to subsequent happenings. When a representative of one of the dominions moves a resolution at an Imperial conference expressing pleasure at the action of the British government or of some other government in regard to a matter that is obviously something to be pleased about, the representative of another part of the empire is put in a most invidious position indeed if he has to refrain absolutely from

joining with his colleagues from the other dominions in that expression of good will simply because his action may be construed as involving moral obligations and obligations of a more serious character by the mere fact that he has yielded in his actions to what I would describe as a natural courtesy. Now, anything that has been done by representatives of our government at the Imperial conference which has been of the nature of a general expression of good will or appreciation of some course of conduct that has been carried on or some achievement that has been realized by a member of the British administration, is intended to be only what on its face it purports to be, a genuine expression of good will and appreciation—nothing more; and it cannot be held to involve us in a moral or any other obligation. Similarly, if the British government or any other government of the British Empire submits to us a treaty with respect to which they think we will desire to be informed, and we give our approval or concurrence, or say that we have no objection, I hope it will be understood in all parts of the empire that what we are doing is just what we are saying and nothing more, and that any expression of good will of this character carries with it no obligation unless the obligation is specifically stated. Indeed, that is a feature of the report of the Imperial conference on treaty-making which is all-important. My hon. friend will find that the report sets out quite distinctly and deliberately that where there is an intention to bind another government by anything that is said or signed, that particular obligation must be specifically stated, and must be specifically agreed to by the government that as a consequence is to be obligated. I think with that understood and with that safeguard, consultation and conference and co-operation and co-ordination—all these various steps which are so essential to unity and good will between all parts of the empire—can be carried on with security and to the advantage of all concerned; but without them even the most elemenetary discussion would, I submit, be next to impossible.

Now, my hon. friend from Winnipeg North Centre (Mr. Woodsworth) spoke of the Permanent Court of International Justice and made special reference to the optional clause, so called. The particular paragraph of the Imperial conference report dealing with this matter is headed: Compulsory Arbitration in International Disputes. It appears at page 23 of the report, and is as follows:

> One question which we studied was that of arbitration in international disputes, with special reference to the question of acceptance of article 36 of the statute of the permanent court of international justice, providing for the compulsory submission of certain classes of cases to the court. On this matter we decided to submit no resolution to the conference, but, whilst the members of the committee were unanimous in favouring the widest possible extension of the method of arbitration for the settlement of international disputes, the feeling was that it was at present premature to accept the obligations under the article in question. A general understanding was reached that none of the governments represented at the Imperial conference would take any action in the direction of the acceptance of the compulsory jurisdiction of the permanent court, without bringing up the matter for further discussion.

My hon. friend said that in his opinion our government ought to notify the British government that the time has come when that matter should be brought up for discussion, and that Canada should state specifically her position thereon. Earlier in the session the hon. member for East Calgary (Mr. Ahshead) asked a question relating to the same matter which was answered by the Minister of Justice (Mr. Lapointe). The question was:

> I do not know whether I would be right in asking the government to make a declaration on this point. The time is getting late, and I should like the government to say something upon this point.

That is, the point referred to in the paragraph which I have just read. The Minister of Justice in reply said:

> I am sorry that the hour is so late, but it is early enough for me to say simply that I am in sympathy with the subject matter of the resolution. I have some more reasons to give in support of my amendment.

The resolution moved by the hon. member for East Calgary was as follows:

> That, in the opinion of this house, the time is opportune that according to agreement, the government of Canada should discuss with the government of Great Britain, the desirability of Canada accepting article 36 of the statutes of the Permanent Court of International Justice providing for compulsory arbitration in international disputes.

The Minister of Justice, as I have shown, was inclined to approve of the resolution and was prepared to give his reasons. In making that statement he was giving the views of the administration.

I think, Mr. Speaker, I have covered all the points that were brought up in the course of the debate. There may be others that I have omitted, but if so I have not done so intentionally. May I repeat to my hon. friend from Labelle what I said at the outset? I hope this reply will be sufficient to cause him not to press his motion as one of want of confidence in the administration, but rather

that having expressed his views, he will ask the house to permit him to withdraw the motion and that the house will give its consent.

Mr. ADSHEAD: Do I understand the Prime Minister to say definitely that on that occasion the Minister of Justice in giving his approval of the particular resolution was speaking for the government?

Mr. MACKENZIE KING: Yes. He always does at any time that he speaks in this house, and I think we may all rely on getting very sound opinions from him.

May I say just this word in conclusion, Mr. Speaker, because it arises out of the amendment of my hon. friend? All the matters which we have been discussing this afternoon relate more particularly to the procedure laid down at the last Imperial conference arising out of relations between the government of this dominion and the other governments of the British Empire. We have had a little over a year under the new procedure, and, so far as it is new, I should like to say that the year's experience only serves, so far as we are concerned, to confirm the wisdom of the course which at that time was taken by the Imperial conference. Particularly with respect to communications between governments I think a real advance was made when it was decided not only that communications should be direct as between the governments, but also when it was agreed that communication might be more effectively carried on if on the part of the governments concerned the personal facter were introduced. I am sure we have all been delighted at the selection which has been made by His Majesty's government in Great Britain of a high commissioner to represent that government in Canada. Sir William Clark, who will be coming to Canada in the course of the next few weeks—possibly early in September—has, as the house knows, been appointed High Commissioner in Canada for His Majesty's government in Great Britain. I believe that the opportunity for personal conference with a representative of the British government, on many matters that arise between that government and our own, will prove an effective means of avoiding possibilities of misunderstanding that occur so frequently when communications are conducted in writing. That is true with respect to communications generally as between different countries. I believe that dispatches are often written with as much regard for what is being left unsaid as for what is being said, and attention is paid to clauses and pharses and words which sometimes serve to make the true meaning obscure indeed. Personal conference gives opportunity for all sides of a question being reviewed with care, and permits of the final drafting of a record of conversations which record is approved on both sides and admits of no misinterpretation or misunderstanding. I believe that the appointment of a high commissioner to Canada by the British government is going to be one more link which will help to ensure the continuance of the happy relations which we enjoy at the present time.

I am convinced that at no time in British history have the relations between this country and the government of Great Britain been happier or more secure than they are at this moment. And may I say further that, in my opinion, nothing in British history has done more to put the British Empire on a firm and enduring foundation than has the statement of relative position between the several governments of the empire as set forth at the Imperial conference of 1926 and as approved by all the governments there assembled.

Hon. R. B. BENNETT (Leader of the Opposition): I do not propose to trespass long upon the time of the house. I was rather amazed that the Prime Minister (Mr. Mackenzie King) should have suggested that those who desired to participate in the debate should do so before he replied; for the right of reply rests with the hon. member for Labelle (Mr. Bourassa) and not with the Prime Minister.

Mr. MACKENZIE KING: Before I spoke, I said.

Mr. BENNETT: The subject matter of the debate has been fully canvassed in this house on previous occasions.

Mr. LAPOINTE: I think my hon. friend is wrong; I do not think the hon. member for Labelle has any right of reply on an amendment to go into supply.

Mr. BENNETT: Pardon me, that is quite right; I was under the impression that he had moved a substantive motion. My hon. friend is right; I was treating it as a substantive motion. At any rate, the right of reply did not rest with the Prime Minister.

Mr. MACKENZIE KING: I did not say "reply". I said I wished to refer to the remarks of hon. members which included those of my hon. friend.

Mr. BENNETT: The Prime Minister's duty was to reply to the speech of the hon. member for Labelle, who moved the amendment. His primary duty would be to do that, because the amendment is a motion of want

of confidence in the administration and it should be spoken to either by the Prime Minister or by some other member of the administration it matters not whom.

As I have said, this matter has been fully canvassed previously in this session; much of the discussion that has taken place has already been fully covered in previous debates. The hon. member for St. Lawrence-St. George (Mr. Cahan) dealt at length with the difficulties that must be experienced in giving effect to the resolutions passed at the Imperial conference of 1926. May I merely observe this: "Equality of status" is a high-sounding term, but unfortunately it cannot be said to properly represent the present position between Great Britain and the overseas dominions comprising the British Empire. Not only does it not adequately or properly represent that position, but a very great deal of work must be done before that postion is attained. As I have said on previous occasions, I regard it as a somewhat serious matter that we should be thus falsely and improperly using words—words that can have no appropriate use when applied to the present relations between Great Britain on the one hand and Canada, Australia and New Zealand on the other. How long is it desirable to continue using the wrong nomenclature? How long is it desirable to use improper terms to describe a condition? The resolution introduced by the hon. member for Labelle as an amendment to the motion to go into supply contemplates that certain action should be taken speedily; that is that speedy action should be taken to give effect to those changes that are necessary before equality of status is achieved. The resolution means that or it means nothing. It is regretted that this government has not taken those very necessary steps that must be taken if this equality is to result. That is what the resolution in terms declares. Now, I cannot think that any member on this side of the house who listened to the statements made by the hon. member for St. Lawrence-St. George in a previous debate, referring to the various statutes that must be amended and the various changes that must take place, can fail to realize that this end cannot be attained in a single day, nor in a year nor in many years; because the consents that must be secured before there is equality of status are consents that touch not only the parliament of the motherland but the parliament of every overseas self-governing dominion within the empire. That is clear; it cannot admit of doubt. The best illustration that can be used is that in connection with Egypt. Egypt was asked to sign a treaty of peace with Great Britain. The treaty was drafted and Egypt declined to execute it. Whereupon, in view of the action taken by the Egyptian parliament, Great Britain made a demonstration in force for the purpose of protecting her constitutional rights there. Now, I put this question to every member in this house—it is a very simple question: Had war unfortunately resulted by reason of the differences of opinion between Great Britain and Egypt and a Canadian citizen—a resident normally of Canada—had been in Cairo on that day, what would have been his position? Would he have been an alien enemy or a neutral? That is the test. There is no hon. member in this house who for a moment will say that in the eyes of international law such a person would be other than an alien enemy to the Egyptians. And so long as this country is not a sovereign state, it follows that it will never have equality of status with Great Britain. Whether or not this country shall be a sovereign state—which means that it must become an independent state—is a matter that must be settled by the people of Canada and not by any government in Canada. That is clear. For my own part I will never lift my hand to bring about that condition. I go further: for my own part I shall to the utmost of my endeavour oppose any such action, in my lifetime, that affects this Dominion. For I cannot but think that we are better discharging the great responsibilities that rest upon a free people, as a member of the commonwealth of nations called the British Empire, than by living a life of independence, dependent for our very existence nationally, upon the high seas and elsewhere, upon the grace and favour of powerful neighbours. That is the position I take with respect to that.

But let us go a step further. Equality of status, as discussed this afternoon and this evening is, I say, a misnomer, and the case of Egypt best indicates exactly what is meant by it, but let us apply another test. There can be no equality of status as between Canada and Great Britain until both communities have the right to declare war and make peace. That is the test imposed by great writers on international law, and it does seem that without having reference to those authorities it is quite a simple one. Can Canada declare war to-day against any nation in the world? The answer must be in the negative, and so long as we may not declare war we have no equality of status with Great Britain. But if Great Britain declares war against Egypt it follows, of course, that war is thereby declared against Canada, although we may not have been a party to any treaty made between those two countries. Our commerce would be the prize of any opposing fleet by which it might be captured; our cities might be bombarded

and we might be driven from the world so far as commerce and trade are concerned. That, I think, is so obvious as not to require any observations on my part other than merely to state the fact. Under these circumstances I leave it to the judgment of this house, and indeed I have stated this to others than members of this house, including imperial ministers, whether it is not very wrong and very improper to use this high sounding term with all the implications which are involved, because I know it cannot but do harm. I agree with the Prime Minister that it is always desirable to be frank and open in these matters and to use words which will express one's meaning without any desire to place limitations upon them, but the words "equality of status" connote and denote a condition in this country which has not yet been reached, and a condition which may not be reached until we take a solemn step which I hope and believe we never will take and which I know we will not take in my lifetime, a step which will give Canada that right of sovereignty which it does not possess, that right to amend, aye and to make its constitution, which right we do not possess at the moment. All these changes must first be brought about, as well as changes with respect to our merchant shipping acts, with respect to the Colonial Laws Validity Acts and with respect to those innumerable statutes which have force and vigour in this Dominion, although the casual observer has no reason for believing that to be the case. These are facts which we must face, whether we like it or not, and the use of words to express a position which is not true in law and which is false in its very inception cannot do any good to these self-governing dominions.

Mr. ADSHEAD: May I ask a question? At page 12 of the Imperial conference report there is a paragraph which covers the point to which my hon. friend is referring, as follows:

> Equality of status, so far as Britain and the dominions are concerned, is thus the root principle governing our inter-imperial relations. But the principles of equality and similarity, appropriate to status, do not universally extend to function.

Mr. BENNETT: The hon. member for East Calgary has made an observation which has been made before in this house. There is a frank recognition by the Imperial conference that there is no equality of status. The amendment of the hon. member for Labelle (Mr. Bourassa) is to the effect that steps should be taken to bring about that condition and that the necessary legislative enactments should be passed by the parliament at Westminster as well as by the parliaments of the overseas self-governing dominions. That is all that is involved in the matter at the moment, as I see it. If I may say so, the hon. member for Labelle was more moderate to-day in his expressions than is usually the case. I followed him with very great interest and I can only make the observation that he must not for a single moment forget that to give effect to his resolution to-day, to-morrow or next year, involves an amendment to the British North America Act so far-reaching in its consequences that I do not think many members of this house have really considered it in all its implications. If we are to obtain that equality of status which the hon. member apparently desires, this parliament, or shall I say the Canadian people, will have the right to create for themselves a new constitution; they will have the right to make such amendments to the present constitution as they think desirable and the struggle for confederation, which was a compromise brought about by the far-sighted statesmanship and vision of the great men of 1867, once more will have to be thrown into the melting pot for solution. These questions are not easy of solution, and this British North America Act, which is a compromise between the views of majorities and minorities, between different races and different religions, once more will have to be proceeded with, with everything involved thereby, before we can arrive at that happy stage to which he refers, equality of status. I cannot think that the Canadian people are disposed at this moment to forego what we have for the purpose of obtaining that of which we know not, for it involves a situation so serious, so fraught with possible disaster and so very far-reaching in its consequence and implications that I do not believe there is any body of public opinion in Canada which desires that that end should be brought about in the way I have indicated.

Therefore I venture to suggest to the hon. member in all sincerity that before he asks us to proceed immediately to bring about these constitutional changes which will give us that equality of status, he should seriously contemplate all that is involved in it and what the implications are; he should consider the far-reaching consequences which must follow from such action. For my own part I very much prefer this constitution in its present condition, weak though it is in many particulars, defective though it is in many instances; I prefer that rather than that we should have this struggle all over again, with its possibilities for animosities and prejudices to be aroused in this country. As I say, I prefer that constitution to this possible equality of status which would once more throw these matters into the melting pot for solution. I will not further dwell upon that

matter, because it seems to me that it is abundantly clear to even the casual student of our constitution that the condition which we desire to bring about, some say immediately and others by slow growth and evolution, is one which has about it possibilities for evil as well as possibilities for good.

Let me go a step further. I am not seriously at variance with what has been said by the right hon. Prime Minister with respect to the severing of our relations with Russia. I heard my hon. friend from Winnipeg North Centre (Mr. Woodsworth) make his observations in that regard, and I cannot but think that after mature consideration and after listening to what has been said by the Prime Minister he will agree that the action taken by the head of the Canadian government was the proper action to be taken under the circumstances, and that the Prime Minister is entitled to congratulations from all right-thinking Canadians for having taken that action. After all, there can be no comity between nations when the representatives of one nation are concerned with the destruction of the government to which they are accredited. About that there can be no doubt; it is as old as the establishment of embassies; it is as old as the journeyings of ambassadors, and when the Prime Minister tells us that he was confronted by a condition such as he has alluded to to-night, I do not believe there is in any part of this country a citizen who will not be disposed to congratulate him upon the speedy action which he took and the result which was attained.

But there was one word used by my hon. friend from Labelle, or one expression, that I would wish he had not used; he spoke of our "imperial masters". I cannot but think that that was a rhetorical use of the words; I cannot think he seriously meant to imply that the people of this country were in any sense being mastered by, shall I say, our remote ancestors overseas. I am certain that is not so; I am certain there is no disposition on the part of British statesmen to indicate by thought, by word or by deed how this country should govern itself. The Prime ministers made that abundantly clear in the discussion which took place in connection with the Egyptian treaty. It will be recalled that one who was a great prime minister of Great Britain indicated publicly that if the time should ever come when Canada let it be known that it was her desire to sever those relations light as silk and strong as steel, England would be prepared to let us go our way. I think that my hon. friend upon reconsideration will agree that the words "his imperial masters" are not an apt designation of the relationship which now obtains between Great Britain and Canada.

Mr. BOURASSA: I made no reference like that in my speech this afternoon. The other day I asked in a jocose way whether the Prime Minister had received permission to deposit these documents.

Mr. BENNETT: One of the reasons why I alluded to this expression was to afford my hon. friend the opportunity he has availed himself of. While the public in reading the remarks might conclude that it was a serious statement by the hon. member for Labelle, I realized that in his own consciousness he meant it in the sense in which he has now used it. I am very glad that he has taken this opportunity to give that explanation, that he had no serious thought in his mind that the people or the government of Great Britain were our imperial masters. I am sure the country will read that statement with satisfaction, and will be glad to know that it was made in a jocose sense and not in any serious sense at all.

I trust my hon. friend from Winnipeg North Centre will understand me when I say that it is a very dangerous thing to read a magazine article referring to the oil barons of England, France or America, and conclude that there is official sanction or authority for the conclusions or inferences which he draws from such magazine articles. The official documents referred to this afternoon by the right hon. the Prime Minister in no sense warrant the conclusion that oil barons or any other kind of barons had to do with this particular difficulty. As we all know, British capital and the capital of other nations developed the oil fields in Russia. The production of these oil wells was taken over by the Soviet government and sold without regard to the costs of development. They were enabled to obtain money for this oil, regardless of prior ownership. If you have a property to sell that cost you nothing, that you have taken from somebody else who owned it and paid for it, it is a very simple thing to compete in the markets of the world and destroy legitimate trade connections. That is the reason difficulties were experienced in Russia with respect to not only Great Britain and America, but other countries as well. To say that that had anything to do with the raid that was made upon Arcos, in London; that the literature that was found there, or the literature that was brought into this country, as mentioned by the right

hon. the Prime Minister; that the negotiations that transpired with respect to propaganda, not only in China but in other parts of the world, had anything to do with it, is to leave a wrong impression upon the minds of those who look to members of parliament for information with respect to matters of this kind. I am satisfied that my hon. friend, steeped as his mind sometimes is in what I conceive to be unfair prejudices against capital and against those who engage in the use of money for development, has concluded that what he has read in this magazine article was the motive behind the action of the Imperial government. Having done this, I believe it is possible, but I hope not, that he has thought fit to make that the basis of the excuse for the raid that was made upon the Russian ministry in London, and for the discontinuance of official relations between Soviet Russia and this country.

Mr. WOODSWORTH: Will the hon. member not admit that the Labour party in Great Britain definitely charged that that action was taken because of matters of this character, and publicly asked for an investigation which was denied them by the Baldwin government?

Mr. BENNETT: It is quite correct that there are irresponsible men in England as there are even in this country, who make charges which are not warranted by facts. It is true there is a tendency to make charges against governments as the Prime Minister would say, to make a charge of lack of attention to administration, and to find excuses, if possible, which would vindicate the friendship of the Labour government with the Russian Soviet government.

The Labour government as such did not make the charges; a Labour member made the charges.

Mr. WOODSWORTH: I said the Labour party, not the Labour government.

Mr. BENNETT: A member of the Labour party made the charges.

Mr. WOODSWORTH: The leader of the Labour party.

Mr. BENNETT: Mr. Ramsay MacDonald is a very careful Scotchman, and while he left the impression to be drawn inferentially from his observations that the real reason for the raids upon the Russian Soviet headquarters was not the reason given by Mr. Baldwin's government, but some other reason, he was very careful not to make such a charge as would force him to stake his seat upon the authenticity or correctness of the charge. I am sure my hon. friend will not attach too much importance to that. He is one who has sometimes said that in moments of hysteria wrong charges have been made in connection with what took place in Winnipeg some years ago, and that false inferences have been drawn and wrong conclusions have been arrived at. I am sure he did not mean to leave the impression upon this house this afternoon that it was his honest belief that anyone who had access to official sources of information would come to the conclusion that the raid made upon the Soviet headquarters by the British government was made at the behest of the oil interests of America, Great Britain and other countries. I am sure he had no such idea in his mind.

Mr. WOODSWORTH: I quoted from what I regarded as a well informed article by an authority in Great Britain who definitely made those charges. I have no independent knowledge with regard to these things, and I would not expect to find them—I think the leader of the opposition will agree with me—in official documents.

Mr. BENNETT: Once more I am in accord with the Prime Minister. I have no reason to believe that official documents are falsified, but I have reason to believe that the British statesmen are men of as high honour, integrity and patriotism as the man who wrote the article for the purpose of obtaining a fee from the magazine. I cannot but think that the hon. member for Labelle, who is at times rather unfortunate in attributing motives to British statesmen which I am sure were never in their minds, will agree that we must get back to the old thought that after all language is not used to disguise the thought, but rather to express the meaning which the statesmen had in their minds. As the Prime Minister has said, the ordinary amenities should be observed in these matters. I am sure that the hon. member for Winnipeg North Centre believes that I have sufficient confidence in his integrity and righteousness to think that he uses language to express his meaning and not to disguise it. I have every confidence that the great statesmen of Great Britain, the men who have built up this vast empire for centuries, are not men who use language to disguise their thoughts. If there were oil interests or other interests which brought about the breaking off of relations with Russia, I am sure there would be some record of it somewhere. If the British statesmen desired to say that they wanted to protect property interests of Great Britain, they would say so. They have never been reluctant to protect property interests

of Great Britain, and they have never been reluctant to express their views in that respect. They have never been slow to protect the lives of British citizens, or the property of British citizens. I accept official documents and official dispatches just as I find them, as indicating what the action was taken for and the causes given; and there is not in this house an hon. gentleman who does not believe that the causes were adequate that induced my right hon. friend's government to act in this country and that the same causes operated in Great Britain with the same result. Although we were first in point of time to complete the action that we took by dismissing the Soviet ministry from this country, although we did not raid their premises, though, as the Prime Minister said, he had that in contemplation, yet in Great Britain, acting with foresight, with knowledge, with wisdom, with a sincere and patriotic desire to serve best the interests of their country, these statesmen in their official despatches and statements represented, I believe, only the true condition of affairs and they acted in accordance with the conditions they found as indicated by those despatches and not because any oil barons or anybody else suggested that such action should be taken.

Further, the hon. member for Labelle referred to the fact that the Secretary of State for the Dominions was of foreign birth and that he had not a drop of British blood in him. He referred to him as a Hungarian Jew. I greatly deprecate that observation in this house and I am sure on mature deliberation the hon. member for Labelle will admit that it slipped from his tongue without his intending to give offence. One of the greatest of British Prime Ministers was a Jew and proud of the fact; but he was a British citizen and the Right Hon. Leopold Amery was born in India, the son of a father of Devonshire, and Devonshire is a county in England. It may be that in his veins there runs some blood that may not be Anglo-Saxon; but my hon. friend should be the last to refer to that, because it is the proud boast of our country that a man is a British citizen and a British subject although, indeed, his blood may not be Anglo-Saxon, and there is no better illustration in the world of that fact than in the Dominion of Canada. That is the position with regard to that.

May I make one further observation with respect to the Egyptian treaty and I shall have concluded? I think it was very unfortunate that the Prime Minister used the words he did in the debate of the 26th March. I think those words were construed just as I would construe them had I not heard an explanation. At page 1716 of Hansard the Prime Minister is reported as having used these words:

> I may say to my hon. friend that within the last few months the government was asked, with respect to a treaty that was being negotiated between Great Britain and Egypt, whether we would become a party to that treaty. The terms of that treaty are known, they have been published. They involved military sanctions, and they contemplated military alliances. What was the reply of the government to that question? It was that we did not believe that so far as Canada was concerned the parliament of Canada would approve such a course; that if Britain and Egypt could work out a treaty as between themselves along the lines proposed, well and good; but that so far as Canada was concerned, we did not feel that it was in the interests of the British Empire itself or in the interests of the larger peace which it was hoped the treaty would serve, that this country should be asked to become a party to it; and the British government immediately accepted our view in reference thereto.

I direct the attention of the right hon. gentleman and the house to the language that is used:

> The government was asked . . . . whether we would become a party to that treaty.

Later he said:

> We were asked to become a party.

There is a vast difference between asking any person whether he will become a party to anything and asking him to become a party. In the one instance you have the right of election and you have to say whether you will become a party or not and you consider the matter. In the other case you are asked to become a party.

Mr. MACKENZIE KING: The greater implies the less, and it was the greater that we assumed, namely, that we were being asked to become a party.

Mr. BENNETT: For the moment I am referring to the language used by the Prime Minister. If you read that language just as it is, I am sure that the inference that was drawn from it would not be wholly unwarranted. I do not know to what journal the right hon. gentleman referred, but the Ottawa correspondent of the Times, published on Wednesday, March 28, 1928, reported the matter in this way:

> Mr. Mackenzie King, the Prime Minister, in his reply, while declaring his sympathy with the idea—

That is the motion of the hon. member for Southeast Grey (Miss Macphail).

> —deprecated the creation of a new department which would overlap the work of the Depart-

ment of External Affairs. His government, he contended, was wholeheartedly committed to a pacific policy, and he cited, in proof of this, its efforts in different directions for the promotion of world peace. He claimed the credit for averting a serious European war by his stand over the Chanak affair in 1922.

Mr. MACKENZIE KING: Which by the way is completely untrue. He made no such claim.

Mr. STEVENS: The Prime Minister is forgetting.

Mr. MACKENZIE KING: Not at all.

Mr. BENNETT: In view of the certainty with which the Prime Minister speaks, he will pardon me if I take a moment to look up the debate and see what he did say on that occasion.

Mr. MACKENZIE KING: I shall be obliged if the hon. member will do so.

Mr. BENNETT: Commencing at page 1715 of Hansard the Prime Minister refers to the Chanak affair, quoting from Mr. Bonar Law and from the words of the late Lord Oxford and Asquith. Then he goes on at the top of the page to read the report of the latter's speech. Then the Prime Minister says:

May I remind the house that at the time that statement was made, Australia and New Zealand had each signified their intention of sending forces to join with the British forces in the event of war, and that Canada stood out alone in seeking information and asking that her parliament be advised before the people of this country were committed to participation in another war. I quote further from the report as follows:

Then follows the quotation from the report. He continues:

Then may I give to my hon. friends opposite the opinion of one who I think was well informed at the time, but who no one for a moment will say is an advocate of the present administration, much less of myself. I refer to Lieut-Colonel John Bayne Maclean, of MacLean's Magazine.

After this follows the extract from that magazine.

Mr. MACKENZIE KING: Will my hon. friend read it?

Mr. BENNETT: The extract?

Mr. MACKENZIE KING: Yes.

Mr. BENNETT: I did not intend to read the extract because I do not think it is necessary to do so.

Mr. MACKENZIE KING: That is the precise point; it was the extract I was referring to.

[Mr. Bennett.]

Mr. BENNETT: Then I will read it, but I cannot see where the relevancy with respect to the question actually comes in. The Prime Minister continues:

What did that paper have to say with reference to this matter? Colonel Maclean, the editor, under his own name, in the issue of MacLean's Magazine of November 15, 1922, published an article headed:

"Did Canada Stop Near East War? Refusal to Take Precipitous Action Saving Factor Sane Thinking Essential to Peace".

The second paragraph of this article reads:

We were recently asked by cable to answer at once by cable that we were ready to embark on another and greater war.

Some men, not Canadians, who have unusually good sources of world-wide information, whose judgment is generally sound and whose views are held in high esteem, are positive that had our Premier succumbed to the Lloyd George-Churchill demands, preceded as they were by propaganda and scheming for Canadian participation, the British Empire would undoubtedly have been at war now with Turkey, Russia and perhaps India, Afghanistan, Persia, and God knows who else or what the end would have been.

That was the opinion at that time of Colonel MacLean, and he had sources of information which I do not hestitate to say from what I have since learned were pretty reliable. The view which he there expressed I have been told in Great Britain on very high authority was not very far from the mark as to what might have followed had Canada not taken the position which she then did.

I wish to say to my hon. friend that if this incident proved anything, it proves above all else that the spirit and the purpose and the attitude of an administration on this great question of peace and international understanding is more important than any of the lesser matters of departmental administration or departmental propaganda. The Chanak incident is only one of a number of incidents which have come up in the course of recent years, and all of which have served to disclose the essential importance of the attitude of an administration.

Mr. MACKENZIE KING: Now my hon. friend has read through the quotation and he has been unable to put his hand on any word of mine which makes the claim to which he refers, that is, what the London Times said was a claim on my part to have averted a war involving Great Britain, which statement was the occasion of the debate in the House of Lords.

Mr. BENNETT: No, the Times Despatch reads:

He claimed the credit for averting a serious European war by his stand over the Chanak affair in 1922.

Mr. MACKENZIE KING: Which I say is untrue.

Mr. BENNETT: No one who reads that observation will say that when my right hon.

friend used the word "administration" rather than his own name, he did not desire that credit should be taken to the head of the government.

Mr. MACKENZIE KING: It does not even refer to the administration.

Mr. BENNETT: Oh, yes.

Mr. MACKENZIE KING: It is a statement of Colonel Maclean, a friend of my hon. friend.

Mr. BENNETT: Surely my hon. friend has overlooked this point: I am not quoting from Colonel Maclean. I am quoting the words my right hon. friend used himself in this house, as reported at page 1716 of Hansard, as follows:

I wish to say to my hon. friend that if this incident proved anything, it proves above all else that the spirit and the purpose and the attitude of an administration on this great question of peace and international understanding—

International, mark you:

—is more important than any of the lesser matters of departmental administration or departmental propaganda. The Chanak incident is only one of a number of incidents which have come up in the course of recent years, and all of which have served to disclose the essential importance of the attitude of an administration.

Modesty forbade my right hon. friend from saying, "to disclose the essential importance of the attitude of the right hon. the Prime Minister." He contents himself with saying, "the administration," but that in this case means himself, for he is the Minister of External Affairs, and certainly no one would contend, after reading that observation, that there was any over-statement of the case in the report of the London Times.

Mr. MACKENZIE KING: I say that the observation of the Times was completely untrue, and is responsible for all the misunderstanding that has arisen between the British government and ourselves in respect to this matter.

Mr. BENNETT: Let us see what the Times does say:

Within the last few months, Mr. King continued, his government had been asked whether it would be a party to the treaty which was being negotiated between Great Britain and Egypt. Having examined the terms, and discovered that the treaty involved both military sanctions and a military alliance, the ministry felt that Canada's adhesion would not promote either the interests of the British Empire or larger world peace, and when it expressed the opinion that the Canadian parliament would not endorse the treaty, the British government accepted the decision without cavil.

I have just read from the speech which the Prime Minister made in this house, and what the London Times says is almost word for word what he said. Will he here and now point out anything said in the House of Lords by Lord Parmoor or anybody else about the Chanak affair? Was not Lord Parmoor dealing with the Egyptian crisis exclusively, and with the attitude of the British government upon it?

Mr. MACKENZIE KING: He was not.

Mr. BENNETT: He was so.

Mr. MACKENZIE KING: I have in my hand Lord Parmoor's speech.

Mr. BENNETT: Well, read it.

Mr. MACKENZIE KING: If my hon. friend wishes, I will give it to him. The matter was brought up in the House of Lords on the 29th of March and Lord Parmoor spoke as follows—it is headed "Canada and the Anglo-Egyptian negotiations." I am quoting from the House of Lords reports, March 29, page 733:

Lord Parmoor had given notice to ask His Majesty's government whether their attention has been called to the statements recently made by the Prime Minister of Canada on the subject of Chanak and the proposed treaty with Egypt; and to move for papers. The noble lord said: My Lords, on more than one occasion I have attempted to draw your Lordships' attention to opinion in our dominions, and particularly in our great Dominion of Canada, on general questions of foreign or peace policy. More than once I have asked that documents might be produced, and particularly on one occasion when, in the Canadian parliament, the same request was made, and the answer was given that the Canadian government would have been perfectly ready to produce the documents, but that the Home government had raised an objection. Now, only such a short time ago as March 26 a very remarkable speech was made in the Dominion House of Commons in Canada on questions such as we have been already dealing with to a certain extent to-night—namely, on questions of world policy in connection with peace. I am one of those who think that what has been called the spirit of a peace policy is essential if you are to meet with success in the promotion of a real world settlement in the future, and it is upon that particular point that I want to call the attention of the noble Marquess.

On March 26 Miss Macphail, who is a member of the Dominion House of Commons, brought in what one would call in this country a pacifist resolution. That pacifist resolution was talked out, and therefore I do not put any particular weight upon what she said, because I want to

point out what was said on this occasion by Mr. Mackenzie King, the Prime Minister. I have a resume of what he said here:

"His government", he continued "was wholeheartedly committed to a pacific policy."

It may be said that many governments have said that. But Mr. Mackenzie King went beyond that point, and said that he would give two illustrations which would show the reality of the facts on which he made the statement. The Prime Minister of Canada said this first of all in regard to the Chanak affair, which of course was in 1922, though I had no idea that his statement would go so far. It is stated that —"he claimed"—

Just the words of the Times correspondent which my hon. friend has read. The report goes on:

It is stated that—"he claimed"—this is one of the reasons he gave for the reality of his pacific policy—"credit for averting a serious European war by the stand over the Chanak affair in 1922."

The very words which my hon. friend has read from the Times correspondent, and which was the cause of the debate in the House of Lords.

Mr. BENNETT: Not the debate.

Mr. MACKENZIE KING: Oh yes, the debate. The report goes on:

In other words, what he says is that had the Canadians been prepared at that time to send their forces in connection with the Chanak affair, in his view there would have been another European war. We know, of course, that they would not do that, and that they stood out against it. But the claim he makes requires very deep consideraton—that because they stood out, and in consequence of the attitude of Canada, the danger of what he calls a European war was prevented.

Then he goes on to say—and this seems to me to be extremely important, and I ask the noble Marquess whether he can lay papers —that "within the last few months his government had been asked whether it would be a party to the treaty which was being negotiated between Great Britain and Egypt. Having examined the terms and discovered that the treaty involved both military sanctions and a military alliance, the ministry felt that Canada's adhesion would not promote either the interests of the British Empire or large world peace."

And Lord Parmoor goes on to say, in expressing this opinion, that the Canadian parliament would not endorse the treaty.

So I say the whole occasion of the debate in the House of Lords was the reference of the Times correspondent to what he said was my claim that I had averted a war—I think that was the way he put it—which, as my hon. friend well knows, was completely untrue.

Mr. BENNETT: The debate in the House of Lords in which Lord Salisbury was speaking for the government was concerned with the Egyption treaty and none other. Read Lord Salisbury's speech and you will find no reference to Chanak; he dealt with the Egyptian treaty.

Mr. MACKENZIE KING: I must correct my hon. friend again. I have the speech here in which he made the reference.

Mr. BENNETT: Just a passing reference.

Mr. MACKENZIE KING: No passing reference; it is a long reference. Does the hon. gentleman wish me to read it?

Mr. BENNETT: I am going to let the right hon. gentleman do it if he so desires, because the debate took place on the Egyptian treaty. The 29th of March was the date.

Mr. MACKENZIE KING: The Marquess of Salisbury says:

My Lords, with regard to the closing words of the noble and learned Lord's speech, he will recognize, or I hope he recognizes, that the object of the policy of His Majesty's government in Great Britain is precisely the same as the policy which he has ascribed to His Majesty's government in Canada—namely, to preserve peace. There is no difference between us on that great issue. Of course, we are intent upon preserving peace. But, undoubtedly, the relations between the various component parts of the empire in respect of these high matters are of some difficulty. The noble and learned Lord went back a great many years—right back to the incidents of 1922. He quoted an observation by Mr. Mackenzie King on the subject of what is known as the Chanak incident. The facts are agreed, up to a certain point at any rate. Undoubtedly the Canadian government were asked to associate themselves with the British government at that time, and were asked whether they would be represented by a military contingent in case military action was required in those regions. I have personally no responsibility at all for the action of the then government. It is true that subsequently to that question and that answer there were no military operations, but I would not like to lay it down that the result was entirely due to the action of the Candian government. My recollection, for what it is worth, is that there was a very strong feeling in this country against military operations on that occasion, and I think it would not be rash to say that the strong opinion expressed in this country had at any rate a partial effect, just as much as the opinion in Canada had, in bringing that question to the end which it reached.

I turn to the more recent case of Egypt.

So, as I have said, it was the Chanak incident that directed attention to the whole discussion, and was dealt with by both hon. gentlemen in the House of Lords.

Mr. BENNETT: I again repeat that the subject matter of the debate was the Egyptian treaty, as the right hon. the Prime Minister in the first instance mentioned. I just

put this question to the right hon. gentleman and to the members of this house: If he did not desire to obtain credit for himself with respect to the matter, why did he quote with approval Colonel Maclean? Let us face the thing frankly. The right hon. gentleman quoted Colonel Maclean with approval and said:

> Then may I give to my hon. friends opposite the opinion of one who I think was well informed at the time but who no one for a moment will say is an advocate of the present administration, much less of myself, I refer to Lieut.-Colonel John Bayne Maclean of MacLean's Magazine. What did that paper have to say with reference to this matter?

And he quotes an article published in that magazine headed:

> Did Canada Stop Near East War? Refusal to Take Precipitous Action Saving Factor Sane Thinking Essential to Peace.

Then Colonel Maclean approves of the stand taken by the government of this country led by the right hon. Prime Minister. And again I put this question to him: Why did he quote John Bayne Maclean if he did not want his certificate of approval as the man who had saved this country from war? If a man reads a certificate of approval of himself from a magazine, obviously he does not do it to throw discredit on himself. When he said that this gentleman was not an advocate of the present administration, and no friend of his, he did so to strengthen the certificate of approval.

Mr. MacLEAN (Prince): May I ask the hon. gentleman—

Some hon. MEMBERS: Sit down.

Mr. BENNETT: The paragraph that I quoted dealing with the Egyptian affair is almost word for word from Hansard. I do not think it is quite in keeping with the traditions of the great office which he now occupies that the right hon. gentleman should vent his personal spleen against the Times correspondent by making the observations he made this evening. I do not think it adds either to the dignity of the office or the greatness of the right hon. gentleman himself.

Mr. MACKENZIE KING: I am venting no personal spleen. I never had any.

Mr. BENNETT: Those of us who know have a clear understanding of that. So far as the right hon. the Prime Minister is concerned, that gentleman would not be the correspondent of the London Times if he could help it.

Mr. MACKENZIE KING: I suppose he was appointed at the instance of my hon. friend.

Mr. BENNETT: He was not. I am happy to say that I knew nothing of the appointment until it was made. The right hon. gentleman must not conclude because he does not always have his way that necessarily I have my way in a matter of this kind. I am rather surprised he should pay me the compliment. I have great responsibilities without power.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Well, the hon. gentlemen who so receive that statement may some day realize what it means to occupy the same position.

Now, Mr. Speaker, I have nearly concluded all that I desire to say. The motion of the hon. member for Labelle at least clarified the situation by enabling this house once more to consider—and, I trust, to consider with some degree of care—the enormous responsibilities involved in the use of the words, "equality of status," because by implication they involve powers far-reaching and consequences that we cannot foresee. For my part I congratulate British statesmen in that they have been able during this long term of years to develop a system of communication between the various outlying sections of the empire—between the governments of the self-governing dominions and the motherland that have made for ease, certainty and facility in the transaction of business. But one observation was made by the Prime Minister to-night in that regard that we cannot allow to go unchallenged. He spoke of Sir William Clark as the British High Commissioner in this country, and said that his appointment might facilitate the transaction of business between this country and Great Britain. It must not be forgotten that whatever difficulties there may be with regard to notes and despatches passing between the government of the motherland and the government of Canada, in the ultimate analysis, either by cable or by written communication, the High Commissioner of Great Britain must send his messages to the government that accredits him. And so it always has been. The written word sometimes is much more reliable and avoids misunderstandings to which conversations sometimes give rise. I recall reading not long since an account of what took place in 1891 at Washington, when a misunderstanding arose between Mr. Blaine and two of His

Majesty's commissioners from Canada as to what had been said, and it brought about considerable difficulty. Conversations in diplomacy have caused difficulties, and any member of this house who has read what transpired in connection with the great war will realize the different views given by German statesmen and British statesmen as to certain conversations that had taken place, and volumes have been written about such misunderstandings. So recourse is had to despatches, to written communications, as the ultimate authority upon which nations rely to govern and guide their policies. While the introduction to Canada of a British High Commissioner may serve a useful purpose for parole communications, yet in the end written communications must govern.

We on this side of the house have already indicated that the very appointment of a Canadian minister at Tokyo will be wholly misunderstood by the oriental mind, for it predicates to the world that we are a sovereign state. As I read in the previous debate from great authorities on international law, that means, if it means anything, that we are a sovereign state; which we are not. The very appointment of such a minister, with the possibility of difficulties and differences in respect to foreign policy, involves implications, as I said before, most serious in their consequences. I do not think the people of this country are desirous of having ministers in foreign countries unless they are certain that those ministers on grave matters of foreign policy, which may mean life or death to the great empire of which we are proud to be a member, will co-ordinate their views with the views of the British ambassador. To have a representative working with the ambassador of Great Britain is one thing; but to have a minister who at any time may differ with the views expressed by the British ambassador may bring about an impossible situation in the life of the empire. If hon. gentlemen have in mind the ultimate thing which is involved by implication in what is being put forward, that is, that we shall assert our mind and carry it to its ultimate conclusion, regardless of the expressions of opinion by His Majesty's ambassador who may be present in the very same capital, well and good; but let us face it frankly and not use words to disguise our thoughts and endeavour to skate around the position which we are to take. That is the stand which we on this side of the house take in this matter.

I shall not discuss the proposed Tokyo embassy because an opportunity will be presented during the presentation of the estimates for the Department of External Affairs to deal with it fully, except in a few words to express our attitude with respect to it. I repeat, Mr. Speaker, that while it well may be that some useful purpose has been served by the hon. member for Labelle bringing this matter once more to the attention of the house, its greatest purpose will be served if it causes hon. members to think carefully of what is involved in the words, "equality of status", and to see to it that those words have attributed to them the meaning which they are entitled to receive from every man, however limited may be his knowledge of constitutional law, who knows the true significance which attaches to the English language. Beyond that I have nothing further to observe.

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, I have listened with great interest to the speeches which have been delivered on this very interesting question. The hon. member for Labelle (Mr. Bourassa) has moved an amendment to the motion to go into supply and has expressed regret that the Canadian government has not taken adequate steps to implement the declaration of equality of status pronounced at the Imperial conference of 1926.

Last session I spoke at some length on the status of Canada, confining myself to a discussion of the autonomy of Canada in her domestic affairs. To-night I welcome the opportunity of discussing her status in so far as external affairs and international relations are concerned. I am of the opinion that whatever may be the status of Canada in so far as her domestic affairs are concerned, there has been a fundamental change in her international status. Her separate status in that sphere has been recognized not only by Great Britain but by other great world powers. This international recognition of our separate status is the strongest possible evidence of its existence. I think it would be wise to review the constitutional developments that have taken place in recent years, particularly during the last decade. It might well be called a decade of constitutional development; indeed, it might well be described as one of the most important decades in the history of Canada. Each year has its events of outstanding importance. I propose therefore to review these events very briefly so that we may have before us a panorama of the progress that has taken place. This will enable us to see clearly what has happened and to appreciate fully what the present situation really is.

In 1919 the peace treaty of Versailles was signed. Sir Robert Borden, then Prime Minister of Canada, insisted that Canada should sign that treaty, and he finally prevailed upon Great Britain to endorse the propriety of that step. There was great opposition from the American delegation led by President Wilson and Mr. Lansing. To them this suggestion was an unheard of departure from international usage and practice. But Clemenceau, in his blunt way, pointed out that there were as many Canadian soldiers lying in the fields of France as there were Americans; that Canada had taken her part in the war and should have the right to take part in the negotiations leading to peace. This view eventually prevailed. This was Canada's first international recognition. It is true that this international recognition of Canada was a mark of courtesy rather than a fact of any juridical importance; for the British Empire signed that treaty and, in so signing it, bound all of the self-governing dominions. Sir Robert Borden also in that year obtained for Canada separate representation in the assembly of the League of Nations, and the right to have the Canadian representative eventually elected to the council of the league. This was Canada's first adventure in the arena of international politics, and it had for its primary object the promotion of world peace. The senate of the United States objected very strongly to the separate voting power of the dominions in the assembly of the league.

Then in 1920 the proposal that Canada should have a minister plenipotentiary at Washington was announced. On May 10, 1920, Sir George Foster, who was Acting Prime Minister, made the following announcement to the House of Commons:

> It has been agreed that His Majesty, on advice of his Canadian ministers, shall appoint a minister plenipotentiary who will have charge of Canadian affairs and will at all times be the ordinary channel of communication with the United States government in all matters of purely Canadian concern, acting upon instructions from and reporting direct to the Canadian government. In the absence of the ambassador the Canadian minister will take charge of the whole embassy and of the representation of imperial as well as Canadian interests. He will be accredited by His Majesty to the president with the necessary powers for the purpose.

Sir George Foster added the following to this announcement:

> This new arrangement will not denote any departure either on the part of the British government or of the Canadian government from the principle of the diplomatic unity of the British Empire.

There may be a very great difference of opinion as to the correctness of this conclusion. It has been suggested by many students of constitutional law that this proposal, together with the signature of Canada to the peace treaty, and Canada's separate representation in the assembly of the League of Nations, marked the beginning of the disintegration of the diplomatic unity of the empire. The Minister of Justice (Mr. Lapointe) and the Prime Minister (Mr. Mackenzie King), who were then members of the opposition, objected to the proposal that the Canadian minister should take charge of imperial affairs, and suggested that he should be independent of the British embassy and concern himself solely with Canadian affairs. For over six years no action was taken to implement the arrangement that was proposed to this parliament in 1920.

In 1921 the question of Canadian representation at the Washington disarmament conference came up. President Harding had summoned a conference between the United States, Great Britain, France, Italy and Japan to discuss disarmament. General Smuts of South Africa had objected to the action of the American government in addressing its invitation to the British government alone, ignoring the dominions, and had cabled to the Canadian Prime Minister protesting that, in view of the agitation in the American senate against the independent voting power of the dominions in the League of Nations, it was a direct challenge to the new dominion status and it would be a bad precedent for the dominions to attend without having been properly invited, but if a stand were made the battle for their international recognition and international status would be finally won. Mr. Meighen, who was then Prime Minister of Canada, thereupon communicated with the British Prime Minister, and it was finally agreed that the status of the Dominion representatives at the Washington conference should be exactly the same as it had been at the peace conference at Versailles. Canada was represented at the Washington peace conference by Sir Robert Borden. His powers to represent the Dominion were issued by the crown on an order in council of the Canadian cabinet.

In 1922 the Washington conference was held, in the month of January. At that conference the British delegation spoke with one voice, as it had done at Versailles, after consultation amongst its own members. Subsequently the Italian government extended an invitation to an international conference at Genoa, this invitation being addressed by the

Italian ambassador direct to the Dominion Prime Minister. In September of that year there occurred the famous Chanak incident, of which we have heard so much this evening. The Turks had driven the Greeks out of Asia Minor and a crisis appeared imminent. The British government sent a communication to the dominions stating that a situation of the utmost gravity had arisen in Turkey, requiring prompt action, and asking the government of each dominion whether it desired to associate itself with the measures that Great Britain would take and to be represented by a contingent of troops, whose presence would have an excellent moral effect, possibly even preventing actual hostilities. To this communication Australia and New Zealand answered in the affirmative. The present Prime Minister took the view—and I suggest that it was a very sound view to take—that the question of sending a Canadian contingent was for the Canadian parliament alone to decide. He intimated that he would be very glad to receive the fullest information in order to decide upon the advisability of summoning parliament. If the Prime Minister was too modest to claim that his action had a great deal to do with averting war, I have no hesitation in expressing my personal opinion that it had that effect. On February 2, 1923, the Prime Minister made a statement in the House of Commons, and I challenge any hon. member of this house to deny the propriety of the sentiments he then expressed. He said:

> —if the relations between the different parts of the British empire are to be made of an enduring character, this will only be through a full recognition of the supremacy of parliament, and this particularly with regard to matters which may involve participation in war.

This was an assertion in forcible language of Canadian autonomy in so far as active participation in war is concerned. In my opinion it was also, in a sense, a repudiation of a central foreign policy, in which Canada did not concur.

The year 1923 was one of great importance so far as our constitutional development was concerned. I shall deal very briefly with three events which took place in that year, the Lausanne conference, the Halibut treaty and the Imperial conference. Canada refused to accept the special responsibilities of the Lausanne treaty because Canada was not a party to the negotiations. In the course of a statement made to the House of Commons on April 2, 1924, the Prime Minister explained the attitude of Canada in these words:

> We take the position that, not having been invited to the Lausanne conference, not having been represented there, not having for the reasons that I have mentioned, signed the treaty, the treaty does not impose obligations on Canada, and that the parts of the empire on which it does impose obligations are the only parts that should be expected to sign and ratify it. As we did not regard the treaty as imposing obligations on Canada, we did not feel that it was necessary to submit the treaty to parliament for its approval, or in its name to signify concurrence in its ratification.

This was a fresh declaration of autonomy in external affairs, and a restatement of the right of parliament to determine Canada's policy, going even a step further than was taken in the previous year. If I were to interject a personal note, I think I might accurately say that the sentiments expressed with regard to the Chanak incident and the Lausanne conference found some echo in the famous speech delivered by Mr. Meighen at Hamilton prior to the Bagot by-election.

The Halibut treaty was signed at Washington on March 2, 1923, by Mr. Lapointe, then Minister of Marine and Fisheries, on behalf of Canada. That was the first time a treaty had been made with a foreign country, having to do with Canadian affairs, which was signed by a Canadian minister without the intervention of the British ambassador. In my opinion it marked a great advance in Canadian treaty making powers. Later on I shall refer again to this treaty. The United States senate took exception to some of the terms of that treaty, suggesting that they should be made applicable to all British subjects rather than confined to Canadian nationals, but eventually these objections were withdrawn and the treaty was ratified by the senate of the United States early in 1924.

The Imperial conference of 1923 was another event of outstanding importance, particularly with regard to the resolutions passed by it relating to the negotiation, signature and ratification of treaties. The conference of that year ratified and approved the precedent established by Canada in connection with the halibut treaty and asserted the right of the dominions to negotiate and sign treaties involving themselves only without the intervention of the British ambassador. This marked a further breach in the doctrine of diplomatic unity, and a great advance was made in the direction of complete autonomy over external affairs and in international relations. A greater advance was to take place in 1926. After the Imperial conference of 1923 I think I am safe in saying that the theory of a joint foreign policy for all the constituent parts of the British empire suffered a very marked modification.

In 1924 the Canadian government objected to the manner of representation at the international conference called to devise means of carrying out the Dawes plan of reparations, and suggested that the representation at that conference should follow the precedent set at Versailles and Washington, under which our Dominion would be separately represented by its delegate bearing full powers from His Majesty the King to act in the name of His Majesty in respect of the Dominion. Senator Belcourt was sent to that conference as the Canadian representative.

In 1925 there were two events of considerable importance. The International Boundary Treaty was made in that year with the United States in the name of His Majesty the King in respect of the Dominion of Canada. It was negotiated and signed by the present Minister of Justice (Mr. Lapointe) without the intervention of the British ambassador and without any objection being made by the United States. Then came the famous Locarno treaty of that year, which contained an important clause which had not been included in all previous treaties. That clause was to the effect that the treaty should impose no obligation upon any of the British dominions or upon India unless the government of such dominion or of India should signify its acceptance. Great Britain refused to sign that treaty, as did Canada, but our refusal to sign was based upon very different grounds from those taken by Great Britain. Once again Canada refused to accept any commitments resulting from a treaty which had been made without any co-operation on her part. There was this difference between the Locarno treaty and the Lausanne treaty: the latter, having been made in the name of the British empire, notwithstanding the protests raised by the present Prime Minister bound all the dominions, while the Locarno treaty specifically exempted those portions of the empire which did not accept the treaty.

The year 1926 was perhaps the most important year since confederation in respect to the constitutional development of Canada. It saw a new status conferred upon Canada in so far as external affairs are concerned, and complete international recognition of that new status. In that year the Canadian minister to Washington was appointed. The proposal of 1920 was ultimately carried into effect, with this very important difference, that the Canadian minister to Washington is not a member of the British embassy but is there as the representative of Canada concerned only with Canadian affairs. All negotiations between the United States government and the Canadian government pass through him as our Canadian representative there.

I propose to discuss only one feature of the report brought down by the Imperial conference, that portion of the report which deals with the making of treaties. Prior to 1926 treaties were made between His Majesty and foreign powers in the name of the British Empire, or by His Majesty the King without stating for whom the treaty was made. Therefore, such treaties bound the whole empire including all of the dominions, unless the dominions were expressly excepted from their terms, as would have been the case had the Locarno treaty been adopted. In that sense, of course, the Lausanne treaty was binding upon Canada, notwithstanding the refusal of the Canadian parliament to accept its responsbilities or to admit its active obligations. In the same way, the Halibut treaty was binding upon Great Britain and the other dominions, in the sense that it was a treaty between His Majesty, to whom all the dominions owe allegiance, and the United States, and was not made in respect of any particular dominion.

The old practice of making treaties underwent a very important change. Treaties to which His Majesty the King is a party are all made by His Majesty the King, but they are now made only in respect of those portions of the British Empire that are to be bound by them. The Imperial conference recognized the right of each dominion to make separate independent treaties which would not be binding upon any other member of the British family of nations. Treaties will now be made by His Majesty the King only in respect of those portions of the empire which wish to be parties to them. In each case the king will issue full powers to his plenipotentiaries to negotiate and sign treaties, and these full powers will be issued upon the advice of the government concerned, indicating the part of the empire for which they are to sign.

For example, if a treaty is not to be binding upon any of the dominions, it will be made by His Majesty the King and it will state on the face of it that it is made "for the United Kingdom of Great Britain and Northern Ireland, and all parts of the empire which are not separate members of the League of Nations." Such a treaty will, on the face of it, be a very different treaty from the Lausanne treaty and other treaties that have been made, for not even in international law will such a treaty bind the dominions.

Similarly, a treaty binding only upon Canada will be made by His Majesty the King "for the Dominion of Canada."

The Imperial conference defined the true position of the Governor General. He is not in any sense an agent or representative of the British government, but is a representative of His Majesty the King. He is in reality a viceroy and not a governor general, and occupies in Canada exactly the same position that the king occupies in Great Britain.

In 1927 we saw the appointment of a United States minister to Canada, and also the election of Canada's representative to the council of the League of Nations. I should like to deal with the implications involved in Canada's representation on that council, but the time at my disposal does not permit me to deal with that very important question.

This year we have had expressed to us the willingness of France and Japan to send ministers to Canada, and to accept ministers from us should we desire to send them. We have also had the very interesting controversy that has taken place with regard to the Anglo-Egyptian treaty. I will not go into that controversy, but we have had an illustration of the great importance of the change that has taken place in the making of treaties as a result of the conference of 1926. We are now in a position to say that we are not parties to a treaty that Great Britain proposes to make with another country, and we are therefore in the position, internationally speaking, where we would not be bound by such a treaty. We have also had expressed to us, although the facts are not as yet very clear, the willingness of the United States to sign separate treaties with the governments of the dominions with a view to the preservation of peace and the outlawry of war.

These are the outstanding constitutional events that have taken place in this last decade. I have tried to state the facts accurately and briefly. What conclusions are we to draw from these important events as to the status of Canada? Frankly, I confess that I am unable to describe the new status of Canada. Certainly it is no longer a dependency in the old sense of the word, and equally it is not a sovereign state as the great jurist Austin understood that term. But the old conceptions of statehood are changing. There is no term that can adequately describe our present status because Canada is now a new kind of state not previously known to juridical science. It is free to act separately and independently in its dealings with other states and it is recognized by them as possessing that power; yet it is circumscribed in its own powers of self-government. It is part of the empire still and still subject to the legislative jurisdiction of the parliament of Great Britain, it still owes allegiance to the one king, yet it is independent in its external affairs if it wishes to be so. The status of Canada certainly is a very curious anomaly.

No great change has taken place in our status in so far as our internal affairs are concerned, although the way is paved for a great increase of autonomy to us when we desire to take it. But a tremendous change has taken place in the international status of Canada: it is vital and fundamental. There has been a constant process of decentralization during the past decade. The old dream of imperial federation is a thing of the past and the theory of joint foreign policy has, to a large extent, been abandoned. International relationships are brought about in two ways: first, by the interchange of diplomatic representatives, and, second, by the making of treaties; in both of these ways there has been a complete change in so far as Canada is concerned. Canada can and does make her own treaties. Canada can now and does have her own representatives at foreign courts. Two entirely new doctrines of international law have been evolved.

The change that has taken place in Canada's international status is best illustrated by the change in the attitude of the United States to Canada. Let us remember that in 1919 the United States delegation opposed the separate signature of Canada to the peace treaty. The United States senate objected to Canada's separate voting power in the assembly of the League of Nations. In 1923 the United States senate demurred for a time at any rate to the halibut treaty which had been made with Canada. Yet now we find this state of affairs: the two countries have exchanged ministers; the right of Canada to make separate treaties has been fully and frankly recognized. The United States has recognized completely our international status and France and Japan have indicated their willingness to do so. This separate international status of Canada is of supreme and vital importance to us in all our international dealings, for it extends to all matters, even matters involving peace and war. Since our international status is complete and separate and has been recognized as such by foreign powers, it no longer follows as a consequence of international law that Canada should be at war simply because Great Britain is at war.

Mr. ADSHEAD: But is she not?

Mr. THORSON: The decision on this important question will rest with the Canadian parliament. No one should seek to minimize the importance of our international status.

Mr. ADSHEAD: I have asked a question of my hon. friend.

Mr. THORSON: I have only forty minutes. Fears have been expressed by the leader of the opposition (Mr. Bennett) as to the future of Canada. My faith and confidence in the future of Canada are greater than his. I have no such fears for her future, for we in Canada are developing according to our needs as we see them in our self development; we are simply following the example that has been set for us by Great Britain. Our development is not entirely a matter of volition: I doubt whether it is a matter of volition at all; rather is it a process of evolution. Nor need we have any fears that Canada, in the future will shirk her responsibilities: she has not shirked them in the past, but has discharged them in a manner that commanded the admiration of the world. In all things that pertain to Canada's policy, it should be the right of this parliament to decide. I for one am prepared to take the attitude that as matters arise for our determination, we should determine them in accordance with the best interests of Canada. If we look well to the present, the future is in no danger.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, if the resolution of the hon. member for Labelle (Mr. Bourassa), is adopted by the house, Canada had better get out of the British Empire altogether. It takes more than such separatists as the hon. member for Labelle, the Vincent Masseys, the P. C. Larkins, the Ewarts, the Dafoes and the Atkinsons of Toronto to make a nation. A nation does not consist of pink teas and ten o'clock dinners at Washington; a nation consists of something nobler and greater than that. If the young gentleman, the hon. member for Winnipeg South Centre (Mr. Thorson), who just sat down would think less of such academic questions as the status of this country and would devote his ability and attention towards solving some of the great practical economic questions of the British empire, such as trade, defence, and migration, he would do more for Canada than by whining about our status as his illustrious leader did at the last so-called Imperial conference. I hope it is the last Imperial conference that will ever be held because if there are many more held of the same kind the British Empire might as well disband.

Talk about Canada's status! Canada has such a fine status in domestic and external affairs that you have not a fleet to protect your shores when war occurs except a lot of stone hooker boats to which I referred the other night when the estimates of the Department of National Defence were under consideration and in peace not a life saving station on lake Superior to save our sailors. Where were the Atkinsons, and Dafoes, the Ewarts, the Separatists and Nationalists like the hon. member for Labelle when there was a great disaster on the great lakes last December when many of those brave men after unshaken endurance gave up their lives? Where was Canada's mock nationality then? And also on lake Erie a month ago what became of Canada's nationality then? Where were we on the great lakes last fall in the darkest hour of a December night? When those brave men were out on great lakes in their doomed vessels, what did Canada's sham nationality do for them? They had to wait until they were pulled off by an American life saving crew, after hours and days of suffering. That is the kind of mock status and sham nationality the people of this country are putting up with in time of peace and time of war as well. England in war and the United States on the great lakes paid the bills. There was a debate in this house on June 21, 1926, before the Imperial conference was held, and the Prime Minister was asked to lay on the table the agenda of the conference so that we might have a debate in this house. New Zealand and Australia had a debate upon the subject, and I asked at the time that the agenda be laid on the table, because Sir Wilfrid Laurier before he attended the conference had taken parliament into his confidence, laid the agenda on the table, and let parliament decide what its attitude should be on certain of those questions. But what did the present Prime Minister say? There was a debate of about one hour, in which I took part, and in which I said:

> We are not an independent nation, or a nation at all; we are a link in a chain of free commonwealths within and making up the British Empire. We never were a nation. Talk about annexation with the United States! There is no feeling at all in Canada in favour of it, nor for independence either. Talk about Canada being independent, a country of nine million souls, competing with or withstanding a nation of 110,000,000 people! Why if we were independent a foreign fleet might sail up the St. Lawrence and we would not have as much as a rowboat to oppose it with because our toy navy is locked up in a garage at Halifax.
>
> I invite consideration of the question of what our duty is as a member of the empire. We are shortly to have an Imperial conference. Where is the agenda; what will Canada bring up, and what is the government's policy? The late Sir Wilfrid Laurier used to sit down at such a conference with the representatives of the sister dominions, Australia, New Zealand and others, with the object of seeing what

could be done to better the conditions of the component parts of the empire and foster inter-imperial trade and relations.

I invited consideration at that time of the question of what our duty as a member of the empire should be. Sir John A. Macdonald's motto was, "A British subject was I born, and a British subject shall I die.' We are one of the links in the chain of free commonwealths making up the British Empire, but those links to-day are scattered to the four winds of heaven, except for our common allegiance to the same king. There are some in this country who would abolish appeals to the Privy Council and abolish the office of governor general. Treaties formerly had to have the sanction of the mother of parliaments but now apparently we are a sovereign power and can make our own treaties. Just the other day a note came to Canada from Secretary Kellogg of the United States, came to us as a separate country, due to the reign of the separatists in Canada, asking us to join in a pact to end all war. While Secretary Kellogg was sending us that note, another secretary in the United States cabinet, Secretary Wilbur, in the same capitol as Secretary of State Kellogg, came down to congress with a war vote of $274,000,000. Secretary of State Kellogg is inviting us to join in denouncing war for all time, now that an election for president is coming on in the United States within a short while, as it does every four or five years. For the first three years they were too proud to fight in the great war; they sat on the fence. They propose a peace pact every time a presidential election comes on. Harding did it in the Washington conference. Now Kellogg and Coolidge follow in his footsteps. But this Canada is now a separate country. Instead of Secretary Kellogg sending his note to the Imperial government, he sends us a note of our own. We must be a separate nation, with sovereign power to make peace or war. As I said, while Secretary Kellogg was proposing peace, his colleague in the same building, Secretary Wilbur was having voted the sum of $274,000,000 for the building during the next three years of fifteen cruisers at a cost of $17,000,000 each, and an aeroplane carrier at $19,000,000. While Secretary Kellogg is shouting peace, Secretary Wilbur is for war. Peace and war all in the same capitol building and a presidential election as the real issue; a vote hunting peace pact is all it is by gentlemen who are both in the same cabinet of President Coolidge. And what does President Coolidge do? He supports the vote for $274,000,000. That is the way they are trying to help peace along the same way they did in the so-called Washington conference. The Washington conference was called by President Harding just before an election, and France, the United States and England were to stop building capital ships for a definite period of 40 years. Did the United States keep the terms of that conference? No. No sooner was the ink dry on that agreement than they brought down larger votes than ever before for the building of ships, and here we have an example of the same thing by Secretary Wilbur and President Coolidge. Did they keep the Washington conference? No. England and France proposed to keep the conference, but the United States did not keep it. Travel down the Atlantic seaboard to-day, and at New Haven, Portland, New York City, Baltimore, Savannah, and all along that coast you will find war plants that have been turned into peace plants, and which to-day are building merchant marine ships for the United States merchant marine, hoping that some day soon they will catch up to Great Britain, and they are almost at that point now, and become mistress of the seas in battleships and merchant marine, a title to which England has held for hundreds of years. That is the way they keep their treaties, treaties of peace and war as well; they are just or will be scraps of paper like the Monroe doctrine of old and the Harding Washington navy conference of five years ago.

[Mr. Church.]

We had a discussion on status in this house, and on June 21, 1926, I asked the Prime Minister to lay on the table the agenda for the Imperial conference that we might have a debate on the subject, as they had had in Australia and New Zealand. The high commissioners for Australia and New Zealand prepared an economic brief of the problems confronting our sister commonwealths, but did Canada have any brief? No. We had a high commissioner in London, the Hon. P. C. Larkin, but nothing similar in an economic brief about Canada was presented with a view to finding a solution for the three great problems of the British Empire, upon the right solution of which rests the future of the British Empire. I have always heard that the three great problems of the British Empire are trade, defence, and migration within the empire. Did Canada have anything to say along these lines? Not one word. But New Zealand and Australia did. We had nothing to say at all. All we did was to whine about our status. You would think it was a mock parliament and a mock conference so far as we were concerned.

The people of this country, Mr. Speaker, are far from being interested in this question of our status. The Winnipeg Free Press and a few other papers, Mr. Ewart and a few other gentlemen who are interested in literature and speak at after dinner meetings, may be interested in it. These fiddlers and after dinner speakers are separatists. The subject may interest a lot of people who are dry at these banquets, but so far as the people of this country are concerned, they are not interested in our academic status. The men who went from this country to the front do not care a hoot about our status, nor do the 600,000 of our people who have had to go to the United States to look for work. Canada's status is just what it was a hundred years ago. We are part and parcel of the British Empire, and what Canada has done in the last forty years for the mother country she has done of her own volition and will do again to-morrow if war comes, because when Britain is at war Canada is at war. Whatever Canada has done in the past she has done voluntarily, freely and gladly, and she has done it well, and if trouble ever comes again, she will do the same thing again, and go to the help of the mother country on sea and land, and mobilize all her forces of men and money for the defence of the empire.

What did Canada do at the Imperial conference? It did nothing. There is a great empire problem which the empire marketing board is taking up, and that is one of the finest boards they have in Great Britain. It is trying to solve trade and economic problems. That is what it is for, and that is what it is doing. That board found that only twenty-five per cent of the fruit consumed by Great Britain comes from the overseas dominions, and they are trying to change that. At the Toronto exhibition this year the Empire Marketing Board is going to have an exhibition of what Canada can do for the empire, and what the board have and are doing for Canada, and I hope that everyone will attend and learn what the Empire Marketing Board can do for the agriculture of this country, and in helping to solve many other of our economic problems.

Now we are not interested in the resolution of the hon. gentleman from Labelle. He has the happy faculty three or four times each session of raising this question. If he belonged to a mock parliament it would be all right, but in this serious parliament, spending four hundred million dollars of the people's money, surely we can find enough economic problems concerning the health, welfare and prosperity of every man, woman and child in this Dominion to keep us busy. Let us try to solve these economic difficulties, rather than employ our time discussing the academic question of our status. The Prime Minister had no mandate to change the status of Canada. Take the office of governor general; that has all been changed. Our Ewarts and Atkinsons and Dafoes want to have a Canadian governor general. We have enough Ewarts and Atkinsons and Dafoes without wishing to have any of them as governor general. What is the office of governor general to-day? That used to be one of the few links that bound Canada to the motherland. The old office has practically been abolished. We became a nation overnight, in the twinkling of an eye. Under our new status the governor general is now only a viceroy. What has the governor general to do to-day? If he were to appeal to Downing street for advice he would be told he possesses in the Canadian cabinet the only authority who can advise him. It will not be long before the change of status will abolish the right of appeal to the Privy Council. As a lawyer, I can say that the Privy Council is one of the finest courts we have in this empire. I hope it will be a long day before that right of appeal will ever be abolished, for it is one real court where a Canadian can get justice.

If this resolution carries Canada might just as well get out of the British Empire. If we are a sovereign power—if we have the right to appoint the governor general and make our treaties, that is what it means in practice—we shall do everything over the head of the British government. If we have the power to make treaties with every nation in Europe, Asia and South America, we might just as well get out of the British Empire and stay out. If this equality of status goes much further, the British Empire will be well rid of us. Canada does not want anything like this. This is the second time this session we have had preached from the housetops this new dream of status by the hon. gentleman from Labelle, while we sponge on the British Empire for maritime freedom, and in time of war wire for the British fleet. New Zealand and Australia before the great war contributed dreadnaughts. New Zealand is contributing five million dollars over five years to the Singapore naval base, so is Australia—the only naval base that will preserve British liberty on the Pacific. Canada has done nothing for maritime freedom; we are content to sponge on the mother country. The people of this country do not believe in this resolution; they believe in one king, one flag, one

empire, one national anthem. The people of this country do not believe in any change of status in domestic or in external affairs. We are not fit to handle our external affairs. Some of the commercial treaties which this government has made with foreign countries are so many gold bricks to Canada. You have made treaties with every country bordering on the seven seas. Now you are going to send ambassadors to every country in the seven seas.

Americans to-day find Canada nothing but a happy hunting ground as they grab our natural resources; they are taking away our fisheries, our water-powers, our pulpwood, our mines, our forests. Canada is the happy hunting ground of these American millionaires. Economically Canada has been annexed to the United States.

The other day the hon. member for Labelle on the orders of the day asked the Prime Minister something about our "imperial masters." I do not know how he got away with it. Whom does he mean? What has this nation to fear from imperial masters? I think Canada has far more to fear from the fifteen gentlemen on the front benches than from Downing street, with this nonsense of so-called "imperial masters." The hon. gentleman from Labelle goes over to England and makes separatist and status speeches. I think it would be a good thing for the British Empire if he got out of it altogether. I think that is the best thing he can do, and it will be the best thing for Canada to do if it adopts a resolution like this. What has all this change of status ever done for Canada but provide a nice lot of fat jobs in the seven seas for ambassadors to hold pink teas and ten o'clock dinners, and go to the League of Nations and misrepresent Canada. At present those tea functions are held exclusively in Washington, but now they will be having them in Tokio, if you please; and in China, if you please—"washee, washee." I was out at the Pacific coast last March during the trouble in China, and one of the papers had in big, striking headlines, "War with China." What would happen to this Dominion if the teeming millions in China and Japan ever crossed that Pacific ocean? It was enough to make the people of British Columbia wake up from this new dream, this nice high-sounding phrase of change of status in external and domestic affairs and demand maritime protection. Canada has had enough of this kind of talk; the country is sick of it. The government would be better employed to sit down and solve some of the economic problems that confront Canada to-day and stop all this status fad. Let the government do something about the empire marketing report. Let them put on the statute books a safeguarding-of-industries act to conserve the resources of this country and stop their being drained away to the United States. Let the government do something in a practical economic way and solve our own domestic problems and leave our status alone.

If this thing goes much further we will be able to get along without the Prime Minister. We will be electing the Prime Minister of this country king of Canada. He will assume kingly powers if this so-called dream of status goes much further. A month or two ago I referred to this particular matter. I want to say a word about the status of Canada. When Canada is in trouble or war threatens we always 'phone for the British fleet. When Canada was in trouble on the great lakes, our mariners had to sound their sirens morning, noon and night for American life-saving boats to come to their rescue. I am a good Canadian nationalist because I am a true British imperialist. The sense of Canada's nationalism increases and multiplies through our love of British unity. The true Canadian nationalist will not want to see this country a dead beat on the taxpayers of the British Isles for the upkeep of battle cruisers and a navy to maintain the safety of Canadian shores and for the protection of Canada's commerce on the high seas. The true Canadian nationalist will not want to see Canada a nation only in the advertising pages of American journals. As a nation we are a pauper so far as the actual reality goes.

The closing days and nights of navigation on the great lakes in the season of 1927 recorded a great story of unbroken fortitude and of unshaken endurance which proved that our countrymen, the sailors on the decks of those doomed vessels, were blood brothers of the soldiers who brought glory to Canada at St. Julien, the soldiers who could not be blown off the ground they gained at Passchendaele, who climbed the heights of Vimy Ridge, who gained the victory at Amiens and many another field of glory, men whose names will forever thrill every true Canadian. These sailors struggled or waited hour after hour; help came to them it was help organized by the valiant hearts and strong bodies of their own country, or if help came it was help bought and paid for by the taxes of the people of the United States. That is Canadian nationality for you. The struggle was a story of glory for Canada's sailors. The struggle was a story of shame for Canada's politicians. The

tragedies of the Great lakes in the closing hours of navigation last season showed in its true colours the stuff that Canadian nationalism is made of. The Winnipeg Free Press, Toronto Star, John S. Ewart liberal variety of nationality is the nationality that writes and talks and chatters at banquets and refuses to pay under the terms of that nationality.

Canada is a proud and haughty nation. It sends its merchant ships into the winter storms with nothing to do but whistle for a United States service tug when the ship is in danger and to fill the air with the distress signals of a siren with the hope that a United States life saving vessel will put to sea and save the lives of Canadian sailors. Canada, a nation, and in trouble, has a navy maintained at the expense of the old country taxpayer to guard the safety of Canada's shores in war.

These people who move equality of status resolutions of this sort are nothing but separatists; that is the best term by which to describe them. They are trying to change the status of Canada. But Canada cannot remain a member of the British Empire and do all the talking and determine all the foreign policies and pay nothing. The other day trouble came up in Egypt and Great Britain was responsible; but Canada wanted to poke her nose into the thing and give advice. We should pay or keep quiet. We are appointing ambassadors to every country under the sun—ambassadors in South America and elsewhere. Canada, in the opinion of some of these separatists has become a nation. I do not know who the next ambassador is going to be or whither he is to go. Some countries are left yet. Obviously all those who desire appointments cannot get into the Senate, because there are not enough vacancies; nor can they all get on the bench. There are fifty-five applications a paper says for junior county court judgeships in Winnipeg alone. If anybody wants any of these jobs he has to pay his dollar and join the ward association. I suppose these ambassadors have paid their dollar and joined the Liberal ward associations also. Why, in my riding there are gentlemen who have canvassed me, one looking for a judgeship and another for an ambassadorship. I saw one of them here in the halls the other day. Evidently they fancy I have some influence with this government. One gentleman who ran against me lost his deposit; he lost the election only by about 10,000 or 12,000 votes. And I did not have even one ambassador to vote for me. The only ambassador I have ever had the honour of representing used to live in a former constituency of mine, North Toronto, but he is now in England. I refer to Mr. P. C. Larkin. No doubt under the new status regime—this magnificent new regime that has been ushered in—ambassadorships will be found for all those who want them, but they must pay a dollar and join the ward association. The hon. member for Labelle might be made ambassador extraordinary to France, and he is certainly extraordinary; there is no doubt about that—to France or Italy or some place like that. That is the place for him. He is not satisfied with the way they do things in New France. He is a nationalist. But I want to say that it takes more than gentlemen like the hon. member for Labelle —it takes more than men of his nationalist stripe—to make a nation. No doubt in a few days when parliament closes, if this resolution goes through, we shall see the hon. gentleman from Labelle on the high seas taking Cook's tour as our new ambassador to France. One of these gentlemen, the Minister of Labour (Mr. Heenan), has already gone to the League of Nations to bring about peace over there. He could not pacify a few steelworkers who were on strike in the city I come from; yet he has gone abroad to pacify Europe. I understand that a good many of them are going to take this Cook's tour. One or two of them go by way of Halifax and Quebec, but the rest of these gentlemen always sail from New York on American liners, that is the new status way of patronizing Canadian ports. That is the way they do things under this magnificient new status regime. I do not know who will be the new ambassador to Tokyo or to China; nor have I any idea as to whether the proposed ambassador to China can talk Chinese, status or not. I do not know whether he can say in Chinese "I want my laundry", or "Is my laundry ready?" I suppose, though, when he goes over there, under this very splendid new status regime that has been introduced, and in the magnificent style that now obtains, he will hold five o'clock teas and ten o'clock dinners for the Chinamen. No doubt our ambassador to China will hold pink teas and invite all the Chinese aristocracy. He will invite these Chinese to his social functions: "Will you have pink tea with me this afternoon?" "Thanks; I will Mr. Ambassador. I believe in equality of status; so do you."

The Prime Minister of Australia came to Canada after the last Imperial conference and he gave certain addresses in this country, speaking before the Canadian clubs. And by the way, may I observe here that some of our Canadian clubs are no more Canadian than some of the Empire clubs are imperial. However, as I say, that gentleman gave addresses

in Canada on the results of the Imperial conference to the oversea dominions, and he was severely called down by the Prime Minister of this country who in effect practically told him to mind his own business. This was in reference to what Australia and New Zealand had done at the Imperial conference. Those two dominions at the Imperial conference, instead of whining from the housetops about their status, instead of complaining about this, that and the other, went prepared with an economic brief, and were willing to sit at the round table and discuss things, as Sir Wilfrid Laurier did when he represented the people of this country at similar conferences. Canada cannot expect to do all the talking in the empire, to suggest all the imperial policies for the motherland, and have the British taxpayer shoulder the cost of defending the empire. Why should Canada do all the talking and shouting from the housetops and the mother country—the British taxpayer—foot the bill? Yet that is what it amounts to under this magnificent new equality of status regime we have to-day.

The pacifist and the nationalist are much alike; the pacifists are for the new status, and so are the nationalists. I am a good Canadian nationalist, Mr. Speaker, because I am a true British imperialist. I do not want this country to enjoy the fruits of freedom and have the British taxpayers pay for the protection which our commerce is given on the high seas. A true Canadian nationalist will not want Canada to appear before the rest of the world as a pauper in this regard. But that is the position that Canada will occupy if this changed status is brought about. Canada is not a nation and never was a nation; we are part and parcel of the British Empire and shall continue to be, though we had a carload of gentlemen like the hon. member for Labelle prepared to state otherwise. There are many problems which should have been taken up at the Imperial conference and which were not there discussed.

Mr. SPEAKER: Has the hon. member concluded?

Mr. CHURCH: No, Mr. Speaker.

Mr. MACKENZIE KING: If the hon. member merely wishes to conclude his speech I think the house will give unanimous consent, so that we may take the motion.

Mr. CHURCH: It is eleven o'clock and I wish to move the adjournment of the debate.

Motion agreed to and debate adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

[Mr. Church.]

Tuesday, May 29, 1928

The house met at three o'clock.

REPORT OF COMMITTEE

Third report of the select standing committee on standing orders—Mr. Morin (St. Hyacinthe-Rouville).

PRIVATE BILLS

EASTERN BANK OF CANADA

Mr. L. S. R. MORIN (St. Hyacinthe-Rouville) moved that Bill No. 341, to incorporate the Eastern Bank of Canada be referred to the select standing committee on banking and commerce.

Motion agreed to.

FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 342, for the relief of Frank Deering.—Mr. Casselman.

Bill No. 343, for the relief of Mary Mabel Jennie Potten Impey.—Mr. Church.

Bill No. 344, for the relief of Cyril Wilfred King.—Mr. Sanderson.

Bill No. 345, for the relief of Myrtle Adelia Baker Knauff.—Mr. Casselman.

Bill No. 346, for the relief of James Harvey Lefurgey.—Mr. Garland (Carleton).

Bill No. 347, for the relief of Hilda Evelyn McDowell.—Mr. Jelliff.

Bill No. 348, for the relief of Catherine Ellen Mobbs.—Mr. Jelliff.

Bill No. 349, for the relief of Edith Elizabeth Poole.—Mr. Arthurs.

Bill No. 350, for the relief of Henry Frederick White.—Mr. Casselman.

Bill No. 351, for the relief of Frederick Clayton Wilton.—Mr. Arthurs.

Bill No. 352, for the relief of Lillian May Yuill.—Mr. Lennox.

Bill No. 353, for the relief of Ruth Ellen Braund.—Mr. Garland (Carleton).

Bill No. 354, for the relief of Harry Alven Heels.—Mr. Heaps.

Bill No. 355, for the relief of Francis Augustus Pearce.—Mr. Arthurs.

Bill No. 356, for the relief of Florence Anne Salmon.—Mr. Price.

Bill No. 357, for the relief of Rocco Scocco.—Mr. Church.

Bill No. 358, for the relief of Mary Audry Smith.—Mr. Young (Toronto Northeast).

On division.

INDUSTRIAL AND INTERNATIONAL RELATIONS

MOTION FOR AMENDMENT OF AND CONCURRENCE IN REPORT OF COMMITTEE

Mr. C. R. McINTOSH (North Battleford) moved:

That the third and final report of the select standing committee on industrial and international relations, presented to the house on the 16th instant, be amended as follows:

By striking out paragraph 8 thereof, and substituting the following therefor, namely:

Your committee further recommends that 750 copies in English and 250 copies in French of this report, and the evidence upon which it is based, be printed in blue book form, and that standing order No. 64 be suspended in reference thereto.

And that the third report, as so amended, be concurred in.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, this is a rather extraordinary procedure. I presume it is possible and in order to move that the report be concurred in. Personally, I have not had time to read the report, and if we are to insist on going forward with this report to-day I shall ask that Your Honour order the report read. There is another point, Mr. Speaker. Is it competent for a committee that has made a final report —which I understand the committee had made previous to the report now before us—to come back to the house and amend that final report? As I understand it, a committee is discharged when it makes its final report.

An hon. MEMBER: It is a standing committee.

Mr. STEVENS: It is suggested that it is a standing committee, but if a standing committee makes a final report surely it is not in order again to meet and offer an amendment to that final report without having been instructed by the house. It may appear that this point is rather finely drawn, but it is an extraordinary and unusual procedure. This report is one of considerable importance and I do not think the house should be asked to concur in it blindly, particularly in view of the rather unusual course which is being pursued.

Mr. McINTOSH: The report, as stated by the hon. member for Vancouver Centre (Mr. Stevens) was presented to the house over a week ago. All the amendment proposes is a change in a very unimportant part of the report, that is, in the number of copies of the report to be issued. There is no amendment to any of the important items in the report, and the report has been before the house for almost two weeks.

Mr. A. W. NEILL (Comox-Alberni): The amendment to the report is not moved by the committee. Private members have asked that the report be adopted, and anyone can move an amendment to it. The committee has not asked for the amendment of the report, and it is always open to any private member to move concurrence in the report.

Mr. STEVENS: I think I now find myself on fairly sure ground, and I raise this as a point of order. It is not competent for two hon. members of this house, acting in their private capacity, to present an amendment to a committee's report; that, I submit is out of order. I suggest that the only procedure that can be followed is to revive the committee and refer any measure back to them for their consideration.

Mr. NEILL: The hon. member is taking a stand the very opposite of that he took a few minutes ago.

Mr. STEVENS: Not at all.

Mr. NEILL: It is well known that it is in order for a member to move concurrence in a report, and any motion of that character is subject to amendment.

Mr. SPEAKER: I think the point of order raised by the hon. member for Vancouver Centre (Mr. Stevens), regarding the amendment to the third and final report of the committee is well taken. The most practical way to amend this report is to refer it back to the committee with instructions that they have the power to reduce the number of printed copies from 10,000 to 1,000. I suggest to the mover (Mr. McIntosh) that he amend his motion—I do not think he will have any difficulty in getting the unanimous consent of the house, because it is an unimportant point—on the lines above indicated. The committee can be reconvened and can bring in a report with a view to reducing the number of printed copies from 10,000 to 1,000. The following ruling is given in Bourinot, page 480, and Beauchesne, paragraph 661:

When the motion is proposed the report may be referred back to the committee for further consideration or with instruction to amend the same in any respect. It is not competent for a committee to reconsider and reverse its own decision, but if the house resolves that such reconsideration is necessary, the correct procedure is for the house to give the committee instructions which will enable it to consider the whole question again.

Motion stands.

INTERNATIONAL EXCHANGE OF FLAGS

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): At the request of the New Westminster

and District Great War Veterans' Association branch of the Canadian Legion of the British Empire Service League, I have the honour to present to the house a photograph of a very significant event which occurred at the city of New Westminster on April 7th last, being an exchange of flags, the Union Jack and the Stars and Stripes, between the New Westminster association and the Bellingham Post of the American Legion. I believe a duplicate of this photograph was presented by the Bellingham Post to President Coolidge, and I concur in his words that incidents of this kind can do much to promote good will between our respective countries.

Mr. SPEAKER: May I say to the hon. member for New Westminster that the Speaker will find a suitable place in the House of Commons to keep this souvenir of a very happy incident which took place in his constituency.

QUEBEC BRIDGE—PROVISION AGAINST ACCIDENT

On the orders of the day:

Mr. GEORGES PARENT (Quebec West): I would like to call the attention of the government and especially the Minister of Railways and Canals to a very sad accident which took place on the Quebec bridge a short time ago. A child fell into the St. Lawrence river through an opening between the sidewalk and the railing of the railway. This is the third accident that has occurred under similar circumstances, and I would ask the minister to take up the matter with the proper authorities to see that this condition is remedied.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I shall be glad to have the matter looked into.

IMPORTATION OF CATTLE FROM UNITED STATES

On the orders of the day:

Mr. WILLIAM IRVINE (Wetaskiwin): Has the Minister of Agriculture any information to give to the house to-day in respect to the question to which I drew his attention yesterday, namely, whether it was the intention of the government to cancel the order in council passed last March providing for the importation in bond of American cattle for grazing?

Hon. W. R. MOTHERWELL (Minister of Agriculture): I may say that good progress has been made by the method indicated in my hon. friend's question towards removing the grievance complained of.

[Mr. McQuarrie.]

FOREIGN CONSULS IN CANADA

On the orders of the day:

Mr. HENRI BOURASSA (Labelle): The Prime Minister yesterday made allusion to the correspondence exchanged with the British government with regard to the standing of foreign consuls in Canada. Would he have any objection to laying that correspondence upon the table of the house?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I can see no objection and I will arrange to have the correspondence brought down.

SUPPLY—IMPERIAL AND FOREIGN RELATIONS

The house resumed, from Monday, May 28, consideration of the motion of the Minister of Finance (Mr. Robb) for committee of supply, and the proposed amendment thereto of Mr. Bourassa:

> The house regrets that proper steps have not yet been taken to give full effect, both in domestic and external affairs, to the "equality of status" acknowledged by the Imperial conference, 1926, to be the "root-principle" of the relationship between the self-governing Britannic communities.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, last night I spoke on this question from half past ten to eleven o'clock; I will do my utmost in the house to defeat this amendment in the other ten minutes at my disposal. The hon. member for Labelle (Mr. Bourassa) is moving this particular amendment for political purposes and to gain votes in the province of Quebec. He wants to make political capital out of the British Empire which he has been making a football of for many a day now. Canada is not going to be talked out of the British Empire. If Canada could be talked out of the British Empire, the hon. member for Labelle would have done that long ago. Canada is not going to be talked out of the British Empire; Canada will have to be fought out of the British Empire. Canada is not going to be written out of the British Empire by the Dafoes, the Atkinsons, the Ewarts and all the rest of the gentlemen of that separatist description. The hon. member for Labelle and his illustrious leader are two souls with but a single thought, two hearts that beat as one on this particular equality of status question.

I did not start this discussion. As I say, it was started for political purposes by the hon. member for Labelle. He has found the session rather barren of results so far as the government is concerned in regard to solving

the economic ills of the country, and so he has to trot forward this problem in which he refers to the government of the old country as our imperial masters, or the imperial monster who is seeking to devour all Canada. The Imperial conference, in my opinion, has left undone those things which it ought to have done and done those things which it ought not to have done and there was no health in it. No results came out of it so far as the overseas dominions were concerned. Like the League of Nations it has created more confusion and set up more strife than ever. We are proud that Canada is an integral part of the greatest empire the world has ever known. The war left us our status as it was. What Canada has done during the past thirty-five years she has done of her own volition, and voluntarily, and she would do the same thing again, namely, come to the mother country's aid in her hour of peril. So the people of this country are satisfied with our present status and seek no change in it. Far better for Canada would it have been had the Imperial conference solved our economic problems—trade, defence and migration—instead of all this status talk.

After all is said and done the Prime Minister is only following the footsteps of Sir Robert Borden because he was the arch-conspirator in connection with the change of status. In 1919 at the treaty of Versailles Sir Robert Borden insisted that Canada should sign that treaty separately. He also insisted on Canada having a separate seat in the League of Nations. It would have done Canada as much if not more good for good will and peace if he had insisted on our having a seat in the American baseball league or the national and international league. It would be as practical as the League of Nations. As regards our status what have we secured and what has been the change in chronological order? In 1919 there was the treaty of Versailles which was signed separately. In 1921 there was the Washington Disarmament conference. When Sir Robert Borden and Sir George Foster brought up in the house the question of an ambassador to Washington and put it through, if I had been the only Conservative in the house at the time I would have opposed such a proposition to divide Britain's representation at Washington which was the beginning of all this monument of folly known as separatism.

In March, 1923, the Halibut treaty was signed at Washington separately by Mr. Lapointe. In 1923 the Imperial conference confirmed the separate signing of treaties. In 1924 Canada acted separately in the conference on the Dawes plan. Then there was the question of the reservation of Dominion legislation for the assent of His Majesty or for the disallowance of such legislation. The hon. member for Labelle says now that the disallowance of legislation by His Majesty is all a matter of form. He says that the Colonial Laws Validity Act was invoked not long ago by the Privy Council to annul a statute of Canada; that this statute was wiped out by a stroke of the pen because of its possible application to Ireland. If they can wipe off the statute books that act which is the foundation of all the charters of liberty of the overseas dominions, they can change our new status and wipe the British North America Act off the statute books by a stroke of the pen also and repeal the British North America Act. In this way they can interfere with the rights of the provinces, with the rights of minorities, with the rights of municipalities in this country, and with the right of one minority to have its own religion and laws and preservation of its language. We are thus at the parting of the ways. No one knows where it will all land us.

In 1926 the conference recognized the right of each dominon to make separate and independent treaties not binding on any other dominion. We are a separate country. We have sovereign power. The people of the United States admit that. They have sent us what is known as the Kellogg note about peace and war with a general presidential election in the near future. While Secretary Kellogg on one side of the capitol is inviting the nations of the world to join in a collective renunciation of war, Secretary Wilbur is being voted the sum of $274,000,000 for the building, during the next three years, of fifteen cruisers at a cost of seventeen million dollars each and an aeroplane-carrier at nineteen million dollars. Mr. Kellogg's colleague asked for twenty-five of these 10,000-ton cruisers, but Congress thought fifteen of them in the next three years would be enough to go on with. Especially with the elections so near!

The governor general is a mere viceroy. If he appealed to Downing street for advice he would be told: We have nothing to do with you; you are over in Canada alone and your cabinet there alone can advise you. In 1927 we won a seat in the League of Nations. What good that seat is to us, I do not know except that there will be a nice little trip between sessions for this minister or that minister and an expense account for living allowance as well. The academic league has now cost the people of this country $1,800,000 all told and has been barren of results to Canada and created more strife than peace.

In 1927 we went into the ambassador business and Canada now proposes to send ambassadors to Japan and France. The United States and France and England are to send ambassadors to Canada. Did you ever hear the like of it? Where will all this separatism end? Where is it all going to land Canada? It simply means that the so-called "evolution" in theory and practice is working out in the best interests of complete separation in both domestic and external affairs. This evolution has become and is working out as a peaceful revolution. That is all that equality of status and separatism have done for Canada. The next step will come gradually and surely, namely, to change and to do the British North America Act to death and we are by this status setting up a new constitution in the name of evolution. Our separation now is as complete in a peaceful way as that of old of the North American colonies. That is the gist of it all in plain practice. No wonder the government want to close up this debate and not startle the country any further seeing that this status has landed us in a state of uncertainty and doubt and division and separation from the motherland. As a separate country we now are to be mixed up in all the foreign politics of Europe, Asia and America, for are we not boasting that way? We are at the parting of the ways. Whither are we drifting? No wonder even government members are beginning to wag their heads in doubt as to where we are, and to get alarmed at the huge cost of it all to Canada.

I say in conclusion the government want to close off this debate, because of its effect on the people of British descent of this country, who now only comprise fifty-five per cent of the population of this country. It is no wonder that many members as well as supporters of the government are wagging their heads and wondering where this equality of status folly is going to land Canada. So far as that goes, we are now at the parting of the ways, and we do not know what the next step is going to be. We still continue to sponge on the mother country for our defence both on land and sea. The people whom I have the honour to represent have no more pride in the nation-builders of their own party than I have in the nation builders of the party opposite. I have no use for the nation building that Sir Robert Borden, the Hon. Wesley Rowell, and the other oracles of Union government pretended to do at Versailles and Washington. I have no use for the nation wrecking separatism of Sir Robert Borden's proposal to establish a Canadian embassy at Washington. That embassy is not now and never wil be anything in the nature of a centre of service for the good of Canada. The embassy at Washington is a sink hole, and the Canadian high commissioner's office at London is not much better. These embassies, or sink holes, as I call them, will be duplicated all over the earth by this government. When the seed planted by Sir Robert Borden's and the Right Hon. Mr. Mackenzie King's separatist embassy at Washington has reached maturity, what will the harvest be? The harvest will be reaped by the taxpayers of Canada. That harvest will not be in the form of crops that will fill their barns, but it will be in the form of taxes that will empty their pockets. Canada will then be spending two or three million dollars per annum in interest and debt charges on embassy buildings and on the salaries and upkeep of useless Canadian ambassadors, and still more useless staffs of clerks. Canada must spend two or three million dollars per annum in order to prove that we are in an academic way a nation without a navy or an army.

Never in the entire history of Canada has she at any time been able to defend herself. We are a nation only in a mythical and academic sense.

No matter what the Imperial conference says or does, our representatives have no right to take away our birthright in this way on the pretence of evolution. It means we are a separate sovereign state independent of Great Britain, and without any semblance of a navy or army to help us.

That is what the resolution of the hon. member for Labelle means. I hope that he will not have the privilege of withdrawing his motion; I hope that unanimous consent will not be given to allowing him to withdraw it, but that it will be pressed to a division so that the people of this country will at last awake to where this equality of status is landing Canada—out of the British Empire sooner or later.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I do not intend to take the time of the house except for a very few minutes. On several occasions I have expressed my views on certain phases of the report of the Imperial conference of 1926. In expressing those views I paid particular attention to certain clauses of that report which I thought were over-emphasized by the Prime Minister when the report was first under discussion, and I think certain of those clauses have been over-emphasized in the discussion in the South African parliament and also in the parliament of the Irish Free State.

If one reads that report and endeavours to place himself in the atmosphere in which it was negotiated, may I say, and finally accepted, I believe that there was, upon the part of the majority of the prime ministers and their associates representing the several dominions at the Imperial conference, a sincere desire to preserve in our time, and for future time, so far as possible, the unity of the British Empire, which they therein described as the British commonwealth of nations. I am sure, from the addresses of several members to which I have listened from time to time in this house, and particularly the addresses which the Prime Minister has given here and in various parts of the country, that he has a supreme desire to preserve the unity of this British comonwealth—the political unity, may I say, of this British commonwealth. But in preserving the unity of the comonwealth it was necessary for those who were representing this dominion and the other dominions at the last Imperial conference to take into consideration what I might call the peculiar views or idiosyncrasies of the representatives of one or more of the dominions there represented, who had never had the experience in constitutional growth and practice which we have enjoyed for sixty years in this dominion; and I can well appreciate that, in order to satisfy their fears and anticipations for the future, particularly strong emphasis was laid by the draftsmen of that report upon the autonomy of the several dominions composing this British commonwealth.

But it seems to me that the problem which these representatives then had before them was a problem similar to that which faced the representatives of the dominions at the Imperial war conference of 1917, where in referring to the proposed readjustment of the constitutional relations of the component parts of the empire, they placed on record their view that:

> Any such readjustment should recognize the right of the dominions and of India to an adequate voice in foreign policy and in foreign relations, and should provide effective arrangements for continuous consultation in all important matters of imperial concern, and for such necessary concerted action founded on consultation as the several governments may determine.

I think that the problem of the representatives of the several dominions at the Imperial conferences from that time down to the present has been to provide for this dominion as well as for the other dominions an adequate voice in foreign policy and in foreign relations. Some differences of opinion may exist as to what is an adequate voice, but the position reached by common agreement at the last Imperial conference seems to be this: That each dominion in respect of those foreign relations which solely and exclusively apply to its own interests shall in the future be represented by its own ministry, and represented by its own agents, whoever they may be, who are duly accredited for the negotiation of treaties dealing with matters that are peculiarly and solely and exclusively of interest to such dominion. Therefore, the Imperial conference of 1926 approved of the appointment of a special minister by Canada accredited to the government at Washington. We are in a most peculiar situation with regard to our neighbours to the south. They have a population of over one hundred millions of people, and they are conscious of their vast material and financial resources, and confident of their political power. We, on the other hand, are a small country of less than ten million people, and we, too, are conscious of our own special rights. Two peoples living alongside a common boundary stretching for three thousand miles between them, having these peculiar characteristics, must face from time to time many problems which we at least who are of the smaller nation must regard as of vital importance to our present and our future interests.

There was too in this country a sentiment which had been propagated for many years, and with which I do not wholly coincide, that our rights had been sacrificed from time to time since the earliest treaties were made between Great Britain and the United States dealing with Canadian interests. It seems to me in surveying the history of the past that if Canadian agents had solely and exclusively directed the negotiation of those treaties, in view of our political position, in view of our lack of financial and material resources, in view of our very modest political power, they would have found it very difficult indeed to secure such advantageous terms as were secured from time to time by British representatives at Washington in consultation with the representatives of this country.

But that opinion prevailing throughout the length and breadth of this land had at least to be conciliated, and therefore it has been provided that Canada, in regard to the United States particularly, shall have her own minister at Washington, and that those matters which are of interest solely and exclusively to Canada shall be negotiated and administered by the representative of Canada at Washington. But the correspondence, as I stated on another occasion, which resulted in the appointment of a representative of Canada at Washington, following the appointment of a

representative of the Irish Free State, clearly discloses the understanding which was reached between the government of Canada and the government at Westminster to be this: that all matters in which Canada is solely and exclusively interested should be attended to by her own minister; but that when matters arise which may affect Great Britain herself and other parts of the empire, the minister representing Canada should always act in close association with the British ambassador at Washington, and that if the general interests of the British commonwealth are affected, the ambassador of Great Britain would in fact retain a predominating position.

When I look also at the resolutions of the conference of 1923, which were submitted to and approved by this house, and the explanations made in reference thereto on June 21, 1926, by the Prime Minister of the day, I find that he invited parliament to pass a resolution to the effect that those treaties which impose active obligations upon Canada, and those treaties alone, should necessarily be presented for approval by the parliament of Canada before this government should advise His Majesty to ratify them in Canada's behalf. The words of the Prime Minister were clear; he said:

> The present government by this resolution is asking parliament to approve of a course of procedure which will involve with respect to treaties, involving military and economic sanctions, the approval of parliament before the government of the day agrees to any obligation implied in the treaty being undertaken in the name of the country.

That resolution, after being so explained, passed this house unanimously. Therefore so long as that resolution remains in force and effect it would be unconstitutional on the part of the government of Canada to advise the ratification of a treaty binding upon Canada which imposed active obligations of the kind mentioned without first receiving the endorsement of this parliament. But that does not apply to a large body of treaties made with foreign states which do not involve active economic or military obligations. For instance, we have had before us during this session a number of conventions—which are really treaties—and this parliament has been asked to approve thereof by resolution. There is the slavery convention, the convention protocol of the second opium conference, the international sanitary convention—these all affect very intimately the rights and obligations in many respects of Canada and of Canadian citizens. In view of the position which this government has taken at a recent date, I was somewhat surprised that we were not asked to confirm those treaties by acts of the Canadian parliament. During the discussion I asked either the Prime Minister (Mr. Mackenzie King) or the Minister of Justice (Mr. Lapointe) if those treaties coming into effect on the advice of the Canadian government and ratified by His Majesty the King through his duly accredited representative, would make them a part of the public law of this Dominion. I received no answer, and I am still in doubt whether the government have pursued the really effective course. In respect of the Waterways treaty of 1909, it will be remembered that an act was passed by the parliament of Canada in 1911 not only confirming that treaty but empowering the government to carry it into effect. I find in looking back over our recent political history that a similar course has been followed with regard to other treaties affecting Canada. For instance, I find that chapter 46 of the statutes of Canada for the year 1921 is an act to authorize the ratification and carrying into effect of the protocol of the 16th day of December, 1920, accepting the statute of the Permanent Court of International Justice of December 13, 1920. The first section of that act reads:

> The governor in council is authorized to advise that His Majesty be humbly moved to ratify on behalf of Canada the said protocol of the 16th day of December, 1920, in the manner thereby stipulated.

That was a complete confirmation by the parliament of Canada. The act also provides in section 2 as follows:

> The governor in council is authorized to make such orders in council, regulations and nominations and to give such directions and notices, and to do and authorize such other acts and things as may appear to him necessary, proper or expedient on the part of Canada for carrying into effect the said protocol and the provisions of the aforesaid statute for the Permanent Court of International Justice.

In my opinion these conventions, which were submitted to us during the present session and approved by resolution only, should necessarily be confirmed by statute of this parliament in order to give the government of Canada full power and authority to carry their provisions into effect.

But leaving that apart, there is no doubt at the present time with regard to the authority and jurisdiction—shall I say?—of the government of the United Kingdom in negotiating treaties which apply to all parts of His Majesty's dominions and possessions. I do not see at the present time any restriction

placed upon the negotiation of such treaties by the representatives of His Majesty's government at Westminster which apply generally to the whole empire so long as they do not impose active economic and miltiary obligations upon any one of the dominions. It is obvious of course, in view of the position which the parliament of Canada has taken, that the government of this country cannot without the approval of this parliament constitutionally advise the ratification of treaties imposing such obligations upon it. There remains the negotiation of treaties which contain, if I may say so, passive obligations regulating rights as between ourselves and the foreign nations with whom we negotiate, the rights of our citizens in those foreign countries, rights affecting our commerce and trade, and the rest. And hereafter, under the present practice, it is left to the parliament of Canada, when any vital issue involving war arises, to decide as to what action we shall take under the circumstances and conditions which then prevail.

But to return for a moment. The provisions laid down by the conference of 1923 with respect to the negotiation of treaties provided for the separate negotiation of treaties by each dominion, but left it to the dominion then negotiating to decide as to whether the proposed treaty would affect the interests of Great Britain or of the other dominions. An amending provision, approved by the conference of 1926, provided moreover that each dominion when negotiating a treaty should first notify the government of the United Kingdom, and the governments of the other dominions respectively, of their intent and of the purport of the proposed treaty, and that upon receipt of such notification such other dominion government or the government of Great Britain should express its dissent with reasonable promptness. If no dissent is expressed, then the negotiating government may proceed to the conclusion of any treaty which does not impose active obligations upon any of the governments which are represented at the Imperial conference. Under that provision, which I have briefly summarized, I think His Majesty the King, on the advice of the government of Great Britain, may proceed to negotiate treaties dealing with the rights of Canadian citizens in Asia or South America or Central America or elsewhere, and that so long as the government of Canada, upon receiving due notification of the purport and intent of these treaties, declines to intervene, it thereby tacitly acquiesces in the government of Great Britain negotiating such treaty, which will affect to that extent Canadian rights and interests; provided always, of course, that it does not impose what we have termed "active obligations." But if active obligations are proposed under the treaty being negotiated by His Majesty's ministers at Westminster, then the assent of each government must first be obtained. Therefore the existing provisions, as amended by the Imperial conference of 1926, still afford a wide discretion to the government of the United Kingdom under which that government may assume the acquiescence of any dominion that fails to express its views in regard to impending negotiations of which it may be notified. So that the citizens of this country may yet be bound through apathy and acquiescence. Take for instance the treaty of Lausanne to which reference has been made. In respect of the treaty of Lausanne and in respect of those provisions of the proposed treaty between Great Britain and Egypt, in so far as they do not impose active obligations on this country they may—under the present practice—and I think properly so—be negotiated by His Majesty's ministers at Westminster. And if the Canadian government, on being invited to participate, does not express any dissent, such treaty may be placed in operation by the ratification of His Majesty alone; because there still exist the prerogative power and authority of His Majesty the King to ratify treaties which apply to all parts of the empire. As to whose advice His Majesty may receive in respect of such ratification, that is of course a matter of constitutional practice. But in respect of the Lausanne treaty this government informed, on March 24, 1924, the government of the United Kingdom that it would not invite the Canadian parliament to concur in the ratification of that treaty.

And that—I am quoting the words, I think, of the Minister of External Affairs of Canada:

—Without the approval of parliament they—

The Canadian government.

—feel they are not warranted in signifying concurrence in ratification of the treaty and conventions. With respect to ratification, however, they—

The Canadian government.

—will not take exception to such course as His Majesty's government may deem it advisable to recommend.

In that case Canada assumed no active obligation, but took no exception to the ratification of that treaty, although it did impose, I might say, passive duties and obligations upon Canada, or at least upon Canadian citizens in Turkish territory and Canadian trade and commerce and property, located in Turkish territory or under the jurisdiction of the Turkish government. Therefore the treaty of Lausanne was thereupon ratified in

the name of the king on the advice of the British government and became binding upon Canada without confirmation by the Canadian parliament. And it is binding still upon Canada and upon all Canadians, because in the year 1924 the parliament of the United Kingdom passed chapter VII of the British statutes of that year, the Treaty of Peace (Turkey) Act, 1924, an Act to Carry into Effect a Treaty Passed between His Majesty and Certain Other Powers, and Certain Conventions, Protocols, and Declarations connected Therewith. If hon. members will read the terms of that statute they will see that by section 1:

> His Majesty may make such appointments, establish such offices, make such orders in council, and do such things as appear to him to be necessary for carrying out the said treaty, conventions, protocols and deliberation, and for giving effect to any of the provisions thereof.

And section 2:

> Any order in council made under this act may provide for the imposition, by summary process or otherwise, of penalties in respect of breach of the provisions thereof, and for conferring on courts within His Majesty's dominions jurisdiction in cases where under the convention respecting conditions of residence and business and jurisdiction such courts are alone to have jurisdiction.

Therefore the treaty was not only ratified by His Majesty; it was approved by a statute of the parliament of Great Britain. His Majesty's government of Great Britain was authorized to carry out its full provisions; and the enforcement of penalties was placed as a duty and obligation upon Canadian courts by a statute of the Imperial parliament.

The Imperial conference of 1926 also specifically declared that any question as to whether the nature of a treaty was such that its ratification should be concurred in by all parts of the empire was a matter for discussion and agreement between their governments. I do not lay so much emphasis as the Prime Minister appeared to do the other day, on the fact that the Secretary of State for the United States at the suggestion of the British government sent a communication to this government in respect of the Kellogg peace proposals, because I am sure the Prime Minister of this country does not wish to act separately and independently from the governments of the other dominions and from the government of the United Kingdom in regard to these negotiations. I assume from the position which the Prime Minister took at the recent Imperial conference that he realizes the absolute necessity, if we are to preserve the existing unity of the empire, of consultation and concurrence wherever possible between the governments of the dominions and that of the United Kingdom with respect to matters which appertain to the whole empire to which we belong.

Mr. MACKENZIE KING: Hear, hear.

Mr. CAHAN: I have noticed that certain gentlemen in this country who are admittedly in favour of the early independence of Canada and of breaking the light ties of association which bind us to Great Britain and the other dominions, speak of Canada having become in fact though not in name an independent and practically sovereign state. The Imperial conference of 1926 took an entirely different view; as I read it, and I have read it time and again, it seems to me that those who directed the drafting of that report were insisting that all matters which relate solely and exclusively to this Dominion should be under the sole and exclusive jurisdiction of the parliament and the administration of this country. So, in the negotiation of treaties, our minister or representative abroad, in those matters which relate solely and exclusively to our interests and to our well-being, would have exclusive jurisdiction, but when our interests also become matters of interest to the other dominions, to the United Kingdom and to the empire as a whole, it is implied in the Imperial conference report that as far as it is possible for honourable and intelligent men so to do, those representing the various parts of this empire, should strive to reach a concurrent view by consultation and concession, so long as they make no sacrifice of the vital interests of any part, in order to promote the general interests of the autonomous dominions and of Great Britain.

That is my hope, because in my opinion there is no doubt that at present we have not the political strength which will enable us to stand alone as an independent sovereignty and protect the rights which we have so jealously guarded during the last sixty years. I wish to say nothing offensive to our great neighbours to the south, but especially is that fact true in view of the confidence and consciousness of that great republic that their political power and their financial and material strength are not only paramount on this continent but becoming paramount throughout the world. While personally I will be pleased to see representatives of this country, in the future as in the recent past, engaged in the negotiation of conventions and treaties for the settlement of difficulties and the solution of the problems which may arise between Canada and the United States, still I have a lingering belief that the co-operation, advice

and assistance of the government of the United Kingdom and its ambassador at Washington may yet be of vital interest to us and to our success in such negotiations. Therefore I feel persuaded that the government of Canada, looking at the whole matter, though determined to preserve our autonomous rights, will always be equally determined to preserve the political unity of this empire to which we belong, believing that under present conditions and as far as human minds can see into the future, it is in the paramount interests of Canada that we should preserve that association with Great Britain and the other dominions.

On the other hand, why introduce an element of discord into this country? The speeches which have been made on various platforms throughout Canada, in which it has been suggested that we are an independent sovereign state, with the implication that we are about to pursue an independent course and separate from Great Britain, have really deeply wounded the sentiments of hundreds of thousands of thinking people throughout Canada. It is a fact which must be recognized, that a great body of our people, and they are not confined to one race, believe in maintaining that association and that bond of empire, however light it may be; they believe that the existing ties are more honourable to both great races in Canada than any other political alliance which we might now form with any other foreign power, that the existing political association is more compatible and more consistent with the best traditions of our forefathers, some of whom actually fought to establish the constitutional liberty of this country. Those thoughtful patriotic men who preceded us, endeavoured year by year and decade by decade to mould British institutions to adapt them to the particular needs of our country, and we have now attained a position in the British Empire which I am sure will enable us to have an adequate voice in all matters of imperial concern which affect our interests; a voice which as we grow in strength will, I hope, enable us to influence the foreign policy of that empire so that it may be more consistent, if that is possible, with the views entertained by the intelligent and patriotic citizens of this Dominion. I look forward to the future when this Dominion, autonomous, it is true, will nevertheless influence in a large measure, by consultation, by advice and by co-operation, the future policy of the government of the United Kingdom and the governments of our associated dominions.

Mr. Speaker, I do not intend to go into this question at greater length, but I suggest that in respect of those imperial statutes which were enacted years ago and which still apply to this country, the solution of our difficulties, if I may be allowed to say so, may be found to a large extent in adopting the policy recommended in the report of the last Imperial conference. It should be done, so far as possible, by concurrent legislation between the United Kingdom and the various dominions of the empire. It was by concurrent legislation that Canadian citizens born and bred, and Canadian citizens who had procured naturalization in this country, obtained the rights of natural born British citizens in every British community throughout the world. I am proud to say and glad to admit that the Imperial Naturalization Act of 1914 was based largely on the proposals made by the late Sir Wilfrid Laurier at the Imperial conference of 1911.

I do not think that it detracts one iota from our status, that it detracts one iota from our dignity as self respecting British citizens, that when matters of general interest arise representatives of our government should enter into amicable negotiations with the government of the United Kingdom and the other dominion governments to devise reciprocal legislation which will assure to us, as Canadian citizens, all the rights of British citizens throughout the world, and thus ensure to us that protection—I am not merely talking of naval protection—which comes through the proper exercise of the political influence of a commonwealth such as ours.

I have had occasion to look into the statutes of the parliament of Great Britain which still apply to us, and, the longer I pursued my investigations, the more statutes and treaties I found which directly affect us. I would suggest to the government that when they come to consider the modification of these statutes they will find their ramifications so extensive as almost to appall them. Before the next Imperial conference this government should make haste slowly, and, by such expert assistance as is available, should probe these matters to the bottom. They should do this not with a view to organizing some method of taking this dominion out of the commonwealth, but to devise ways and means by agreement and concurrent legislation, and, by new conventions where legislation is not necessary, for the purpose of keeping this Dominion within the British commonwealth. Let us keep Canada in the empire as a dominion fully conscious of its rights and privileges,

but also conscious that we must play our parts, man for man and government for government, with those of the other dominions of the commonwealth in maintaining the political unity of the empire to which we now belong.

Mr. HENRI BOURASSA (Labelle): Just a word of personal explanation. I think the object I had in view when I moved my amendment has been fully accomplished by this every interesting debate, and, therefore, with the leave of the house, I withdraw the motion.

Mr. SPEAKER: Is it the pleasure of the house that the hon. member be given leave to withdraw his motion?

Amendment (Mr. Bourassa) withdrawn.

SUPPLY

Motion (Mr. Robb) agreed to and the house went into committee of supply, Mr. Laflamme in the chair.

Civil Government—External Affairs, salaries and contingencies, $144,310.

Mr. GUTHRIE: Will the Prime Minister explain the increases in this item?

Right Hon. W. L. MACKENZIE KING (Secretary of State for External Affairs): There is a very slight increase in the amount voted for salaries. Last year the total amount was $107,135 and this year the amount asked for is $111,310 or an increase of $4,175. That increase is accounted for in part by statutory increases and in part by additions to the staff. I might say that the additions relate more particularly to junior clerks and that one or two appropriations that were made last session for officials of a higher rank have been dropped.

Item agreed to.

Civil Government—Privy Council—salaries and contingencies, $59,200.

Mr. MACKENZIE KING: Last year the appropriation for salaries amounted to $49,780. This year it is slightly increased, the amount being $54,200. The increase is accounted for largely by statutory increases. There is but one addition, namely, that of a clerk.

Mr. ADSHEAD: Why is it that with the higher salaries increased, the salary of the humble office boy is reduced from $540 to $480, the messenger's salary is reduced from $1,300 to $780 and the confidential messenger's salary is reduced from $2,820 to $1,440? Do they not deserve as large salaries this year as they did last year?

[Mr. Cahan.]

Mr. MACKENZIE KING: That is due to promotions which have taken place and which have been made in accordance with the regulations of the Civil Service Commission. No employee has had his salary reduced.

Sir GEORGE PERLEY: The increase is due chiefly to the appointment of a private secretary.

Mr. MACKENZIE KING: To an assistant, yes.

Mr. BRADY: What are the hours of duty of the office boy?

Mr. MACKENZIE KING: He is supposed to be on duty whenever he is wanted. He has no set hours.

Mr. BRADY: If his hours of duty were prolonged, for instance, to eight or ten hours, the salary would naturally be looked upon as exceedingly small, if it is $480 a year.

Mr. MACKENZIE KING: The office boy has plenty of spare time in the summer.

Item agreed to.

Civil government—office of the secretary to the Governor General—salaries and contingencies, including house allowance of $1,500 per annum, to secretary to the Governor General, $107,725.

Mr. MACKENZIE KING: There is no real increase in this item. The amount is practically the same as last year. Any additions are due to statutory increases.

Item agreed to.

Civil Government — High Commissioner's office—salaries, including High Commissioner, additional to salary authorized by chap. 15, R.S.C., $2,000, and contingencies, $109,600.

Mr. MACKENZIE KING: In this case I am pleased to inform the committee that there is a decrease. In the salaries there is a decrease of $4,680 and in contingencies there is a slight increase of $2,000, making a net decrease of $2,680.

Mr. SPENCER: I should like to say a few words with regard to a certain matter that came to my notice when visiting London a year ago. While in London I took the opportunity of visiting both Canada House and the Australian building. I take it that we have this house in London to advertise Canada's business and Canada's wares as well as to encourage people to come to this country. Although I found Canada House an inviting place for Canadian visitors, very nicely equipped with rest rooms and writing rooms and attractive from the social point of view, at the same time, as compared with the house maintained by Australia in London, Canada

House seems to take second place. For instance, with regard to interesting people in Canada from an immigrant point of view—and when I say immigrant I take it to mean all classes of people who are coming to make their homes in Canada—I found there was nothing to draw attention to Canada except certain literature such as would be found in the office of any immigration agent. This might go to their houses through the mails just as well as by being put on a file at Canada House. Comparing Canada House with Australia House in London I find this difference, that in Australia House there is placed before the visitor a miniature picture of Australia. No doubt the Prime Minister himself has seen this as well as myself and indeed most members who have gone to London have taken the opportunity of visiting both these places. Not only do you find in Australia House an advertisement of their great mineral possibilities, agricultural resources and orchard production, but you have, as I say, a miniature picture before you of every state in the Commonwealth of Australia. Along with that you have of course literature similar to that which we have in Canada House. It seems to me that if we took a leaf out of Australia's book we might do a great deal more with the money we are spending in London on Canada House. I found the High Commissioner doing his best to give visiting Canadians in London every opportunity to enjoy the social life of the city, and that sort of thing, which is all very nice, but I take it that the main object of Canada House is not only to interest business generally in Canadian affairs, but to interest people who are thinking of emigrating, in the hope that they may find, in what they see at Canada House, sufficient inducement to cause them to make up their minds to come to Canada. I just throw out this suggestion because I think it is very essential from the Canadian point of view, in order to get returns from what we are spending in London, that we should change our method of advertising Canada in England.

Mr. MACKENZIE KING: I may say to my hon. friend, with reference to the contrast he points out between Australia House and Canada House, that there is a distinct difference between the manner in which Australia and Canada respectively carry out some of their services, for example, the work of immigration. All the immigration work of Australia is centered in London. The policy of Canada has been to have immigration offices scattered throughout the British Isles, in England, Scotland and Ireland. We have altogether some twenty-five immigration offices scattered through the British Isles, while with the exception of London there are none so far as Australia is concerned, their whole work being centered in the Australian building. That, I think, accounts in large degree for the difference in the advertising of Canada at the Canadian building to which my hon. friend has made reference. One going into the Australian building does see, as my hon. friend has pointed out, much that is representative of the different states in Australia. I question however, whether as many people who are thinking of emigrating to any of the British dominions would learn of Canada through one office in London as learn of Canada through the different offices scattered throughout the British Isles.

Mr. SPENCER: I am well aware of the fact that we have various offices scattered throughout Great Britain, but at the same time we must remember that there are more people in the city of London than there are in the whole of Canada, and at very little expense, if any, I think we could do still more valuable advertising through making certain changes at Canada House.

Mr. MACKENZIE KING: I might add this further word. Through a committee of council, of which the Minister of Trade and Commerce is the chairman, there have been some steps taken recently to further publicity in the British Isles with the object of meeting the very point to which my hon. friend has just referred.

Mr. NEILL: I also visited Canada House last year, and I was struck by the paucity of Canadians in Canada House. One would have supposed that if anywhere in Britain one would find Canadians, it would be there. This session I asked a question—I have not it before me now—as to the number of employees in Canada House who had either been born in Canada or had spent five years in this country, on the idea that if they had spent five years in Canada they would rank as Canadians or have a knowledge of conditions in part at least of Canada. I figured the answer out to mean that only eleven per cent of the employees of Canada House were Canadians in this sense. I think in an institution presumably devoted entirely to the advertising of Canada and the getting of immigrants for Canada, it would be advisable if more Canadians were employed, even though it would cost a little more to send them over from here. I think they would be more likely to fill the objects for which the employees are there.

Mr. MACKENZIE KING: What my hon. friend says may be quite true, but it is also true that at the present time there is a larger percentage of Canadians employed at Canada House than there has been at any time since the office was opened. All of the higher positions are held by Canadians. Some of the typists' positions and some of the other positions are filled by persons who are residents of England and are not Canadian born, but the policy of the government in the matter is more and more to fill the existing positions with Canadians.

Sir GEORGE PERLEY: There is a gentleman employed in the office there by the name of J. Reid Hyde. I would like to ask if he is a Canadian.

Mr. MACKENZIE KING: I understand that Colonel Hyde was born in Montreal and resided in Montreal.

Sir GEORGE PERLEY: What are his duties?

Mr. MACKENZIE KING: Colonel Reid Hyde is retained to deal more particularly with the important financial transactions with which the office is concerned. He has an expert knowledge of financial affairs and has been retained by the High Commissioner to deal with these matters. He is not on the permanent staff of the office, but his services have been found extremely valuable.

Sir GEORGE PERLEY: May I say to the Prime Minister that I know nothing about the qualifications of Colonel Hyde, but I submit for his consideration that it is not in order that a gentleman of Colonel Hyde's standing and drawing this amount of pay should be kept on a temporary basis all the time. As a matter of fact, while Colonel Hyde is paid as a temporary employee, he is working for the Canadian government nearly the whole year round in one capacity or another. Whether intentionally or not, this seems to be a very evident case of evading the Civil Service Act. This gentleman is getting, I was going to say, more pay than anybody else in Canada House, but whether he receives more pay than Mr. Pacaud, he certainly is getting more than anyone else in the office, and still he has not been appointed in a regular way at all. He is paid at the rate of £7 per day as a temporary employee, and according to an answer which I received on March 14 last, he is shown to have been employed by three different departments for about 216 days as a temporary employee at £7 per day, except when he was employed by the Department of External Affairs itself at £9 per day, for 52¼ days. I do not exactly understand why there should be that difference, but I certainly think it is hardly fair to the permanent staff of an office like the High Commissioner's office that someone who is not a regular employee should be taken in and paid at these high rates. I know that when I was over there as High Commissioner we found it pretty difficult to get a new man appointed to the staff because we had to apply to the Civil Service Commission here, and everybody will understand how difficult it is to deal with a matter of that kind at arm's length across the ocean. But the idea of taking on a high salaried official as a temporary employee never would have occurred to me, and it does not seem to be consistent with the principles of the Civil Service Act which the Prime Minister himself states, with certain grave exceptions at times, he is in favour of. I would like the Prime Minister to explain it.

Mr. MACKENZIE KING: My hon. friend will recall that after the war there were a great many outstanding accounts due Canada, some of them matters of adjustment between the British treasury and our treasury. There were also the loans that had been made to Greece and Roumania, and there were numerous other important financial transactions which had not been finally adjusted. My hon. friend will agree with me that in the office as it was constituted at the time he was high commissioner, if he had had to rely exclusively upon the staff then there, he would have found it difficult to deal satisfactorily on behalf of Canada with these important transactions. When Mr. Larkin was appointed high commissioner, one of the first steps he took was to endeavour to settle these transactions and to obtain payment of the advances and loans that were made by Canada during the war period. He retained Colonel Reid Hyde for the purpose of assisting him, Colonel Hyde being an expert chartered accountant and a Canadian then residing in London in whose ability Mr. Larkin had entire confidence. Colonel Reid Hyde performed his services most satisfactorily. Under the direction of the high commissioner he discussed with the British treasury and with others the details of the outstanding accounts with the result that very large sums have been paid to the Canadian treasury in the short time that Mr. Larkin has been High Commissioner in London. I might mention, as an example, the Roumanian and Greek loans. The government of hon. gentlemen opposite advanced, I think, to Greece and Roumania something like $25,000,000 each, to enable

them to purchase Canadian commodities of different kinds. The commodities were purchased, but we have been unable to get payment although our own money was advanced for the purpose of the purchase. Apparently up to the present there has been very little chance of getting payment of the principal; but by the co-operation of Colonel Reid Hyde under direction of the high commissioner we have at least succeeded in making an arrangement whereby interest will be secured to Canada until the whole of the principal is paid. Up to the present time I understand that about $9,000,000 has been paid into the treasury. That is a large sum, considering that it represents interest alone.

A gentleman of the technical and professional qualifications which Colonel Reid Hyde possesses is almost essential to the High Commissioner's office for dealing with matters of this kind. I might say that the question of appointing him as a permanent official, in view of his knowledge of the financial matters with which the High Commissioner's office is concerned, has been under consideration, and at a subsequent session the government may ask parliament to approve of the appointment of a financial comptroller—because that is really what the position required is —for the office of the High Commissioner. Mr. Pacaud's name has been mentioned. Mr. Pacaud is the head of the office under the high commissioner. But his duties do not relate primarily to financial affairs, and I think my hon. friend from his experience as High Commissioner would feel that it was in every way advisable for Canada to have on the staff some expert accountant who would give his whole time to these very important financial matters.

Sir GEORGE PERLEY: The Prime Minister seems to give all the credit to Colonel Reid Hyde for collecting money from Greece and Roumania. I wonder if Mr. Larkin, our High Commissioner, is not entitled to some of that credit? It seems to me he must be.

Mr. MACKENZIE KING: I was very careful to say that Colonel Reid Hyde had acted in consultation with and under the direction of the High Commissioner. Unquestionably the credit is primarily due to Mr. Larkin, whose great financial ability is recognized not only in this country but throughout the world. However, as my hon. friend knows, in transactions of this kind a high commissioner would wish to have associated with him someone who is able to render professional services of an expert character and who could attend to details. I have just been looking over the class of professional services rendered. They relate to the adjustment of accounts with the treasury, with the admiralty, with the board of trade, to conferences regarding Canada's share of reparations under the Dawes plan, to the adjustment of the Greek and Roumanian loans, and so on. These are all financial transactions and, as my hon. friend has said, we are fortunate in having as High Commissioner a gentleman of such great experience in financial matters as Hon. Mr. Larkin. Under his direction the office has been able in this short time to secure for Canada the payments to which I have referred.

Mr. STEVENS: Mr. Chairman, the Prime Minister has certainly placed a most wonderfully coloured halo around the head of Colonel Reid Hyde. I have been in London a couple of times, and I got the impression that he is a sort of social and political factotum for the High Commissioner. One of his chief duties is to represent the High Commissioner at lesser banquets and social functions which the High Commissioner himself does not desire to attend, but at which he should be represented. It is almost stretching one's imagination to the breaking point to ascribe to Colonel Reid Hyde any credit for the collection of a portion of the debts due from Roumania and Greece. With all due regard to the Prime Minister's statement of a moment ago, I say to him frankly that there is a very widespread feeling among Canadians in London that Colonel Reid Hyde is an expensive and an unnecessary appendage to the High Commissioner's office. If there is to be a financial comptroller in London—for which I do not see any necessity—let us create the position and fill it in a proper way. The colonel has been a sort of glorified barnacle attached to the High Commissioner's office, and I think it is asking this committee to go a long way to approve of an account for 214 days in one year, I think it was, at £7 or £9 a day, for services such as he renders.

When you walk into the High Commissioner's office there are two or three gold-braided individuals standing there, one of them at the door. I walked in purposely, merely to verify the many stories I had heard with regard to the office. The gold-braided individual at the door at once instructed me to sit down. I asked for the privilege of a conference with Mr. Pacaud, who was an associate of mine in this house sitting on the opposition side, but a gentleman whom I have always held in high regard. I wanted to make a personal call on him. I sat down

and waited to see how long it would take for the first motion to be made. It took fifteen minutes. After waiting for this interval I very meekly asked the gold-braided individual if he would convey my message to Mr. Pacaud and see if I could have the privilege of an interview. He relayed my message to another gold-braided gentleman at the other end of the room. He in turn relayed it to a sort of secretary sitting in a corner. They relayed back to me the answer, "Sit down," which I did. I sat for a further twenty minutes and then, getting a little weary, I asked those functionaries once again if they would be kind enough to let Mr. Pacaud know I was there. The same triangular operation was put into force once more, and again I was asked to wait.

Mr. McINTOSH: They must have had your number.

Mr. STEVENS: I thank my hon. friend. Apparently he is suffering from a little personal pique this afternoon. Then I was informed that Mr. Pacaud was at lunch and could not see me. Next day he wrote me a very nice letter apologizing for the delay occasioned me and asking if I would call again. Unfortunately I did not get an opportunity of doing so. While I was there a gentleman came bustling in and everything was on the jump at once. Here was Colonel Reid Hyde, with all the gold-braided flunkeys of the Canada House, touching their caps and bowing and scraping to Colonel Reid Hyde. Colonel Reid Hyde has been attached to the High Commissioner's office in a wholly unnecessary capacity. He might have done some of these minor jobs for the High Commissioner, but as the Prime Minister has said, it was the High Commissioner's duty—and undoubtedly he did it—to carry out the major negotiations in connection with this settlement. I should be sorry indeed to think that he had done otherwise. But to suggest that Colonel Reid Hyde was a necessary instrument in carrying it out is going pretty far. Personally I do not think his presence at Canada House is any help to Canada. It would be a great deal better for Canada if Canada House were turned into an office where Canadians could go and get the information they desired, and where those who are in London seeking information about this dominion might obtain that information in a reasonable and straightforward manner, which is not the case at the present time.

Item agreed to.

To provide for representation at Washington, including salaries and allowances for minister plenipotentiary, secretaries and staff, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments, $100,000.

[Mr. Stevens.]

Mr. MACKENZIE KING: I might remind the committee that last year when I asked the house to appropriate $130,000 for the legation at Washington I stated that if we were placed in a position to purchase a building it would be possible to reduce that estimate by at least $25,000 when I next came to parliament for an appropriation. I am pleased to direct the attention of the committee to the fact that that promise has been implemented and that this year the appropriation for the legation at Washington is $30,000 less than the amount asked for last year. The difference is to be accounted for by the fact that Canada owns its building in Washington and there are no rentals to be paid.

Mr. GARDINER: What were the expenses last year?

Mr. MACKENZIE KING: The total expense was $98,000.

Mr. GARDINER: I presume that the agreement in regard to the building went through all right. I am not acquainted with the terms of the agreement and perhaps the Prime Minister will give us some information.

Mr. MACKENZIE KING: Under the Public Works items the house appropriated the sum of $500,000 for the purchase of a building including furnishings—it was a building already furnished. The entire $500,000 was not required; the building and furnishings were secured for $470,000.

Mr. SPENCER: What staff is employed, and has it been found necessary to increase the number in the last year?

Mr. MACKENZIE KING: I might say that the exact cost of the building and furnishings was $477,756. There is a staff of from twelve to fourteen, including stenographers, messengers, clerks and secretaries.

Mr. GEARY: What are the details of this $100,000? For instance, what provision is made for depreciation and things of that sort?

Mr. MACKENZIE KING: This item has nothing at all to do with the building; it relates to salaries, and allowances for travelling expenses and for the general carrying on of the legation.

Mr. GEARY: Is this the only vote in regard to the Washington legation?

Mr. MACKENZIE KING: This is the only vote; it includes maintenance of the legation, it covers salaries, allowances for motor car, travelling advances, telegraph, tele-

phone, printing and stationery, light and fuel, office keeping and some furnishings; also sundries of one kind or another.

Mr. GUTHRIE: In connection with this item there is a matter concerning which I wish to make some inquiries, particularly in regard to our minister at Washington. I have reference to the case of a French Canadian widow, Mrs. Amédée Bilodeau, who has a very large claim against the government of the United States, and which has been in process of settlement—at least, the negotiations have been going on for settlement—for a number of years. The matter has recently been drawn to the attention of the leader of the opposition, and as he was not able to be here to-day he asked me to bring it up when this vote came before the committee. It is a very grave case of an international character and from the papers I have been able to examine in regard to it I think this poor woman is suffering a serious injustice at the hands of the United States government. The question is, why our representative in Washington has not been able to effect some settlement of this woman's claim. The facts, which I shall briefly state, will be in the momory of the Minister of Justice and also of the Solicitor General. They are these: Amédée Bilodeau of Sherbrooke was shot down in cold blood by an officer of the United States government in Canadian territory on May 29, 1925. The quibble that has taken place during the last three years has been whether it was or was not in Canadian territory; but when one reads the evidence adduced in support of the claim, one is convinced that it is merely a quibble. The unlawful act took place in Canada, and the officer of the American government who perpetrated the offence is at large and has not been prosecuted. This woman has made a plea to the United States government and I think she has enlisted the sympathy of the Department of Justice; considerable correspondence has taken place between the two governments, but the last leter placed in my hands is the reply of the Secretary of State of the United States, expressing the regret of the government of the United States that such a thing should happen, but refusing the claim of the widow for any compensation. This is a matter of international interest; why has not the Department of Justice taken proceedings to arrest the offending officer? If that crime were committed in Canada he could be arrested and extradited, but up to the present time no such step has been taken. It was admitted at the outset that the crime did take place in Canada.

Mr. LAPOINTE: No, that is denied.

Mr. GUTHRIE: I need only take the statement of the district attorney of Essex county in the state of Vermont, in a letter written on June 18, immediately after the occurrence. As a reason for not prosecuting the offender, who was an official of the United States government, he says:

> The case was never presented in our courts because we were satisfied that the shooting of Bilodeau took place in the Dominion of Canada.

There was no prosecution; the man was given his liberty. As I have said, the evidence was submitted to the Department of Justice and was also placed in my hands, and it convinces one that the question of where the actual occurrence took place is merely a quibble. It occurred on the Canadian side of the international boundary, twenty-five or thirty feet in Canada; the man was deliberately shot down by the United States officer, three or four shots being fired at him. He was able to run some three hundred yards before he dropped, and he ran further into Canadian territory. Then he was picked up by the American officer, placed in a motor car and taken to a hospital in the state of Vermont, but was dead before he reached the hospital.

From the record I see that two American officers came to Canada for the purpose of getting evidence with which to break up some illicit drug trading which was being carried on between Canada and the United States. From the evidence one gathers that Bilodeau, the man who was killed, in some way was mixed up with this illegal traffic. These officers were sent to Canada for the purpose of stopping that traffic, if possible. They induced two men in the province of Quebec, Bilodeau the deceased and a man named Price, to get them some narcotic drugs to be taken to the United States. It seems that a certain quantity of drugs was procured in Montreal, and when the parties started to go back to the United States some altercation seems to have arisen when they were at a point in Canada near the international boundary line. What the altercation was I cannot say from the evidence, but it is certain that one of the American officers, who was travelling at the time under an assumed name, deliberately shot down this man Bilodeau. The other American officer drew a revolver and threatened the other man, Price; he severely assaulted him and threatened to shoot him. Bilodeau, however, was illegally shot down in Canadian territory, and I cannot imagine why the Department of Justice has not taken steps to prosecute that man. I fancy they have used the diplomatic

channels in Washington, which not only exist now but which have existed for some time, but there seems to be little or no prospect that they will succeed in getting anything from the government of the United States for this unfortunate woman. The United States apparently allege that there is a great conflict as to whether the act was committed on the Canadian or on the American side of the line; if it was committed on the American side of the line why was not this man prosecuted? If it was committed on the Canadian side of the line why do not our authorities take proceedings now to bring this man to Canada and try him?

Mr. LAPOINTE: Does not my hon. friend think that if there is a possibility of criminal proceedings, the attorney general of the province is responsible?

Mr. GUTHRIE: I think the Department of Justice here has been seized of all the facts and has been diligently corresponding with the government of the United States.

Mr. LAPOINTE: That was for the purpose of securing compensation for the widow and not in order to institute criminal proceedings.

Mr. GUTHRIE: Unless I am misinformed the Minister of Justice has power to direct the attorney general to lay an information, and I cannot see why this step has not been taken in regard to this case, with which the Department of Justice has greatly concerned itself. Whether or not the door is closed to this woman getting anything in the way of compensation, through the last letter from the Secretary of State for the United States, I do not know, but a glaring wrong has been done in the Dominion of Canada. Our law has been broken, altogether apart from the question of reparation, a crime has been committed in this country by an officer of the American government, and up to the present time no prosecution has taken place. I would ask the Prime Minister to see to it that our representative in Washington reopens this matter with the authorities of the United States; it is sufficiently serious to be proceeded with. "Let justice be done though the heavens fall" is an old, accepted maxim, but at the present moment we have a condition which permits an official of the United States government to come into Canada and slay a man in cold blood, and no prosecution has yet taken place on either side of the line.

Mr. MACKENZIE KING: I might say to my hon. friend that this matter is by no means closed. My hon. friend has referred

to a communication from the United States Secretary of State, but the government of Canada does not accept the view of the United States government in this matter. Within the last week representations on that very point have been made anew to the United States government through our minister at Washington. As my hon. friend has intimated, the United States government hold that the shooting took place in the United States and that the act was performed in self-defence. We do not admit that; we contend, as my hon. friend has contended, that the act was committed on this side of the line and that it resulted in the death of an individual whose widow is now entitled to compensation, and we are pressing the claim of the widow in the name of the government of Canada. I can assure my hon. friend that this matter is receiving all the attention which the circumstances will permit at this time.

Mr. GARDINER: With regard to this matter I would like to ask the Prime Minister whether the government will be satisfied with compensation paid to the widow?

Mr. MACKENZIE KING: As the Minister of Justice has just said, with respect to criminal proceedings there is an obligation upon the attorney general of the province; it is not an obligation which rests with the Minister of Justice of the Dominion. As the minister has just reminded me, it is not only an obligation; the power in the matter rests with the province. If the government of Canada succeed in establishing the right of this widow to redress, I assume that of itself will be evidence that a crime has been committed, in which event I would be very much surprised if the province in which it was shown that the act had been committed did not take immediate action.

Mr. McGIBBON: How is it that it cannot be proven where the crime took place three years ago, and why has the man not been arrested?

Mr. LAPOINTE: There are many lawyers interested in the matter and they are leaving nothing undone.

Mr. McGIBBON: I cannot say much for their efficiency if, after three years, they cannot determine that matter.

Mr. GUTHRIE: I do not think the lawyers have been exceedingly diligent in having failed to get the proper co-operation from this government.

Mr. MacDONALD (South Cape Breton): There is another matter I would like to bring

to the attention of the committee in connection with this Washington embassy. I refer to the question of vessels which have been arrested off the coast of the United States. The case in which I am particularly interested has to do with a vessel owned by a person in my own constituency. This vessel was arrested nineteen miles off the coast of the United States, taken into one of the ports and kept there for eighteen months or two years until the vessel practically went to pieces. The matter was tried in the United States court and it was decided that they had no business to arrest. This was about three years ago, and from that time the owner has been trying to get redress. I think the matter was before the British minister previous to the appointment of our own minister; then it was handed over to the latter. I have written repeatedly to the department and all I have been able to get so far is the statement that the matter is under consideration. We should, under the treaty, be able to get some action in three years because we have a treaty now between Great Britain and the United States under which such claims can be established and paid. I would ask that some action be taken because I think the matter has been under consideration long enough.

Mr. MACKENZIE KING: The case my hon. friend has mentioned is similar to a number which have come up within the last year or two, since the treaty to which he refers was signed. Practically all are cases that relate to alleged bootlegging. The government is anxious as far as it is possible to lend no encouragement to this traffic. We have not attempted to press cases where it was not clearly established that a national interest was affected rather than some bootlegging interest. I am afraid the case my hon. friend has in mind has not come clearly in the class of one that is wholly in the national interest. However, I shall have pleasure in seeing that the matter is looked into further.

Mr. MacDONALD (South Cape Breton): I think the department is satisfied about the justice of this claim because it has already been determined by a United States court. There is no question of bootlegging because the vessel was nineteen miles off the coast. The only thing I have to complain of is the delay, because there are special provisions in this treaty whereby all we have to do is to ask for an arbitration.

Mr. MACKENZIE KING: The point, I understand, is largely one of whether the seizure was unreasonable or improper, and any technical question is perhaps secondary. However, the department will look into the matter further.

Mr. GEARY: Regarding the matter brought up by my hon. friend from South Wellington (Mr. Guthrie), we could understand a delay in criminal proceedings in Vermont, where they are notoriously slow, as in many of the states of the union, but as a rule we do not find that same lack of desire to prosecute criminal offenders in the provinces of this country. This is a case of great notoriety, and it has been brought to the attention of the Justice department. It has been investigated by them and that department is seized of all the circumstances. I would be glad to know if the Justice department has communicated with the attorney general of the province of Quebec or even with the local crown attorney It is quite conceivable that the matter may not have reached the attention of the authorities in Quebec.

Mr. LAPOINTE: I am quite sure that the department of the attorney general in Quebec has investigated into the matter. I did not know that this question would come up to-day and I did not look at the papers, but I will be pleased to inquire into the matter.

Mr. GEARY: The Minister of Justice will be aware that if there was neglect in prosecuting, the Department of Justice can hardly keep out of the matter now that they have taken such a prominent part in the whole affair.

Mr. LAPOINTE: I do not think the provinces would allow even the Department of Justice at Ottawa to investigate criminal affairs or take their place in regard to these matters.

Mr. GEARY: But they would very readily allow themselves to be pressed by the Minister of Justice to do their duty.

Mr. LAPOINTE: I believe the department of the attorney general of Quebec is doing its duty; there has never been any complaint as to that. I think our record in criminal matters in Quebec is clean.

Mr. GEARY: There is no suggestion it is not. Here is a case in which there has been some miscarriage of justice, and the matter is very plainly within the purview of the Justice department here. It seems to me that the Justice department cannot stand aside and let this matter go unchallenged.

Mr. LAPOINTE: I think the gentleman interested in this case has made a mistake when he tries to make it a political issue.

Mr. GEARY: I never heard of it before.

Mr. KAISER: We are asked to provide $100,000 for the expense of running the legation at Washington. Will the details of the expenditures pass through the hands of our Auditor General, just the same as other departments, and will this be the practice in regard to the new legations that are about to be established in different countries?

Mr. MACKENZIE KING: Every cent of expenditure is audited by the Auditor General, and the particulars appear in his report.

Sir GEORGE PERLEY: The following appears in a Canadian Press despatch from Winnipeg; in Saturday morning's issue of the Ottawa Journal:

> The appointment of a Canadian minister to Washington will be followed before very long by the appointment of Canadian plenipotentiaries to Buenos Aires, in the Argentine, and to the capital of Mexico, Dr. W. N. Sage, assistant professor of history at the University of British Columbia, declared in the course of an address before the Canadian Historical Association, here to-day.

Mr. MACKENZIE KING: Mr. Sage has been posing as a prophet, but whether he will prove to be a reliable one or not I am unable to say. I would say to the committee that the government have no present intention of making any such appointments as those to which my hon. friend has just referred.

Item agreed to.

Miscellaneous—salaries and expenses, passport office, $23,000.

Mr. SPENCER: Does the money paid for passports meet the expenses of running the passport office?

Mr. MACKENZIE KING: The amount obtained by the government in fees for passports more than pays the expenses of the office.

Mr. KENNEDY: There seems to be a good deal of misunderstanding throughout the country with regard to these passports. For instance, a short time ago a man came to see me who wanted to get a passport to go to the old country. His complaint was that he was informed by the agent of the Canadian National at Edmonton that he would have no trouble whatever in Ottawa and he came from Edmonton to this city. He said that if it had not been that parliament was in session and I happened to be in Ottawa, he would have had great difficulty in getting his passport because there was no one else he knew in this city or anywhere east of Alberta to whom he could refer and who could identify him in order that he might obtain a passport. If we are going to have or if we must have a passport system, the railway agents and others selling tickets and acting as agents for steamship lines ought at least to be compelled to give to those purchasing tickets from them reasonable information regarding passports as well as in respect to all the other things it is necessary for them to know in order to proceed to the full length of the journey on which they are starting.

Mr. MACKENZIE KING: The same amount of knowledge with respect to passports is, I believe, current in Canada as in any other country. Anyone going abroad assumes, I imagine, that a passport will be required and it is very easy for an individual to ascertain where a passport is to be obtained. I think the railway companies, as my hon. friend has suggested, should advise all their agencies fully with respect to that requirement and thus help individuals purchasing tickets readily to obtain the information they need as to passports. I cannot think of any method that could be devised to make it easier for a Canadian citizen to secure a passport than that which exists at the present time.

Mr. KENNEDY: That is perfectly true so far as the passport office is concerned, but the railway agents—I think the Minister of Railways might take notice of this, and he might be able to help out—should give correct information and not start people out with wrong information on a journey from the ends of this country to Europe or some other place. The business of the railway agents is to sell tickets and I think they ought at least to be charged with a sense of responsibility and not to give out wrong information to people who are buying tickets from them.

Mr. DUNNING: I know as a matter of fact that all railway agents, particularly in the larger centres, are fully informed regarding the passport requirements, but I would hesitate to assume the responsibility for the possibility of individual error on the part of one or more of the many thousands of station agents in Canada. The railway companies, for the very good commercial reason mentioned by my hon. friend, place their agents in a position to supply a mine of information on many topics and among them is undoubtedly the passport question.

Mr. GEARY: They have forms, I understand.

Mr. MACKENZIE KING: Yes.

Mr. NEILL: I have had the same experience. A gentleman who came from my district was told by the agent that it was easy to obtain a passport. He said to him: Go through Ottawa and everything will be lovely. When he arrived in this city no one could identify him. I do not know whether it was the railway agent or a private agent who gave him, as my hon. friend said, false information, failing to tell him that he had to get statements and documents signed by local residents. Had he been told that he would have known what to do. I think some responsibility rests upon the railway companies to instruct their agents to give correct advice. It is a very serious thing for a person to come three thousand miles and then have to go back or wait here for some weeks in order to get the necessary documents.

Mr. DUNNING: I will see that this discussion is communicated to both railway companies.

Mr. GUTHRIE: Could the Prime Minister on this item assist me in a difficulty that has arisen in my constituency? An Italian named Gesmina, residing in Guelph, a British subject, who was not familiar with the passport regulations, went to Italy last August taking with him his naturalization certificate instead of a passport. He landed in Italy and although now he desires to return to Canada they will not let him out of Italy. The Italian government take the position that he entered Italy without a passport and he must not leave the country. I cannot get a passport for him now because I have no photograph of him. It seems, now that he is there, he is liable for some military service and they will not let him go. The man is a British subject and for twenty years he has been a resident of Guelph. Is there any way, diplomatic or otherwise, of getting that matter arranged?

Mr. MACKENZIE KING: I imagine that if Mr. Mussolini were advised that the acting leader of the opposition had brought this matter up in the Canadian parliament and had personal reasons for wishing to have it arranged, he would be prepared to have it put right. It would certainly appear that Mr. Mussolini has the necessary power.

Mr. GUTHRIE: If my right hon. friend will bring the matter to his attention, that might solve my difficulty.

Mr. MACKENZIE KING: I will do that with pleasure.

Sir GEORGE PERLEY: Under present regulations does every Canadian who goes simply to England have to have a passport?

Mr. MACKENZIE KING: That is the regulation. We have repeatedly discussed with the British government what seems to us to be something of an anomaly, namely, that a Canadian citizen must have a passport in order to get into the British Isles. The British authorities contend that after all time and trouble is saved by the passports which they require as a means of enforcing their regulations with respect to aliens. They think if Canadians have passports they will be subjected to less in the way of questioning.

Mr. GEARY: I am only surprised there is so little trouble. If it were not that we have a particularly efficient and courteous staff in connection with the passport office, we would have a great deal more trouble. The process is a most annoying and embarrassing one to go through, but they put it through with the minimum of trouble to the people concerned.

Item agreed to.

Miscellaneous — To provide for Canada's contribution to the expenses of the League of Nations for 1928—including Secretariat, International Labour Organization and Permanent Court of International Justice, $155,968.21.

Mr. GUTHRIE: I have another matter to bring to the notice of the Prime Minister. Complaints have been received by the leader of the opposition and no doubt by the Prime Minister himself from various cities in Canada where there is a more or less extensive Jewish population, asking that something be done in regard to the alleged persecution of the Jewish people in Roumania and, I think, in other eastern European states. The writers of these letters inquire why something cannot be done by Canada's representative on the League of Nations. I would ask the Prime Minister if this matter has been brought to his attention and if any steps have been taken to mitigate the trouble in regard to the Jewish population particularly in Roumania. I understand that anti-Jewish agitations have been going on in that country for some time. The relatives of many of these people are residents of the Dominion of Canada and they are naturally much alarmed at conditions which exist in Roumania. They expect, I think very reasonably, that our representative on the League of Nations should take this matter up with the idea of having these persecutions stopped.

Mr. MACKENZIE KING: I understand that the principle laid down by the League of Nations in matters of the kind is that the

minority adversely affected should themselves make representations to the league. I understand that in this particular matter of the alleged persecution of the Jews in Roumania, the minority have made representations to the league, and that the matter is at the present time before the council of the league. As my hon. friend knows, Canada is represented on the council of the league, and I am sure that the circumstance will occasion an extra interest on Canada's part in the matter which my hon. friend has brought up.

Mr. GUTHRIE: There is one other matter pertaining to the League of Nations. Complaints have also been made, and I have no doubt to the government as well as to the leader of the opposition, in regard to German currency which is held in this country to a considerable extent and was purchased during or after the war. It is said that in some countries German currency has already been redeemed out of the alien enemy property which has accumulated in the hands of receivers in various countries. There is a proposal, I believe, before congress now that German currency held in the United States shall be redeemed out of money held by the custodian of alien property in that country. Whether that proposal will go through congress I cannot say, but it seems that there is held a considerable amount of German currency, in marks, much of which was purchased at a higher figure, and much at a ridiculously low figure, but the holders of this currency are unable to obtain any payment at all from Germany. Could the matter be taken up either at the League of Nations or in any other quarter to see if some compensation could not be made to the holders of this German currency? Canada obtains a large amount of reparation money. Is there any provision in regard to that reparation money for the redeeming of this German currency?

Mr. MACKENZIE KING: It would seem as if German currency was in the same position as the depreciated currency of many other countries.

Mr. GUTHRIE: But the German currency has been repudiated altogether, I believe.

Mr. MACKENZIE KING: That may possibly be the case. At any rate it is depreciated to a point where a good many, I imagine, would be inclined to repudiate it. To take action in accordance with the suggestion of my hon. friend would mean that the government would have to consider very carefully the element of speculation that may have entered into the whole question of the holding of German currency, and I am afraid that were we to attempt to solve that phase of the question, we would get into a morass out of which we would never succeed in extricating ourselves.

Mr. ROSS (Kingston): Will the Prime Minister be good enough to explain what the increase in expenditure is due to? We are in for this expenditure now, but I think we should be careful that we have as little increase in expenditure as possible.

Mr. MACKENZIE KING: As my hon. friend will recall, Canada was elected to the council of the league, and that has involved some additional expenditure. The additional expenditure is accounted for in that way.

Mr. ROSS (Kingston): Now that we have a seat on the council of the league, what is our position in regard to the receipt of these notes from the United States in regard to peace?

Mr. MACKENZIE KING: Our position, I assume, is precisely the same as that of Great Britain and all the other nations that are members of the league.

Mr. ROSS (Kingston): It seems rather odd, now that we are spending a large amount on the League of Nations to preserve peace, that we should be receiving separately these notes from the United States.

Mr. MACKENZIE KING: I presume my hon. friend is referring to the invitation extended by the United States government to the great powers—

Mr. ROSS (Kingston): The Kellogg note.

Mr. MACKENZIE KING: My hon. friend will realize, of course, that the United States is not a member of the League of Nations, and it would not be in a position on its own initiative to communicate through the league. I think we ought to welcome as many invitations as possible to join in a movement of the kind.

Mr. ROSS (Kingston): Might it not have been preferable for us to stay out of the league? We might have been able to deal with these things better separately.

Mr. MACKENZIE KING: Oh, I think not.

Mr. McGIBBON: Is this increase for entertaining purposes?

Mr. MACKENZIE KING: I do not think it is, no.

Mr. CANTLEY: Will the Prime Minister explain these various increases? There are four of them altogether, totalling over $196,-

000. There is an increase in item 294 of $5,000 odd, an increase in the next item of $6,000, an increase of $5,000 in item 297, and a much larger increase in the other item.

Mr. MACKENZIE KING: I will do my best to explain the increases as we come to the various items.

Item agreed to.

Amount required for expenses of Canadian delegates to the assembly council and commissions of the League of Nations, $21,000.

Mr. MACKENZIE KING: The increase here is due to the circumstance I have already mentioned, namely, that we are on the council of the league, as well as being represented at the assembly. There are additional expenses arising out of representation on the council.

Mr. ROSS (Kingston): Will the Prime Minister explain what has happened this year or last year to account for the increase?

Mr. MACKENZIE KING: Last year Canada was elected to a seat on the council of the league.

Mr. ROSS (Kingston): Who took that seat?

Mr. MACKENZIE KING: The leader of the government in the Senate has represented Canada on one or two occasions on the council. At the next meeting of the council Canada will be represented by the Hon. Philippe Roy, who is at present Commissioner General in Paris.

Mr. CANTLEY: May I ask the Prime Minister what advantage accrues to Canada through a seat in the council, which increases our expenditure by $6,000?

Mr. MACKENZIE KING: That is a very large question. Representation on the council affords us a wider knowledge of affairs in which we are interested, and also enables Canada's voice to be heard in the councils of Europe on matters in which we are interested. My hon. friend doubtless heard the very eloquent and able address made this afternoon by the hon. member for St. Lawrence-St. George, in which he expressed his belief that Canada's influence was beneficial among the nations of the world, and that it would be increasingly so as the years go by. That is the view which the government holds with respect to our representation on the council of the League of Nations and it is because we believe we may be able to make a contribution that will be helpful that we have accepted a seat on the council.

Mr. McGIBBON: Was it the wish of the government of Canada that we be represented on the council?

Mr. MACKENZIE KING: That was a matter which the nations represented at the league themselves decided. The Canadian government did not take any part whatever in the matter.

Mr. SPEAKMAN: When does the next meeting of the assembly take place?

Mr. MACKENZIE KING: It meets on the first Monday of September each year.

Mr. SPEAKMAN: Is Canada preparing part of the agenda which will be discussed at that time? This is a matter of considerable interest to Canadians.

Mr. MACKENZIE KING: The preliminary agenda has, I understand, been prepared, but the final agenda has not yet come forward.

Item agreed to.

To provide for representation at Geneva, $17,000.

Mr. CANTLEY: Why the increase here?

Mr. MACKENZIE KING: It is to cover an additional secretary and stenographer. The work of our representation at Geneva has increased for the reason I have already mentioned—our representation on the council.

Mr. ROSS (Kingston): Who is the additional representation?

Mr. MACKENZIE KING: As to the addition to the staff at Geneva, the appointment has not yet been made. The appropriation will have to be provided first.

Item agreed to.

To provide publications of League of Nations for distribution to members of parliament and a grant to League of Nations Society of Canada, $3,000.

Mr. MACKENZIE KING: At first sight this may appear a considerable increase—$2,250. It is only a small portion of what was requested by the League of Nations Society of Canada. The government felt it would be furthering the wishes of parliament in giving to the Canadian Society an additional amount for the distribution of publications of the League of Nations.

Mr. SPEAKMAN: Can the Prime Minister give any idea of the success of the drive which has just been concluded for increased membership in the Canadian Society of the League of Nations?

Mr. MACKENZIE KING: I am afraid I cannot give my hon. friend any information. That is the work of the society itself, and I have not heard how successful the drive has been.

Mr. SPEAKMAN: I appreciate that it is not a government institution, but I thought the Prime Minister might have been in touch with the heads of the society.

Mr. MACKENZIE KING: I understand the society has been successful in increasing its membership considerably, but I am sorry that I cannot give particulars.

Item agreed to.

To provide for representation at Paris, including salaries and allowances for minister plenipotentiary, secretaries and staff, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments, $75,000.

Mr. GUTHRIE: What increased salary will our minister receive, and what increase in staff is necessitated by the change?

Mr. MACKENZIE KING: As my hon. friend is aware, the Hon. Philippe Roy is at the present time Commissioner General of Canada in France. Mr. Roy received his appointment in 1911, and has continued as Canada's representative ever since. He has served under different governments, and I think with entire satisfaction to all of them. His present salary is $12,000. It is not intended to increase his salary when Mr. Roy is appointed—as he will be, we hope—to the position of minister plenipotentiary. There will be an additional allowance for representation purposes. There will be a slight increase in the staff. Apart from that we do not expect that the expenses of the present office in Paris will be materially increased. I might say to my hon. friend that for some time past Mr. Roy has represented that the premises in which the present offices are situated are quite inadequate. Possibly hon. gentlemen will recall that when there was a thought of purchasing the Scribe hotel it was the intention to have the Paris office transferred to that building, had it come into the possession of the government of Canada. However, when that project was dropped the Canadian office in Paris remained where it had always been. We would have changed the office in any event, whether we had decided to open a legation in Paris or not. The intention is to move from the present premises to another part of Paris where better accommodation can be had and which will prove more convenient—the Rue Francois Premier. The rent of the new office will be a little higher, and some of the additional amount in the estimate is asked for on that account.

Mr. MANION: Does the Prime Minister mean that the new location will be more convenient for Mr. Roy or more convenient for Canadians who may have occasion to call there? I ask the question because I remember that the present office is exceedingly convenient for any Canadian seeking information. I do not know the street named by the Prime Minister.

Mr. MACKENZIE KING: If my hon. friend looks at a map of Paris he will find that most of the embassies and legations are located in the section of the city to which the office is being transferred. This section, I understand, is increasing in its business significance, and I believe the new location will be even more convenient to Canadians visiting Paris than the present one.

Mr. GUTHRIE: I think $12,000 was rather an inadequate salary for the Commissioner General in view of the duties he had to perform and the expenditure he had to incur. Now he is to be raised to the position of minister plenipotentiary is it the intention of the government to supplement his salary at all?

Mr. MACKENZIE KING: The salary remains at the figure at which it has been, but the government is making an increased representation allowance, as it is termed.

Mr. GUTHRIE: Is it included in the $75,000?

Mr. MACKENZIE KING: Yes.

Item agreed to.

To provide for representation at Tokyo, including salaries and allowances for minister plenipotentiary, secretaries, and staff, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments, $50,000.

Mr. GUTHRIE: Might I ask my right hon. friend to allow this item to stand until my leader returns?

Mr. MACKENZIE KING: Certainly.

Item stands.

Supplementary estimates—civil government External Affairs — Contingencies — further amount required, $7,000.

Mr. MACKENZIE KING: This vote arises out of the circumstance that we expect increased obligations arising out of the legations at Paris and Tokyo, and the addition of a high commissioner's office in Ottawa after the arrival of the high commissioner from England.

Mr. CHURCH: I should like to ask what item are we considering now? I wish to move an amendment to reduce this to a dollar. I so move that amendment. I will write it out.

The CHAIRMAN: Item 413 of the supplementary estimates. Shall the item carry? Carried.

Item agreed to.

DEPARTMENT OF RAILWAYS AND CANALS

Railways and Canals—Board of Railway Commissioners for Canada, maintenance and operation, $287,100.

Mr. BRADETTE: This vote brings up a question which is of considerable importance to my constituency. At least 90 per cent of the entire Canadian National Railway system is at present paying taxation, or at any rate compensation in lieu of taxation, to all municipalities along the system; but for some reason unknown to us we in northern Ontario are not receiving any compensation or taxation whatsoever. I have already referred to this subject; I brought it up when speaking on the address in reply to the speech from the throne at the beginning of the session. It will no doubt surprise hon. members that so far this question has not been brought to the attention of the house. I want to point out however that in northern Ontario the whole subject is under consideration. The town of Cochrane is taking a keen interest in it, being well organized for the discussion of these matters affecting that part of the country. We have been working on a policy for the last twelve years and have sent several delegations to Ottawa. We have met various ministers of different governments and we have also interviewed the provincial authorities. So far, however, the matter has never been discussed on the floor of this house. Now, I do not want to be parochial or regional, because this is a matter of national importance. The question of public and private ownership naturally involves the principle of taxation, and—

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): I know my hon. friend wishes to have sufficient time to develop this subject properly. I suggest therefore that this matter is more appropriately connected with the Canadian National Railway vote than with the vote for the Board of Railway Commissioners. The taxation of railways is a question that does not come within the purview of that board. My hon. friend doubtless has in mind the Canadian National board. I have no objection to his proceeding, but his remarks would be more in order, and he would have more time to develop his subject, if he waited until the Canadian National estimates were under discussion.

Mr. HEAPS: But the hon. member's remarks might apply to the Canadian Pacific as well as to the Canadian National.

Mr. DUNNING: Neither is under the jurisdiction of the Board of Railway Commissioners so far as taxation is concerned.

Mr. BRADETTE: Some principle governing the question of taxation, and applicable to both railways, should be arrived at. I know that this is a broad question, but it is one that will have to be discussed sooner or later, and the sooner we discuss it and come to some conclusion the better it will be for the country at large. I shall be perfectly satisfied to discuss it under another item, but I want to emphasize the fact that this discussion is absolutely necessary.

Mr. DUNNING: My hon. friend will understand that I have no objection to his going on; I was merely pointing out that the matter is not strictly relevant to the item now before the committee.

Mr. BRADETTE: Under what item does the minister think it would be best to discuss the question?

Mr. DUNNING: Unquestionably under the vote for Canadian National Railways.

Mr. BRADETTE: What time does the minister think that vote will come before the house?

Mr. DUNNING: I wish I knew; I can only say, some time before the end of the session. I will bear in mind that my hon. friend does desire to speak on the subject on that occasion, and will endeavour to make sure that he knows when the vote comes up. If in the meantime he is in the house as much as I am he will know when it is being discussed.

Mr. BRADETTE: That will be satisfactory under the circumstances, but I want it understood that it is my intention to bring the matter forcibly before the minister so that a conclusion may be arrived at before next session.

Mr. CHURCH: The item we are now discussing passed last session at four o'clock in the morning. At that time the minister promised to bring down certain information asked for in a motion for papers. That information has not been brought down. This commission was appointed a few years ago to facilitate the settlement of disputes between the municipalities and the railways, but so far as the exercise of any jurisdiction on the part of the commission goes, this item providing for $287,000 might as well be struck out. Indeed, I am going to move now that the item be reduced by $200,000. This commission has ceased to exercise its functions; it has ceased to invoke the powers, privileges and functions for which it was appointed. It

might just as well be abolished, and we might profitably go back to the law of supply and demand for all the commission has done in the way of regulating freight and passenger charges and express and telephone rates.

The people of this country are entitled to better treatment than they have been receiving at the hands of the commission. The Board of Railway Commissioners is not a court; it never was a court, some of the gentlemen on the commission are not lawyers and are not qualified to be judges. You might as well suggest that the Civil Service Commission was a court. A ruling was given recently to the effect that there could be no criticism of the commission because it is a court. When the bill was introduced into this house, under the Laurier government, setting up the commission the reasons given for the creation of the commission were that, in the first place, the railway committee of the privy council, which was a committee of the cabinet, was too busy and that, secondly, in a matter of this sort we should have railway and civil engineers on the board the commission was to be in effect a committee of parliament. This commission was created under the auspices of a great chairman, the late Mr. Justice Mabee, and later under Sir Henry Drayton. Under the chairmanship of those gentlemen the commission got somewhere, but now it has fallen from grace. One application with regard to express rates, has been before the commission for eight or ten years or longer than that, with the result that the commissioners who originally had the question under consideration have all died. No decision has ever been given in the matter. The members of the board are dead and gone, and no proper hearing has been held to determine the case. Now the express rates case must be heard all over again, and the municipalities have been invited to come back to Ottawa and see what can be done.

I have good reasons for moving this amendment; the railway commission has failed to exercise its power. Members of that commission are sworn to carry out their duties; they may go into matters of this kind of their own volition, without waiting for everyone to complain, in order to give the long-suffering people of this country some relief. I have looked over the list of cases for the last fifteen or twenty years and I cannot find one instance where they went into a case of this kind on their own responsibility, or volition, as the act says. That may be due to the fact that the government have not appointed the gentlemen best qualified to undertake this work of rate regulation. The Interstate Commerce Commission across the border has this same power, and they deal with cases of this kind on their own responsibility.

Mr. DUNNING: Just before six o'clock perhaps my hon. friend will answer this question: If the Interstate Commerce Commission is so useful in the United States, how is it that the rates in Canada are far lower than those which obtain in the United States?

Mr. CHURCH: The hon. gentleman can reply at the proper time, but I can give him some rate information he knows nothing about.

Mr. DUNNING: I am asking for it.

Mr. CHURCH: I can tell him about the way his railway is being operated.

Progress reported.

ANGLO-EGYPTIAN TREATY

Right Hon. W. L. MACKENZIE KING (Prime Minister): With the permission of the house I would like to table some correspondence, which last night I promised I would table this afternoon. The correspondence was requested earlier in the session by the leader of the opposition. It relates to the communications between Canada and Great Britain on the subject of the Egyptian treaty.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

LONDON AND PORT BURWELL RAILWAY COMPANY

The house in committee on Bill No. 58, to incorporate the London and Port Burwell Railway Company—Mr. Taylor—Mr. Johnston in the chair.

On section 1—Incorporation.

Mr. TAYLOR: This is a bill to incorporate the London and Port Burwell Railway Company. The company propose to construct and operate a railroad line from the town of Port Burwell, in the county of Elgin, in the province of Ontario, to the city of London, in the county of Middlesex, in the province of Ontario, a distance of some thirty-four miles. At Port Burwell, the lake terminal of this railway, there is a well-developed harbour capable of accommodating the largest lake vessels. This harbour has a channel depth of about 25 feet and a turning basin of 650 feet. Only one side of this harbour is being utilized at the present time, yet it

contributed last year over $160,000 to the revenue of this Dominion. The inland terminal of this railway line will be the city of London, with a population of approximately 65,000 people. London is recognized as a distributing point for freight in southwestern Ontario.

The primary object in constructing this railway is to supply cheap transportation facilities for the products of coking ovens, which this company propose to build at Port Burwell. This is provided for in the amendment as clause 16, which reads as follows:

Provided, however, the Board of Railway Commissioners shall not exercise its powers under sections 166, 167 and 170 of the Railway Act except and until either:—

(a) a coking plant, fully equipped, has been established at or near Port Burwell at a cost of at least $700,000; or

(b) a bona fide contract has been entered between responsible parties for the construction of a coking plant, fully equipped, to be established at or near Port Burwell at a cost of, at least, $700,000 and a sum of, at least, $200,000 has been expended in and/or on the construction of such coking plant; all to the satisfaction of the Board of Railway Commissioners.

Western Ontario will thus be assured of an industrial development of the greatest value to that section of the province, helping to solve the fuel problem in that locality and also assist in the establishmenet of other industries which are sure to follow a development of this kind.

This bill was gone into very thoroughly in the committee and it was shown that the freight to be carried by this company will be new business, a product of their own development. I feel that I scarcely need appeal to the house for the passing of this bill when hon. members become aware that favourable action will mean the expenditure or employment of a large amount of new capital in the country, and capital which will assist in solving a great problem in the industrial and economic life of Ontario. In doing this it will not place any burden whatever upon any part of our country.

I should like to emphasize one more point, Mr. Chairman, and that is that the promoters of this company are not asking, nor do they intend to ask, for any assistance, financially or otherwise, except that they be given the privilege to spend their money in this manner. When the question of the capital necessary for the construction of this project was discussed in the committee, clause (4), providing for the capital stock of the company, was deleted from the bill. I, therefore, beg to move:

That the following be inserted in the said bill as clause 4:—

The capital stock of the company shall be five hundred thousand dollars.

Mr. GUTHRIE: Are we down to clause 4 yet?

Mr. MANION: Is not that amendment out of order?

The CHAIRMAN: There is no amendment to section 1. Shall the section carry?

Mr. WHITE (London): Before this clause is declared carried I wish to make a few remarks in regard to this bill. I represent the city of London in this house, that city being the northern terminus of the proposed line, and I am opposed to the passing of the bill. I think I can give the committee some good reasons why the bill should not be passed.

This bill proposes to grant a charter to a railroad from Port Burwell to London, Port Burwell being on the north shore of lake Erie. There is already a railroad in operation running from the shore of lake Erie to London, and owned very largely by the city of London—the London and Port Stanley Railway. The proposed line starts at Port Burwell, which is about seventeen or eighteen miles east of Port Stanley, and runs to London in a northwesterly direction. The route of the London and Port Stanley road, which connects London with Port Stanley, is a direct line south by the shortest possible route to the shore of the lake. This road is about twenty-four miles long, while the proposed London and Port Burwell road would be thirty-four miles long, according to the sponsor of the bill.

I should like to give the committee a short history of the existing road. In the early days before railroad accommodation was what it is to-day, London suffered a great deal from very high freight rates, and in an endeavour to extricate herself from that position—and in fact the people of St. Thomas were in the same position—certain residents and officials of London and also of St. Thomas organized a company and secured a charter for the London and Port Stanley Railway. That charter was secured in 1853 so that the road has been in existence for seventy-five years. When the charter was secured there were a few private shareholders concerned as well as the municipalities of London and St. Thomas. The road commenced operations under the direction of the London and Port Stanley Railway Company in 1856 and it continued under that direction until 1874. It was then rented to the Great Western Railway and that lease ran for twenty years. The Great

Western Railway was absorbed in 1882, the Grand Trunk Railway took over that road and also of course took over the lease of the London and Port Stanley Railway. The Grand Trunk railway operated the latter road until 1892 and then, having failed to secure the stock of the road by purchase at its own price, it abandoned operations in 1892, two years before the expiration of the lease. During this time the Grand Trunk secured some shares of the stock and the stock now stands about four-fifths owned by the city of London and one-fifth owned by the Grand Trunk or the Canadian National Railways.

London bought out the shares of the city of St. Thomas in 1893, paying therefor the sum of $40,000. After the cessation of operations by the Grand Trunk there was a period in which a certain United States syndicate rented the road, but they did not operate it very long. They gave it up and finally the city of London leased it to the Pere Marquette Railway for a period of twenty-one years for a rental of about $12,000 per annum. The operation by steam continued until 1915, but it was not very satisfactory and the roadbed and bridges were allowed to depreciate. The service as regards both passenger and freight were very poor. In fact business declined very materially and of course the trunk roads had no particular object in keeping the road open to the lake. The longer haul west or east gave a great deal more to those railroads than they could get by bringing material from Port Stanley to London; so the road was allowed to decline. Prior to 1914 the city of London had invested about $520,000. That was an actual investment of cash and there were certain arrears of interest which amounted to a great deal more than that. In 1914 the city of London, being the largest creditor, took over the road. It rebuilt it, installed new 80-pound rails, new bridges, new stations and freight houses, new carshops and barns, and a great deal of new rolling stock was purchased. The road was electrified and London started operations in 1914, using hydro-electric current as the motive power.

I should like to say a word about the construction of the line. Some people have the idea that an electric line is some little line that runs alongside a highway without any particular regard for curves, grades or anything of that kind and that it probably runs all over the countryside before reaching its destination. But in this case it is a line that goes straight from London to the lake and the rails which were put in by the city of London in 1914 are 80-pound rails. A great deal of broken stone was used as ballast and the other construction pertaining to electrical matters is also up to date. The road was electrified largely by the enterprise of the late Sir Adam Beck, and in installing that equipment he had the idea of making the road a standard for the hydro-radials which he was then promoting. Consequently the construction is particularly good. For example, the method of suspending the live wire is a little out of the ordinary. Steel towers were used set in cement instead of the ordinary wooden poles, and cables were stretched from tower to tower with a certain amount of sag between towers. The live wire was suspended from the cable by hangers of varying lengths in such a way that the live wire is horizontal throughout its length.

I am giving these details so that the committee will understand just how important this installation is and how well it was done. In fact the character of the construction is comparable with that which is used in electric tracks through tunnels and also in United States cities where they do not allow steam locomotives to go into the centre of the city. The construction is first class throughout and is such that steam roads have been using that electric road on occasions when they have mishaps on their own lines. Only three weeks ago I saw several freight trains come in hauled by Wabash engines which came over from St. Thomas to London and thence went east on the Canadian National. In that construction the city of London spent from 1914 to 1927 some $1,434,000. The road is of great importance to the whole district and particularly to London where there are three large industrial establishments situated along the line. One of these is the stove and furnace branch of the McClary works, advertised as being the largest stove and furnace plant under the British flag. Thus hon. members can see that the Port Stanley road is of great importance to the city of London in regard to freight handling. It also provides an entrance to the city of London from the city of St. Thomas by the Michigan Central, that road having made an arrangement with the London and Port Stanley for the handling of freight. That arrangement is subject to revision every five years and subject also to the approval of the Dominion railway commission.

At Port Stanley the harbour has been greatly improved by the Dominion public works department. We have twenty-two feet of water in the inner harbour and twenty-

four feet outside with about one thousand feet of dockage and a turning basin probably eight or nine hundred feet in diameter. A great deal of freight is brought in by boat to Port Stanley. The Cleveland and Canada Navigation Company run passenger and package freight boats from Cleveland. The Canada Steamship Company make Port Stanley a port of call and a great deal of package freight is handled from Montreal, Toronto, Hamilton, up to Port Stanley and consequently through western Ontario by the London and Port Stanley road. Then we have a car ferry which connects Conneaut with Port Stanley and which handles about 35 or 40 loaded cars per trip. We also have the Century Coal Company which is established there, handling coal in bulk. It proposes to handle about 300,000 tons of coal this year. In committee the statement was made that the London and Port Stanley railway could not handle coal. The fact is that the London and Port Stanley railway has been handling coal every day, and has done so for twenty years or more. I have a communication here from the manager of the road in regard to its capacity as a freight-handling proposition, from which I should like to quote a few paragraphs. He says:

> We have three sixty-ton electric locomotives, each equipped with four 250-horsepower motors.

The statement was made in committee that eight hundred tons of freight was the limit of a train load. I explained to the committee that while 800 tons is the limit handled to-day, it is not necessarily the limit that can be handled by these locomotives. That figure of eight hundred tons is set in order to keep the power charges down. Those who understand the method of charging for electric current will very readily understand that the peak load charge in connection with electric energy is a very heavy one. The charges for electric energy are computed in two ways: First, in computing the monthly power bill there is the demand or peak load charge, which is based on the highest horse-power used for a period of ten minutes during any day during the month in which the power is delivered. After that, the charge for the current is so much per kilowatt hour. Inasmuch as the charge for peak load or demand makes up about one-third to one-half of the power bill, it will be readily understood that it is very important to keep down the peak load. The manager says:

> Eight hundred tons of coal is the maximum tonnage allowed for one train for the purpose of keeping the power peak down, but this is not the capacity haul of one locomotive. One locomotive could haul from Port Stanley to St. Thomas approximately 1,040 tons. If volume of business warranted and power was available, then it no doubt would be profitable to raise the tonnage allowance to the limit.

Further he says, referring to a vessel load of coal which came in shortly before he wrote:

> With reference to the movement of 7,000 tons of coal which arrived at Port Stanley in one vessel, it will be noted that a total of 120 cars, comprising 7,200 tons, was handled from Port Stanley and delivered to our connections within the time of 50 hours. Other business handled northbound for the same period consisted of 1,731 tons, which comprised car ferry business and regular business between St. Thomas and London. Southbound movements during the same time accounted for 4,493 tons.

He also says, in regard to capacity:

> The maximum number of tons that could be handled by one sixty-ton locomotive with the present restriction of 800 tons out of Port Stanley would be approximately 9,360 tons per day. The maximum number of tons that could be handled with one sixty-ton locomotive with no power restrictions would be approximately 12,480 tons per day.

So the committee can very readily see that the question of insufficient power or insufficient equipment is not a vital one, because the road is well equipped in those respects, and can handle all the tonnage that is available.

Then in addition to the freight business, the passenger business has developed to a great extent. Port Stanley has become a very popular summer resort, as it has a very desirable bathing beach and picnic ground. Since electrification there has been a marked increase in passenger traffic. The passenger business in the last year of steam operation (1915), amounted to 100,000 paying passengers. In both 1925 and 1926 there were over 1,000,000 paid passages each year on the railway, and last year, 1927, there were 700,000 passengers carried.

Now a word as to the management and the general financial results. First of all, I want to explain to the committee just how this road is being operated by the city of London. The London and Port Stanley Railway Company as at first organized is still in existence. That company is comprised of the mayor of the city of London as president, and eight aldermen, composing the board of directors, the city clerk acting as secretary. The company thus organized took over the property in 1914, and leased it from January 1, 1914, to the city of London for a period of ninety-nine years. The city of London appoints the London railway commission, which operates

the road. That lease and that agreement were confirmed by an act of this parliament, chapter 16 of the statutes of Canada, 1914. By it, certain rentals are payable to the city of London varying from $20,000 per year up until 1923, to larger amounts, until $50,000 per year is reached in the final years of the lease.

As to the financial outcome of our operations, the road from 1916 to 1921 paid all expenses, all taxes, rentals, operating costs, interest and sinking fund and had a surplus each year of quite a substantial sum. About that time, owing to the establishment of good roads, the competition of motor trucks and passenger automobiles became so severe that the surpluses were changed to deficits, and since then we have had a deficit each year. I should like to quote from the manager's statement in the year 1925. He says that between July 1, 1915, and December 31, 1923, the railroads paid to the city of London in rentals, $170,000; sinking fund, $170,000; accumulated surpluses, $157,000; and some other items which are too small to enumerate, which make a total of about $527,000 or a yearly average of $62,000. Those are profits over and above operating charges, interest on debentures, taxation, and other items that are met out of earning. This road is of such importance to the city of London that even if a loss were incurred each year, I am very much of the opinion that London would continue to operate the road and consider it good business, not only because of the freight that is handled, but because of the means it affords of getting people to Port Stanley.

The early stages of the road's operation proved that the road can be operated at a profit provided sufficient business is available. The difficulty is that the road is in more or less of a starved condition so far as traffic is concerned, but physically it is kept up in A-1 condition. The position is this: We need more business, and the statement of the manager of the road is that it could handle three times the business it now handles if the traffic were available. In that case, of course, the overhead would be spread over a larger tonnage, and consequently it would be much easier to make the road pay.

This is not the first time that competition has been offered to the London and Port Stanley railway. The Southwestern Traction Company started in business in 1906 or 1907. It inaugurated a line from London, through Lambeth to Port Stanley, and did a considerable business in its early years, but it failed to make profits, and was taken over in 1910 by the London and Lake Erie Transportation Company. That company had

charters for building roads to various towns and villages in western Ontario—Port Burwell, by the way, was one of them—but after operating about five years it was forced into liquidation, and those who had invested their money in it, including many farmers and others residing along the line of the road, lost large sums. This is proof of the fact that there is not enough business in that section of the country to keep two roads operating at a profit.

There was another line which proposed to come into competition with the London and Port Stanley railway, and that was the Erie, London and Tillsonburg railway. A charter was granted for that railway in 1906, and although five or six extensions of time were granted, no work was done and the charter finally expired in 1916, those who had taken out the charter evidently not being convinced that there was a prospect of sufficient business even to start operations.

The proposed charter is opposed by the London railway commission. In a resolution, after reciting the circumstances, they state:

It is the wish of the commission that the council write the member for the city of London and ask him to do everything possible to oppose the granting of a charter to the London and Port Burwell Railway Company.

The London chamber of commerce are also on record in the following resolution:

This civic institution therefore supports the London and Port Stanley railway commission of the city of London in the protest against the granting of the charter to the proposed Port Burwell-London Railway and desires to register this decision with the member for London.

The city council of London are also on record in the same direction in the following resolution:

Be it therefore resolved that the federal government be petitioned to refuse the application, and the clerk instructed to furnish every member of the federal parliament with a copy of this resolution, and the member for London and the several members of the federal parliament urged to oppose the granting of the said application.

Then it is opposed by the city council of St. Thomas in a resolution which reads as follows:

That Mr. M. F. Hepburn, M.P., be advised that the St. Thomas city council are opposed to the proposed London and Port Burwell Railway Company as set forth in the application dated at Tillsonburg January 26, 1928, a copy of which was sent to this council by Donald F. Gibson, solicitor for the applicants.

Mr. HEPBURN: Is not the hon. member well aware of the fact that since that time the city council have passed a second resolution in which they state that the city of

St. Thomas is content to leave the matter of the London and Port Burwell Railway charter to my judgment?

Mr. WHITE (London): I was not aware of that fact. I did hear a statement made by the member for West Elgin (Mr. Hepburn) that the mayor of St. Thomas had sent him a telegram in which he said something of the kind; but it was a private telegram, and inasmuch as the hon. member did not quote any communication from himself to the mayor, it is pretty hard to tell what circumstances brought about that message. But this resolution is dated May 3, and so far as I know is the last official record on the books of the city council of St. Thomas. It might be of interest too to the hon. member for West Elgin to look up some of the press notices in which it is stated that the people of Port Burwell will boycott the people of London and St. Thomas because of their objection to the London and Port Burwell Railway charter. So while the mayor of St. Thomas and the hon. member are in agreement, there are probably other people in St. Thomas who will have something to say about that a little later on. This application is also opposed by the Canadian Pacific Railway and the Canadian National Railways. I shall have something to say about the railway situation a little later.

According to clause 16 of the bill, it is proposed to install a coking plant at Port Burwell with a daily capacity of 675 tons. We contend that such a coking plant might very well be located at Port Stanley, for the reason that it would put the producers of coke in closer proximity to St. Thomas and London, and I have no doubt an arrangement might be arrived at with the London railway commission whereby the gas, a by-product of the coking process, could be piped to those two cities along the right of way of the London and Port Stanley railway. The London and Port Stanley railway is well able to handle all the coke that may be turned out by the proposed plant at rates fixed, of course, by the Dominion railway commission. The London railway commission is ready to talk business with the promoters of the coking plant and we contend that a daily output of 675 tons is not sufficient to warrant the building of another railway line.

I oppose the bill for the reasons that I have enumerated, and also on account of the increased losses which will be incurred by the city of London if the proposed railway is built. The city of London has invested roughly about two million dollars in cash in the London and Port Stanley railway, and any division of the existing business must of course result in further loss to the city.

I contend, Mr. Chairman, that there is no demand for increased railway facilities in the district to be traversed by the projected line. It is already served by the Canadian Pacific railway running from Port Burwell to Ingersoll and thence to London, Port Burwell being served by this railway and Port Stanley by the London and Port Stanley railway. The proposed line starting from London will cross the Canadian Pacific railway running from St. Thomas to Ingersoll; it will cross the double-track line of the Michigan Central railway, running from St. Thomas to the Niagara district; it will also cross the Canadian National railway at Aylmer, making these three crossings in a distance of less than ten miles. The district is well served with railways. There is no influx of population, there is no increase in manufacturing, there are no new industries to any marked extent, and from a very careful scaling of the map I find that no section of the district is more than eight or nine miles from a railway; in fact I am quite within the mark when I say that ninety per cent of the people live closer than five miles to a railway. I repeat, the district is well served with railways and does not need any more trackage.

The sponsor of the bill stated that this coking freight would be all new business, but, as I have stated, there is no influx of population, and consequently no increased demand for fuel and things of that kind. The present business will have to be divided among all the roads already operating there, and if one more is built it means that there will be so much less business for each road. May I have the attention of the Minister of Railways for a moment?

Mr. DUNNING: Certainly.

Mr. WHITE (London): I want to direct his special attention to the objections of the London and Port Stanley Railway in opposition to this proposed charter. The matter of granting promiscuous charters to promiscuous companies is one which this house should take into its serious consideration. We all remember the circumstances of the taking over by the Canadian National Railways of many lines which originally were built to compete with one another, and the minister will bear me out when I say that if he had succeeded to a number of lines that had been built in the first instance to co-operate rather than to compete he would have a much easier task now in making the Canadian National rail-

ways a paying proposition. These roads have been installed in various places and this one may be installed if the house sees fit; but in time it may have to be taken over by the Canadian National Railways or someone else. I want to direct the attention of the minister to the fact that the Canadian National holds one-fifth of the stock of the London and Port Stanley Railway.

Mr. DUNNING: It has not been worth much up to now.

Mr. WHITE (London): Considering the figures I put on Hansard as to the paying qualities of the London and Port Stanley Railway it has probably paid a little better than the Canadian National.

Mr. DUNNING: We have not had dividends from the London and Port Stanley Railway.

Mr. WHITE (London): Nor from the Canadian National. I wish also to direct the minister's attention to the fact that this proposed line crosses the line of the Canadian National railways at Aylmer, coming into direct competition in that district with the Canadian National. It is therefore bound to affect freight to some extent. I suggest that he consider this question of direct competition with the Canadian National railways.

I would also appeal especially to the Minister of Public Works (Mr. Elliott). He is a resident of London; he is a taxpayer of London; and he has heard what I have said. He is well acquainted with the circumstances and knows the history of the London and Port Stanley Railway from its inception. I appeal therefore to him to use his good business judgment in this matter. The same appeal I have made to the Minister of Railways is applicable to every member of the house. It seems to me that in the interests of good business the house can do no better than reject the bill.

Mr. HEPBURN: The hon. member has given, with respect to the London and Port Stanley Railway, an argument which has no relevancy to the bill before the house. Certain statements have been made with regard to the attitude of the people of the city of St. Thomas, and as the representative of that city I feel it my duty to spend a few minutes explaining the situation. The people of that locality realize that new developments have taken place in the transportation of coal into southern Ontario. Instead of taking it by freight around the lake they are now inaugurating cross-lake shipment in bulk. They must therefore provide proper facilities. This new company first approached the London and Port Stanley Railway with a view to buying the road but it was not for sale. Then they turned to Port Burwell harbour, where the government has spent $1,500,000. They bought a piece of land there on the assurance that there would be no opposition from the city of London. They then propose to build from Burwell to London a line which does not parallel the London and Port Stanley railway.

The present objection coming from the London and Port Stanley railway is hard to understand especially in view of the fact, not only that they are in financial difficulties today, but that the crown attorney of the county of Middlesex is investigating charges of corruption and bribery against the London and Port Stanley Railway. In fact, the mayor of London was elected on an issue which involved the operations of the London and Port Stanley Railway. That railway is claimed to be a political enterprise. As a matter of fact there is very little sympathy for that railway and its present management.

In regard to the opposition of St. Thomas, it is true that they passed a resolution opposing the railway unless it came through the city of St. Thomas. At the same time the city of London was opposing the same railway on the ground that it was proposed to build the railway to the city of London. This only shows the anomaly of the situation. Later on the city council of St. Thomas passed a resolution to the effect that they were content to leave to my judgment the matter of the railway charter, and that is the present position so far as St. Thomas is concerned.

I have here several letters, one in particular from the reeve of the township of Yarmouth, in that locality, who states that after making a careful investigation with regard to the proposed line he finds that the people of that district are very much in sympathy with the new railway, and that no doubt it will be connected with one of the biggest industrial developments now pending in southern Ontario. As a guarantee of good faith in the matter, these people are willing to build an $800,000 coking plant and to spend several millions in the construction of their railway. They have made a careful survey of the whole situation and have definite plans establishing the feasibility of the project. I will not take up the time of the committee further, and in view of the fact that we have only a few minutes left for the consideration of private bills, I move that this bill be reported.

Motion agreed to on division: yeas, 75, nays, 46.

Bill reported.

CONSIDERED IN COMMITTEE—THIRD READINGS

The CHAIRMAN: Will it serve the purpose of the committee to take all these divorce bills together, giving the numbers and the names?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: On division.

Bill No. 292 for the relief of Edward Aranha.—Mr. McGregor.

Bill No. 293 for the relief of Mildred Jarvis Aspinall.—Mr. Anderson (Toronto).

Bill No. 294 for the relief of William Bell.—Mr. Anderson (Toronto).

Bill No. 295 for the relief of Lilias Agnes Cressman.—Mr. Young (Toronto).

Bill No. 296 for the relief of Jane Glass.—Mr. Geary.

Bill No. 297 for the relief of Laura May Hinscliffe.—Mr. Edwards (Waterloo).

Bill No. 298 for the relief of William Hogg.—Mr. Pettit.

Bill No. 299 for the relief of Helen Horn.—Mr. Jacobs.

Bill No. 300 for the relief of Jessie McPherson.—Mr. Hocken.

Bill No. 301 for the relief of Sylvia Ortenberg.—Mr. Hepburn.

Bill No. 305 for the relief of Florence Reno Moxon Attewell.—Mr. Casselman.

Bill No. 306 for the relief of Mary Irene Boyd.—Mr. Hepburn.

Bill No. 307 for the relief of Augustus Vernon Ellis.—Mr. Church.

Bill No. 308 for the relief of Agatha Jean Hobbs.—Mr. Anderson (Toronto).

Bill No. 309 for the relief of Hazel K. Clunie Howard.—Mr. Howard.

Bill No. 310 for the relief of Helen Stewart Graham Lovell.—Mr. Casselman.

Bill No. 311 for the relief of Marie-Anne Palardy Murphy.—Mr. Jacobs.

Bill No. 312 for the relief of Joseph Patrick Nolan.—Mr. Stinson.

Bill No. 313 for the relief of John James Ward.—Mr. Anderson (Toronto).

Bill No. 315 for the relief of Irene Matilda Ballinger.—Mr. Lennox.

Bill No. 316 for the relief of John Hare.—Mr. Lennox.

Bill No. 318 for the relief of Francis Marmaduke Steele.—Mr. McPhee.

Bill No. 319 for the relief of Rose Tlustie.—Mr. Bowman.

Bill No. 302 for the relief of Thomas Joseph Warmington.—Mr. Geary.

Bill No. 317 for the relief of Helena Martyniuk.—Mr. Jelliff.

Bill No. 320 for the relief of Robert Anderson Traill.—Mr. Jelliff.

Bill No. 329 for the relief of Bernice Alberta Haight.—Mr. Spence.

Bill No. 330 for the relief of Rose Eadie Harris.—Mr. Casselman.

Bill No. 331 for the relief of Mildred Florence McGowan.—Mr. Smith (Stormont).

Bill No. 332 for the relief of Gabrielle Norton.—Mr. Boys.

Bill No. 333 for the relief of Grace Elizabeth Parker.—Mr. Anderson (Toronto).

Bill No. 334 for the relief of Charles St. Clair Parsons.—Mr. Young (Toronto).

Bill No. 335 for the relief of Ivy Reader.—Mr. Hay.

Bill No. 336 for the relief of James Ramsey Sloan.—Mr. Anderson (Toronto).

Bill No. 337 for the relief of Harold Wilfrid Vivian Vincent Turner.—Mr. Bell (St. Antoine).

Bill No. 338 for the relief of Gordon Thomas Wilson.—Mr. Anderson (Toronto).

Bill No. 323 for the relief of Violet Claire McCredie.—Mr. Sanderson.

Bill No. 324 for the relief of Garnet Britten Walton.—Mr. Anderson (Toronto).

Bill No. 325 for the relief of Rebeina Pearl Bolingbroke.—Mr. Pettit.

Bill No. 326 for the relief of Manassa Fretz.—Mr. Anderson (Toronto).

Bill No. 327 for the relief of Charles Henry Gifford.—Mr. Casselman.

Bill No. 328 for the relief of Joseph James Harold Graham.—Mr. Clark.

Motion for third reading agreed to on division.

SUPPLY

DEPARTMENT OF NATIONAL REVENUE

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

National Revenue — salaries, including appointment of Miss Ellen Kerr at $1,860, notwithstanding anything contrary in the Civil Service Act—contingencies, $793,870.

Mr. CAHAN: As this is a vote in respect of the Department of National Revenue, perhaps I may be allowed a few moments to call attention to the fact that the customs and excise enforcement officer at Notre Dame des Bois was dismissed for partisanship. In the reply to an inquiry which I made of the minister I find that this officer, who was dismissed on December 6, 1926, had been for seven years and seven months an efficient officer of that department, and that during that time he had paid 5 per cent of his salary as a contribution to the superannuation fund.

No inquiry was granted; in his reply the minister stated that an inquiry was asked for by the service bureau of the Canadian Legion of the British Empire Service League and I am informed, although I have not the documents here, that this official also asked for an inquiry. Whatever may happen in regard to the Post Office department, I say that an officer who has served for seven years, who has paid several hundreds of dollars into the superannuation fund, and has been an efficient officer without any complaint being made against him during that term of years, should not be dismissed without an inquiry, on the word of any member of parliament or any supporter of the government.

If I am not mistaken, the alleged political partisanship of this officer—I trust I am not confusing him with another dismissal, but unfortunately I have not the documents of the file in my desk to-night—took place when he was not at the office at Notre Dame des Bois, but when he was absent performing a special duty at the border. I am informed that the office of the customs department at Notre Dame des Bois is in a building which is used in part for the customs office, another part being rented for other offices, and the upper portion of the building being used as a residence. During the election campaign when this officer was absent, not in town at all but miles and miles away, the proprietor of this building allowed the Conservative candidate, who had his campaign quarters in a building on the opposite side of the street, to stretch a line on which he put a flag indicating to the passers-by on the street where the Conservative headquarters were. I am informed that this official had absolutely nothing to do with that. As I said, he was away on special service at the border, and if the facts as reported to me are correct an inquiry should certainly be granted, and I am surprised that none was granted.

He was dismissed on the complaint of partisanship made by a member of parliament. If the government are going to dismiss officials of long standing, with competent and efficient service, without an inquiry when asked for, they at least should have the sense of justice to hand back their contributions to the superannuation fund. I think the matter is one that should be inquired into carefully, and I trust that the minister, despite the fact that he has taken action on the word of a member, will inquire further. I am not imputing any dishonesty to the member, but I know that in my own constituency I have often received information by word of mouth which I found to be utterly unreliable. There should be some ways and means of getting behind mere gossip and inquiring into the facts to ascertain whether this man has really been a political partisan during the election.

For my own part, I entirely disagree with the practice that has been followed by both political parties with regard to dismissals for partisanship. I have felt that way ever since I was a young man in Nova Scotia. I went to address a political meeting in Tusket, Yarmouth county, and my mother was lying ill at the village where I was born, some four or five miles out. I went to see her and had dinner with her, and when I got off the train, it being a small village, I had difficulty in finding someone to drive me across country. I asked a relative of mine, who happened to be the village postmaster, to drive me to the place where I was to meet Sir Charles Tupper and address the meeting, and the result was that that relative was dismissed because he had done me the kindness to drive me across country from my mother's place to the village of Tusket. As a young man, the thing rankled in my mind for many years, and ever since I have been opposed to dismissals of that class for so-called political partisanship.

Mr. EULER: I will admit that the matter to which the hon. member has just referred has given me some little concern. The dismissal took place entirely in accordance with the principle that has been observed by all parties. The complaint of a member of the house that an individual has been exercising partisanship in elections has always been accepted by the minister as a reason for dismissal. I have followed that principle, but I am glad to say there have not been many instances in my own department. I am not going to express an opinion as to whether that is a good practice to follow, although perhaps I might be just so bold as to say that I have a good deal of sympathy with the position taken by my hon. friend. Although many members may differ with me, I can see no particular reason why, where a man happens to be in the service of the government, he should not be allowed to exercise any influence he may have on behalf of any political principle in which he believes. However, I will have to take any responsibility there may be in following out the practice that has always been followed.

So far as the complaint of the man is concerned, I do not recall that he himself made an application for an investigation. So far as my memory serves me, an application for an investigation did come from some soldiers' organization. A reply was sent to the effect that an inquiry would be granted, but I under-

stand that no further application was made, and that the man disappeared entirely from the neighbourhood in which he had been employed.

Mr. CAHAN: I am informed that he had to go to another district to earn a living for himself and some others who were dependent on him.

Mr. EULER: If the man has returned and desires an investigation I shall certainly comply with his wishes. I will be quite frank and say that once an officer has been discharged in accordance with this particular custom—I am referring to the word of a member—if it is found that he has not been guilty of such practices, I do not know just how he could be restored. The Civil Service Commission, of course, would have to reappoint him.

Mr. JACOBS: Supposing it were found on investigation that the man was a Liberal, what would you do then?

Mr. EULER: I will say very frankly, to my hon. friend, and I think he will believe me, that it would not make any difference. The Civil Service Commission is the body entirely in control of that matter.

Another point was mentioned in regard to this matter—the return to the discharged employee of the sum which he had paid into the fund. Personally, I am of the opinion—I am not speaking for the government—that no matter what the reason might be for discharging an employee, he is entitled to receive back the actual amount of money he has paid into the treasury.

Mr. BELL (Hamilton): Surely it would be a comparatively simple matter to reimburse a man the amount he has paid in, and surely a man is not to be turned out without even the semblance of a trial. That, I understand, is what the hon. member for St. Lawrence-St. George (Mr. Cahan) is contending. If this house is to accept as a guiding rule in the future that the government is going to act upon the basis of turning men out without an investigation to get the particulars, let us know it, and let us be guided by it, but let the position be definite.

Mr. EULER: I would say to my hon. friend that it has been very definite in the past, as the member for St. Lawrence-St. George stated a moment ago, and the practice that was followed in this case has been the practice for many years under all governments. If the practice is wrong and the house decides so, it might be well to change it.

Mr. BELL (Hamilton): That is what I am asking the minister. It being wrong, let us change it.

Mr. JACOBS: I agree entirely with the hon. member for West Hamilton and with the remarks made by the hon. member for St. Lawrence-St. George. The fact that a rule of this kind was established by a Tory government does not mean that it is right. I believe in following the Tory party when they are right but certainly not when they are wrong. This seems to be a flagrant case of injustice in dismissing a man from his employment on the mere statement of a member of parliament. Sometimes even members of parliament make mistakes. After all I do not consider that the word of a member of parliament is to be looked upon as Holy Writ. This case is unusual and it seems to me that it behooves the Liberal party, which always claims to be a little better than the other parties, to change the rule and to see that justice is done to this man, be he Liberal or Conservative or even Progressive. My good friend the Minister of National Revenue is not bound by rules which he found in the department when he came in, whether they were laid down by Liberals or by Conservatives. He is a man of pretty independent views and I am surprised that, having a case of this kind before him, he would be willing to follow in the footsteps of former ministers who were not quite so punctilious as he is in matters of this kind. If this rule was wrong, I do not care whether it was inaugurated by Liberals or by Conservatives, surely we ought to have manliness and independence enough to set it right. An investigation ought to be had into the case and if the facts are as stated by the hon. member for St. Lawrence-St. George, the man ought to be reinstated.

Mr. HANSON: I should like to ask the minister whether under the regime of this government, if not under himself, it has not been the practice to take the word of a defeated candidate and to have a man dismissed without investigation. I am not at all sure about the matter and I am asking for information only.

Mr. EULER: I can speak only for myself. It has never been done so far as I am concerned. The word of a defeated candidate or anyone else is not taken, but a commissioner may be appointed who makes an investigation and upon his report an official may be dismissed. So far as I know a dismissal never takes place except on the word

of the sitting member. I presume the theory of taking his word is that an hon. member is responsible to the house for his actions.

Mr. CAMPBELL: Is the defeated candidate's word not taken just as readily as that of the sitting member?

Mr. EULER: No.

Mr. CAMPBELL: It has been done regularly in post office positions in my district.

Mr. SHORT: It has been in the Post Office department in my constituency in a number of cases. It was done in the case of a candidate who was defeated three times in my constituency. He ran four elections and won one, and his word is taken as gospel in regard to positions in the Post Office department. I do not know about the Department of National Revenue. While I am on my feet I should like to ask the minister why the recommendation from the Civil Service Commission for an appointment to the Digby customs house a year ago this month was not accepted. The minister will remember that we had a conversation last year with reference to an assistant in the Digby customs house and he stated to me that an appointment would be made, but that it would have to come through the Civil Service Commission and that he would ask the Civil Service Commission to ask for candidates. A competition was held in Digby a year ago this month and eight competitors wrote the examination. Three of them passed the examination and the one who passed with the highest marks was a returned soldier. He was recommended by the Civil Service Commission for the appointment, but he was turned down; no appointment was made and the collector has had to do his own work there for the past year and a half, being overworked all the time. This spring, only a few weeks ago, an assistant from the Halifax customs house was sent to Digby, while a local man, a returned soldier, was turned down. I should like to have the minister's explanation.

Mr. EULER: The explanation is very simple. Very serious charges were made against the first two of those who had passed the examination. An investigation is being held and in the meantime a relieving officer is being placed in the port.

Mr. SHORT: The young man who was turned down was afterwards employed by the Dominon Atlantic Railway as an employee in their station at Digby and he is serving the public there. This is a private corporation. There is absolutely nothing against his character or his ability. He is well qualified for the position and he was so recommended by the Civil Service Commission; but I can tell you why he was not appointed. The defeated candidate in Digby-Annapolis was the man who said that he should not be appointed. That is the whole and sole reason. It is all very well for the Minister of National Revenue to say that his department is free from politics, but in my constituency they have been playing politics in regard to every appointment that has been made.

Mr. EULER: If the investigation shows that there is no ground for the complaint, the Civil Service Commission, so far as I am concerned, will be allowed to go on and make the appointment.

Mr. SHORT: It will not be a non-partisan investigation that will take place.

Mr. HANSON: That is a point that ought to be cleared up. Who is to be the investigator and who raised the charges against this returned soldier? What are the facts?

Mr. EULER: It is not going to be a partisan investigation at all. The investigation will be made by officers of the department, not by any partisan commissioner.

Mr. SHORT: Why has the minister taken a whole year to look into the matter? He has known for more than a year that the collector of customs at my port has been overworked. He has had no assistance whatever since his appointment some two years ago, while other officers that have no more business, and indeed not as much business to deal with as there is at my port, have two or three assistants. This man was not appointed simply because he was not satisfactory to the defeated candidate in the constituency. That is the whole reason. There is nothing against his character or ability. He is qualified in every particular for the position.

Mr. BROWN: I have been greatly interested in some of the discussion to-night. Personally I have never been in favour of the principle of dismissing men for partisan reasons. Had I taken that position I could certainly have had a number of men dismissed following the election of 1921. In that respect I have differed with many of my friends at home, men who have voted for me. They say that the Liberals do not take as good care of their friends as the Conservatives do. When I went home at Easter I had some criticisms made of myself just on that score.

In communications that I have had with the Minister of National Revenue in relation to some complaints that have been made, reasons were urged why certain officials should be dismissed. I may say that the Minister of National Revenue was very careful about the investigations he made and he did not show any willingness to dismiss men without cause.

I am glad to hear these protestations of high principle coming from the opposite side and I hope they will be followed in the future. Certainly I know the condition of things in the past, particularly in regard to the election of 1911, were different because the Conservative candidate during that election campaign carried around in his pocket dismissals and appointments. The practice then was very different from the principle which has now been proclaimed as the proper one to follow. Personally, I agree absolutely with the principle that has been enunciated that men should not be dismissed simply because they have seen fit to exercise their privileges as citizens. I hold to that, and I have held to it both in opposition and when I was supporting the government of the day.

Mr. MANION: When was the hon. member in opposition?

Mr. BROWN: That is not the question at the present time. I have been in opposition to governments of the day, and I have supported governments of the day, just as the hon. member has, and I have always advocated that principle, thereby bringing upon myself the displeasure of some of my friends who took the ground that the Liberals had not taken as good care of their friends as the Conservatives had done in the past. I hope the protest that has been made by the hon. member for St. Lawrence-St. George will have some weight, and that the principles which he has enunciated will be applied impartially by all parties in this house, and by this as well as and by successive governments.

Mr. BELL (Hamilton): In connection with the case mentioned by the hon. member for St. Lawrence-St. George, is the minister going to make the investigation asked for, or is he not?

Mr. EULER: I have answered that. If a man makes an application to have an investigation, he will certainly have it.

Mr. SHORT: What is the minister going to do about this case? He must certainly remember the conversation we had last year, in which he stated that he would ask the Civil Service Commission to hold examinations, and that he would have a local man appointed. The examinations were held, and the one that passed the highest—and only three out of the eight passed— was a returned soldier, who was well qualified in every respect for the position. The Civil Service Commission recommended his appointment, but he has never been appointed, and an outside man has been sent there instead. The people of Digby resent that, because we have hundreds of well qualified people capable of filling the position. I want to know what the minister is going to do in connection with that position.

Mr. EULER: I am not sure that I can add anything to what I have said. Complaints did come—

Mr. SHORT: From whom?

Mr. EULER: If the hon. gentleman will permit me, I will answer him. Complaints were made, and they were of a serious nature. If they are true, whether the Civil Service Commission recommends that man or not, he will not be accepted by this department. If they are not true, and the investigation is going to be made by men who are not partisan, then the commission may make the appointment, and I shall not interfere.

Just one other word. The man who has been sent there has not been sent there as a permanent official at all, but merely as a temporary official to take the office until a permanent appointment can be made.

Mr. SHORT: I have known this young man for twenty years, and there is absolutely nothing against his character. I have never heard a word against him, unless the fact that he may have voted for me is against him. If that is going to be the excuse for keeping him out of the position to which he is entitled, it is time this house knew it.

Mr. STEWART (Leeds): Would the minister be good enough to inform the committee when these complaints were made, and by whom?

Mr. EULER: I have not the data here.

Mr. STEWART (Leeds): Approximately, how long is it since they were made?

Mr. EULER: I think they came in some months ago, speaking from memory—last fall, the commissioner tells me.

Mr. STEWART (Leeds): Then why has not the investigation taken place long before this?

Mr. EULER: The place was not filled because during the winter the officer was not required.

Mr. STEWART (Leeds): But why was not the investigation of these complaints held sooner?

Mr. EULER: It is being held now.

Mr. STEWART (Leeds): Why is it being held now, and not months ago?

Mr. EULER: We have lots of work to do.

Mr. KAISER: I am not going to enter into a discussion regarding the dismissal of officials. I was amazed at the statement of the minister that his predecessors had dismissed officers on the recommendation of the members. I know that that is not true so far as the Conservatives are concerned.

Mr. EULER: I said nothing about my predecessors at all.

Mr. KAISER: The minister said that that was the habit and custom of the ministers holding portfolios in the government.

Mr. EULER: I was speaking of all governments, not of my predecessors in this particular office. I made no reference to them whatever.

Mr. KAISER: Well, predecessors in other departments. I for one object to allowing that statement to go unchallenged. I know it is not correct. I know Conservative ministers who were asked to dismiss men on the Liberal side because of their interference in politics in my riding, and the government of the day refused to dismiss them, and in some cases I think they were right. But I did not rise to discuss that feature at all. I rose to say one word in support of a remark that was made by the minister. He claimed that there is something wrong and something unjust in allowing a civil servant to contribute to a fund for a number of years, and then to be dismissed and receive no refund of his contribution or any part of it. I have in mind the case of a man who had paid into this fund for fifteen years, and was dismissed a year or so ago. I am not going to complain because he was dismissed; I am not going to discuss that at all. He committed an offence which most men would regard as a pardonable offence, and this government dismissed him. My point is that having paid into the fund for fifteen years he applied to have his contributions returned. It took one year to get the government to agree to make this refund of his contributions. Probably they had some justification for the delay; I am not going to discuss that point, but in refunding his contributions nothing was allowed by way of interest on what he had paid in. I think that is wrong. I claim that that provision in the act should be amended, and I hope the minister will bring in an amendment next session to provide that no matter what a man may be dismissed for, if he has contributed for a number of years to the superannuation fund he shall get his money back. The minister himself spoke somewhat to that effect, and not much attention was paid to it. I consider that it was a very important declaration, and I desire to commend the minister for it, and I hope that he will carry out that idea. There is something absolutely wrong in deducting five per cent of a man's wages for five, ten or fifteen years, and then dismissing him for some simple offence and not refund to him what he has paid in. I trust that an amendment will be made to the act next session to wipe out that injustice.

Mr. McGIBBON: I want to reinforce, if I may, the remarks that have just been made by the member for Ontario. I raised this question the other night when the estimates of the Postmaster General were up. I am not concerned now so much with the man who is dismissed as I am with the man who voluntarily resigns from a position in the civil service. I was told by the Postmaster General that if a man had been in the service two years, he would get his money back if he resigned, but upon inquiry I find that that is not the case. I was talking only yesterday to a man who had been in the employ of the government for four years and had been paying into the superannuation fund. He resigned to go into another business. There was not a single thing against him, but when he applied to have the money refunded that he had paid in, it was refused. Now for the life of me I cannot see how any government can justify an action of that kind. I should like to ask the minister whose statement is correct.

Mr. EULER: Under the act the man has to have ten years' service before we can pay back what he has paid into the fund. The law would have to be changed to meet my hon. friend's wishes.

Mr. McGIBBON: That is the information I got from the man himself. The deputy of the Postmaster General also told me that the other night. But surely this parliament cannot justify such a thing. You take the man's money while he is serving the people of

Canada, and then when he resigns to go into another occupation you keep his money. It is absolute robbery.

Mr. CANTLEY: It is legalized robbery.

Mr. McGIBBON: What does the minister think about it?

Mr. EULER: I have expressed my opinion upon the point already, Mr. Chairman. I am in agreement with what the hon. gentleman says. I do not think that even the limitation of ten years should apply, but it is so provided in the act evolved by a committee of this house. I say quite frankly that I think any man who has paid out of his wages towards the superannuation fund, and is dismissed from the service, no matter for what reason, has a good moral claim for the return of his money.

Mr. DUNNING: Mr. Chairman, it is only fair to say that the matter has been before the treasury board on numerous occasions, and always we have been referred to the report of the committee which evolved the present Civil Service Superannuation Act. I think the act came into force before the present government took office, but that has nothing to do with the matter, because the whole house interested itself in that legislation. It has been pointed out to us that if the principle of giving back contributions to the superannuation fund in the case of resignations up to the ten-year period were recognized, it would operate to change the scale of the contributions generally, and that scale would have to be increased to make up for those refunds. I am not arguing the question, I am merely putting before the committee the information conveyed to the members of the present treasury board as to the origin of the practice under the Superannuation Act. Personally, I hold the view that as a matter of justice it is pretty hard to take away from a man the contributions which he makes to such a fund. I draw some distinction between the man who is dismissed and the man who voluntarily resigns.

Mr. McGIBBON: So do I.

Mr. DUNNING: He resigns voluntarily to better himself; but for the man who is dismissed and is thereby deprived entirely of the opportunity of benefiting from his contributions to the superannuation fund, a good deal is to be said in favour of some further consideration being given to him. But I am sure some members on both sides of the house will recall that the actuarial basis of the fund was very carefully examined by the committee at the time the act was drafted.

Mr. McGIBBON: I appreciate, Mr. Chairman, the frankness of the minister's opinion. But surely this parliament cannot hide behind the excuse that because some committee made a wrong recommendation to this house on one occasion this injustice is to be continued. That used to be the policy of the insurance companies; a man who quit after paying premiums for three or four years lost everything that he had paid in. But that is not so to-day; he gets a refund. I agree with the Minister of Railways that there is a distinction between the man who is dismissed and the man who voluntarily resigns. But surely those who stay in the service should not be content to profit by the honest contributions of the man who steps out of the service with a clear record. I am sure there is no justification whatever for this parliament perpetuating an injustice on honest servants of the state. I hope the government will see to it that the law is changed in this respect.

Mr. GEARY: May I ask, if the member for South Toronto, on his responsibility as a member, were to lay a complaint against some Liberal partisan, would that partisan be dismissed?

Mr. EULER: Yes.

Mr. GEARY: Well, the member for South Toronto could cause a great flutter in the dovecote if he wanted to. How the member for Lisgar (Mr. Brown) is in a position to do it I do not know. Is he a Liberal member?

Mr. BROWN: The member for Lisgar has never made any recommendation for the dismissal of a partisan.

Mr. GEARY: But the member for Lisgar has been blamed for not doing so. He mentioned that some Conservative candidate in 1911 carried appointments in his pocket. That must have been a smart candidate—the Conservative party was not in office at that time.

Mr. BROWN: Figuratively speaking. The appointments were made after the Conservatives were in power.

Mr. GEARY: After all it might not be so very difficult, for even cabinet ministers in the last election were known to be carrying around wharves and post offices in their pockets.

Item agreed to.

National Revenue—$13,473,506.

Salaries and contingent expenses of the several ports in the Dominion, including pay for overtime of officers notwithstanding anything in the Civil Service Act,—and temporary buildings and rentals, $7,538,460.

Salaries and travelling expenses of inspectors of ports and of other officers on inspection, and in connection with the Board of Customs; the latter including $500 for the secretary and amount required to create positions, make appointments and pay salaries and expenses of Dominion appraisers, notwithstanding anything contained in the Civil Service Act, and the said positions and staff so appointed to be wholly excluded from said act, $1,137,725.

Miscellaneous—Printing and stationery, subscriptions to commercial papers, flags, dating stamps, locks, instruments, etc., for various ports of entry, express charges on samples, stationery and legal forms, legal expenses, premiums on guarantee bonds, and uniforms for customs officers, $600,000.

To provide for expenses of maintenance of revenue cruisers and for preventive service, including $6,000 salary F. W. Cowan and an amount required to create positions and make appointments, by the Minister of National Revenue, of officers for the prevention of smuggling, and to investigate reported frauds against the revenue, notwithstanding anything contained in the Civil Service Act and the said positions and staff so appointed to be wholly excluded from said act; also to provide for expenses of such officers and for the purchase or charter of vessels and for the purchase or hire of automobiles to be used in the prevention of smuggling or other offences against the revenue laws, $1,896,821.

Amounts to be paid to Department of Justice to be disbursed by and accounted for to it, for secret preventive service,—amount required to create positions and make appointments of officers for the prevention of smuggling and to investigate reported frauds against the revenue, notwithstanding anything contained in the Civil Service Act, and the said positions and staff so appointed to be wholly excluded from said act, $100,000.

To provide for the administration of the Business Profits War Tax Act, 1916, and the Income War Tax Act, 1917, and amendments thereof, and authority for this purpose to create positions and make appointments, notwithstanding anything contained in the Civil Service Act, and the said positions and the staff so appointed are hereby wholly excluded from the operation of the said act; and salary of $7,000 for the Commissioner of Income Tax, $2,200,000.

To pay Mrs. Turner Ingalls, widow of the late Turner Ingalls, a Customs Excise Enforcement Officer who was accidentally killed while on duty, $500.—Total, $13,473,506.

Mr. STEVENS: This item, Mr. Chairman, really comprehends the total vote of the National Revenue department. There are one or two things I desire to bring to the attention of the minister, and perhaps I might as well do so now in a general discussion, for we will probably get into such a discussion in any case. By the way I notice that there is an increase of something over a million dollars in the vote, presumably made necessary by the increased service. Just in passing I should like to say to the minister that it seemed to be pretty well established during the investigation by the royal commission, as well as by the inter-departmental and by the parliamentary committee of 1926, that a very substantial reduction might be made in the ports of entry, and thus reduce very largely the cost of administration, and the number of employees so released might be used in the enlarged preventive service. I simply point that out at this stage in reference to this increase, which perhaps might have been obviated had such a course been followed.

But what I wish to bring to the attention of the minister particularly is a reference made at pages 10 and 11 of the final report by the Royal Commission on Customs and Excise, dealing with the enforcement of the laws relating to national revenue. One of the problems disclosed in the two major investigations was the difficulty of securing the proper enforcement of those laws. Various reasons were assigned, but one of the reasons which seems to stand out more clearly than others explains a failure that can perhaps be most readily corrected, that is, the failure of those who were appointed, on the part of the Justice department, to deal in efficient and proper manner with the cases given to their charge. Let me read from the report of the royal commission at page 10. Under a subhead, "Enforcement of Laws Relating to National Revenue", the following statement is made:

> Closely allied to preventive work is the enforcement of the laws and regulations. We see no reason why parties committing frauds on the revenue should not be proceeded against with the same degree of promptitude and efficiency as usually characterizes prosecutions for enforcement of the provisions of the criminal code. This, according to the evidence, has not been so in the past.

I emphasize that.

> This, according to the evidence, has not been so in the past.

Then it continues:

> For this purpose competent counsel should be retained by the department throughout the Dominion to act in such matters. They would thus become familiar with the national revenue laws and regulations and be prepared to act promptly when called upon, and could be consulted by the preventive officers and other officials having similar responsibility in making seizures and in instituting and conducting prosecutions.

The report closes thus:

> It would also appear advisable, at least so far as smuggling is concerned, that instructions from the chief regional preventive officer for prosecutions should be sufficient.

Those are extracts from the final report of the royal commission. I have also a report from Messrs. Clarkson, Gordon and Dilworth dated February 9 respecting the reorganization of the Department of National

Revenue. I shall read from this report just a brief extract which will at once be recognized as very similar to the one I have given from the royal commission's report. This extract reads:

It is very desirable that wherever possible the legal representative should be familiar with the customs and excise act and regulations and that where one case has been handled to the satisfaction of the department it should be free to use the same legal agent in other cases; and that where the outcome of one case has indicated the unsuitability of the agent the department should be able to secure promptly a more suitable representative.

I pause to ask the committee to note that it refers here to the department—that is, the officers in charge of the responsible work of this very important branch of the national service. The report suggests that the department should be free to act as indicated; while in the royal commission's report it is recommended that instructions from the chief regional preventive officer should be sufficient.

Now I desire to direct the attention of the committee and of the minister to a report presented and adopted at a meeting of the Commercial Protective Association, Ottawa, Tuesday, May 15, 1928. This is the report of an association of business men of the Dominion and contains a reference to the enforcement of law. At page 4 the report states in part:

It has always been the practice of all governments to select lawyers to prosecute in these cases on the basis of past political services rather than on competency to conduct these important prosecutions. All four reports referred to condemn this practice;—

That is, the two reports I have read and two others to which refeernce is made.

—and yet there never has been a greater abuse of it than at the present time. Cases which should have been prosecuted in open court are known to have been settled secretly. Firms and individuals who have defrauded the revenue out of many thousands of dollars are able to escape altogether, or make monetary settlements and escape the publicity of court procedure, which is such an important factor in the prevention of this type of offence. Cases are allowed to drag through the courts for years; in many cases, even when prosecutions are entered, no serious effort is made to obtain convictions. Certain incidents of recent months reveal shocking conditions in this regard. Responsibility for this condition of affairs rests with the Department of Justice and not with the Department of National Revenue. The whole question of the administration of justice in regard to customs frauds continues to be far from satisfactory and should be the subject of immediate investigation.

Then there is the statement of an eminent lawyer, a man of very high repute at present occupying a seat in the other chamber. The Hon. N. K. Laflamme, K.C., described in this report as one of the most eminent criminal lawyers in Canada, and now a senator, who appeared as counsel in a recent very important prosecution under the Customs Act, describes the court proceedings as:

A melancholy burlesque, carried on for the last eighteen months in three courts of justice.

It must be clear, from the report of the royal commission, the report of the parliamentary committee, the report of Clarkson, Gordon and Dilworth on the reorganization of the department, and the supporting statement of the Commercial Protective Association, that there is something seriously and radically wrong with the method of procedure against violators of the law. I know full well the tremendous task that has been laid on the shoulders of the Minister of National Revenue. There is undoubtedly a very difficult and complex duty imposed on him in enforcing the law. I shall in a moment make another reference as to how, in my judgment, some relief might be secured in the way of minimizing the incitement to violate the law. That is another question, however.

Mr. YOUNG (Weyburn): Lower the duties.

Mr. STEVENS: My hon. friend from Weyburn treats it rather as a joke; I do not think it is. The point I am making at the moment is this: There are very serious infractions of the law; this is recognized. But it is abundantly clear from the reports that the present system through the Justice department is not a success. In other words, in the language of one of these reports, these solicitors are chosen more from the standpoint of political patronage, using that term in its real sense, than for any other reason; and all these reports indicate that this practice should be abandoned and that solicitors or counsel should be otherwise selected and appointed for the purpose of prosecuting these cases. I happen to know of one instance where one individual was retained for a number of years by the income tax branch. I am not referring to the last two or three years but to a time four or five or six years ago. This gentleman became very proficient in his duties—

Mr. EULER: Still there.

Mr. STEVENS: He was in my city, I think, and was very efficient. He was on the outside. But generally the practice is to spread this business amongst lawyers in different localities. I submit to the minister that that practice should be changed, and that the committee and also the government should take notice of the very serious charge made by the Commercial Protective Association,

and also the reference of Hon. N. K. Laflamme in dealing with this matter, that cases are allowed to drag through the courts for years and that very often secret adjustments are made rather than have the person charged exposed to prosecution in the courts. One of the most important and most salutary deterrents to crime is the danger a person faces of being exposed in open court. If it is made possible and indeed customary to escape prosecution for an offence for which a person should be prosecuted, through monetary considerations or through the surrender of certain sums to the department, then it becomes merely a question of what it is going to cost him to escape the penalty for a practice which is exceedingly remunerative to him. Nothing will deter these people more than to face prosecution and exposure in the courts, with a possible sentence other than that of a mere fine. I place these facts before the minister, and I think we should hear from him and from the Minister of Justice in this regard. I think we should also have a statement from the minister as to what prosecutions have been already undertaken. I hold in my hand the interim reports of the royal commission, and I find that there is one series of prosecutions recommended, which I do not think have been carried out as yet.

Mr. EULER: Which ones?

Mr. STEVENS: I am quoting directly from the report, under the heading "Bronfman Interests". I will just read what the commission have to say:

> We have dealt in this report with the activities of several firms, syndicates or companies owned or controlled by members of the Bronfman family, so far as the scope of our inquiry warrants. It would appear, however, to be incumbent on us to consider matters of a general character not related specially to any one concern, but arising out of the combined concerns.

Then I will just refer to the recommendations of the commission, and I am not now making any comments on them:

> It was admitted by Harry Bronfman in his evidence that none of the firms or companies in which this group of individuals was interested had made any returns or payment of taxes under The Business Profits War Tax Act, 1916, which was in force . . . .

Then they go on to say:

> Recommendations: (1) That the income tax branch review the whole matters involved and take action to recover all arrears due by the parties interested;
> (2) That the department take action to recover any arrears of taxes due by the parties mentioned . . . .

Referring to one of the subsidiary companies, the report proceeds:

> This report is to be used in conjunction with the report on other concerns owned or controlled by the Bronfman interests.

With reference to another company, the report has this to say:

> As already stated the evidence indicates that this company or syndicate was guilty of many infractions of the Excise Act, but apparently the limitations respecting prosecutions for such offences would bar convictions, and in view of that we make no recommendations but merely cite the facts as part of the history . . . .

Then they go on and refer to one of the principals in the case, and recommend:

> That prosecution be instituted against Harry Bronfman for the allgeed bribery of Inspector Knowles.

With reference to another company, the Atlas Shipping Company, they say:

> That the same action be taken as is recommended in the report on the Dominion Gresham Guarantee and Casualty Company.

That is one of the previous companies referred to. Then, in connection with still another company, they recommend:

> That the same action be taken as recommended in the report on the Dominion Gresham Guarantee and Casualty Company.

In other words, there are eight companies enumerated in the report in connection with which prosecutions are recommended. I do not know whether these prosecutions have been begun.

Mr. EULER: Every one has been begun.

Mr. STEVENS: With what result?

Mr. EULER: They are still in the courts.

Mr. STEVENS: When were they started?

Mr. EULER: Some months ago.

Mr. STEVENS: That bears out the point I mentioned a moment ago; the minister says these prosecutions were started months ago, but they are still in the courts. It would be interesting to get the history of these cases, as to how they are proceeding, in what courts they are being tried, the counsel in each case, and what progress has been made; these facts should be laid before the committee. As I say, this illustrates the point brought out in the report, that these prosecutions are not being dealt with satisfactorily. This is a serious matter, after all; if our courts functioned properly and if the cases were handled properly I think we would see a vast difference in this very difficult problem facing the country to-day, namely the problem of smuggling.

Mr. EULER: I am not sure that I can recall all the points brought out by my hon. friend, but if I miss any of them I should be glad to

have him remind me. With regard to the prosecutions, I would say to the committee at once that in every one of those cases reported upon by the parliamentary committee action has been taken. I think seventeen of the cases are in the courts.

Mr. STEVENS: I was not referring to the parliamentary committee; I just want to set my hon. friend right. I was quoting from the interim reports of the royal commission.

Mr. EULER: Then perhaps my statement can be taken to cover those reports as well. Every recommendation with regard to action against any concern—and there are over one hundred in the report of the royal commission —has been acted upon; there are no exceptions.

Mr. GUTHRIE: Does the minister mean that civil action has been taken?

Mr. EULER: My hon. friend referred to the Bronfman case, and I explained to the house as long as two or three months ago that criminal action had been taken with regard to that individual, and that the only reason why the action had not been proceeded with was the fact that one witness, who was absolutely necessary for the prosecution of the case, was ill. He is an officer of our own, and in his absence it was not possible to proceed.

A statement also has been made, I think by Mr. Sparks rather than by the Commercial Protective Association, that secret settlements have been made. I want to deny that statemen in the most emphatic terms possible. There has not been a single secret settlement of any kind; as a matter of fact there were only two settlements made, and that action was taken on the recommendation and advice of the solicitor acting for the department, of the auditors, Messrs. Clarkson, Gordon and Dilworth, of the departmental solicitor and of the commissioner himself. They were for small amounts.

Mr. STEVENS: What were the two cases settled?

Mr. EULER: The Royal Cloak Company and the Alco Dress Company. The reason settlements were made was because our solicitors assured us that there was no possibility of our succeeding if we maintained an action. There are some five or six other cases from which the lawyers have withdrawn because they believe there is no possibility of our succeeding. Perhaps that may be a complete answer to those points; there is not a single recommendation in the report of the royal commission which has not been dealt with in one way or another. I will admit that I am not satisfied with the way prosecutions have been delayed, but I do not think the blame rests upon the department; no blame rests upon the Department of National Revenue or upon any other department. I think some blame rests upon the courts themselves, and possibly there would be cause for dissatisfaction with the lawyers. Without intending to be offensive to my hon. friend, in a number of cases a certain lawyer was appointed by himself, and those cases have not yet been proceeded with. I have urged that solicitor time and time again to proceed with these cases, and I have a letter from him in which he takes all the blame for the delay. I admit, Mr. Chairman, that I am sometimes discouraged at the delay in prosecution.

Mr. STEVENS: The minister is not suggesting that I am to blame simply because a lawyer appointed three years ago to prosecute cases has not done so?

Mr. EULER: I am not laying any particular blame, I am merely pointing out the circumstances. The thing is pretty general and it is very difficult to get action. If I may say so in this parliament, which is the highest court in the land, some of the blame is to be placed on the courts themselves. I just received a notice this week of one case which was postponed thirteen times, the offender was finally found guilty, but sentence has not been pronounced and the case has been further adjourned three times.

Mr. GUTHRIE: Where is that case being prosecuted?

Mr. EULER: In the city of Montreal.

Mr. GUTHRIE: What is the name of the offender?

Mr. EULER: Giroux.

Mr. STEVENS: Who is acting for the government in that case?

Mr. EULER: I have not that information before me. The statement has been made that the government has not proceeded with prosecutions. We have had some three hundred prosecutions within the last year?

Mr. GUTHRIE: How many convictions?

Mr. EULER: Some two hundred of those were successful, I think, I thought I had the correct figures before me, but I cannot find them just at the moment. In some provinces —I need not enumerate them—it is very difficult to obtain convictions in certain cases,

in fact it is almost impossible. Then again, we had a case in the city of Montreal where a certain official was found guilty of stealing something like $26,000, and the judge gave him one day in gaol.

Mr. GUTHRIE: What judge was that?

Mr. EULER: I do not recall. There was another case in western Canada, where I personally ordered prosecution of an officer of our own who had taken some $1,200. He had not even made restitution, and there was no doubt of his guilt, but the judge dismissed the case and rather censored the department for being so harsh in prosecuting a matter of that kind.

I am quite willing to take responsibility so far as it falls upon me. It may be that we can make some changes that will help this condition, and I think we will, but we are working along as well as we can. We have given our officers in the preventive service instructions that in cases of direct smuggling, where the man is caught and they can proceed summarily, they are to prosecute without any instructions from the head of the department.

Since my hon. friend has mentioned the Commercial Protective Association, I would like to make a reference to it. I think this can be described as the organization of a certain Mr. Sparks. I am not in the habit of making any offensive reflections upon any person, but I would say that the report or the statement that was given to the press by that association through Mr. Sparks, is either a betrayal of the most colossal ignorance, or sheer malice.

Some hon. MEMBERS: Both.

Mr. EULER: I rather think that it is both. Among other statements he referred to the report made by Messrs. Clarkson, Gordon and Dilworth. This firm was employed in the department for a very considerable length of time. Mr. Sparks reported that 135 recommendations had been made by that firm and that only 19 of them had been proceeded with. I am citing this matter, although it is a relatively unimportant one, because of the impression which may have been given to the house or to the country that we have taken no action. Mr. Sparks mentioned the 19 out of 135 as being five per cent, which anyone can see is mathematically incorrect in the first place. There were really only some seven definite recommendations in the report of Messrs. Clarkson, Gordon and Dilworth, and I will refer to them a little later. One hundred and thirty-five more or less unimportant recommendations are made, and just to give the committee some idea as to how relatively unimportant they are—I use the term "relatively" advisedly, because practically all the recommendations are of some value, but most of them have to do only with the internal administration and perhaps the bookkeeping of the various branches of the department—I will give some examples. One was that there should be a rearrangement of offices to give the chief clerk visual control over the staff. I suppose that would mean tearing down the interior walls of the customs buildings and putting in windows. Another one was that the work re customs duty stamps and franking notes should be transferred to the stamp branch and accounts branch respectively, and travelling or other appraisers should be consulted in unusual cases. Nothing very definite about that. Just to show that I am not selecting special cases, I will take the accounts branch and give the entire list of the recommendations covering that department, and the members of the committee can judge for themselves whether they are of supreme importance in the carrying on of the work of the department and the reorganization work of the department.

Mr. STEVENS: What page is that?

Mr. EULER: I am reading from a typewritten copy of the report. For instance, it says:

> Certain records should be transferred from the expenditures to salaries section.

That perhaps is of some value but it is not of very great importance. Then they mention taking over certain accounting work from the preventive service, and certain changes which should be made in that regard. Then there is a question of reverting to monthly payment of salaries instead of paying every two weeks. I leave it to the committee whether that is of supreme importance. Then there is the question of the payment of salaries through a chartered bank and the payment of refunds and drawbacks by departmental cheque direct to the claimant instead of through the collector—a mere mater of routine. Then:

> Receipts for salary payments not necessary. Customs and excise seizure sections to be consolidated.

Those are all the recommendations made in regard to one branch.

Mr. STEVENS: My hon. friend surely does not suggest that that is correct. He has read a very brief summarized statement at the end of the recommendations.

Mr. EULER: I said for one branch.

Mr. STEVENS: The recommendation covers six pages for one branch.

Mr. EULER: I was giving a summary, I did not pretend to read the whole report. I gave the gist of every one.

Mr. STEVENS: I will have a word or two to say about that. That is not a fair statement and does not do the minister credit.

Mr. EULER: I am open to correction if my hon. friend can show me to be wrong, but I was honestly giving the gist of every recommendation in regard to one particular branch, namely the accounts branch. It may be another matter as to whether the recommendations are more important than I think they are, but I wanted to deal with the lack of knowledge or veracity, whichever you want to call it, on the part of the man who made that statement. In the first place, the report of Messrs. Clarkson, Gordon and Dilworth was not submitted until February of this year. The house was then in session and, as the members know, the minister of any department is very busy during the session, as well as the officers of the department. As soon as we had this report I had placed in the hands of the chief of every branch a copy of that portion of the report which referred particularly to his own work. I asked them to make such changes as they saw fit after examining the recommendations, and later on these were all to be reviewed, and if they have not made the changes that we think should be made, they will be made later on. Mr. Sparks assumes that, because at the time the report itself was submitted only nineteen of these had been made, now, three months later, only the nineteen have been made, having no knowledge whatever of the work that has been done in the intervening three months.

What has been done? I have gathered these from the officials of the department. In the customs department seventy-two of the recommendations that have been made have actually been carried out. In the excise department fourteen have been carried out; only one is disagreed with and three are still under consideration. In the customs department we do not agree with eighteen of the recommendations; four require legislation; fifteen are under consideration; five are matters of policy; one is a matter for the Civil Service Commission and two would be matters of reconstruction of the Connaught building. The point I want to make is that, instead of nineteen of the changes recommended, we actually made eighty-six out of one hundred and thirty-five. I am correct in what I say—and I am correct—I say that the report made by the Commercial Protective Association, or rather by Mr. Sparks, is just about as unfair in the other criticisms as it is inaccurate in this particular matter.

A good many other matters are referred to. Perhaps I have not dealt with all the questions raised by my hon. friend. It is not my desire to delay the committee but if there are any other questions they desire to ask I should be glad to answer them so far as I am able.

Mr. BELL (Hamilton): I am sure every member of the committee must be well aware of the fact that when the Minister of National Revenue took upon himself the office that he now holds, he addressed himself to the work of dealing in a very whole hearted and enthusiastic way with the abuses that then existed. I do not think any member of the house would wish for one moment to deny to him that credit which is rightly his for the work that he has done or the reforms in which he has been successful. It seems to me, however, that on the question brought up by the hon. member for Vancouver Centre (Mr. Stevens), we are dealing with something more than that. The matter before the committee now for inquiry and decision is the extent to which existing abuses have actually been remedied and the position in which we find ourselves at the present time in regard to them. The minister has said that out of a certain number—I do not recall with certainty the exact number—there were some seventeen cases that had been dealt with which had been specially reported by the Royal Commission on Customs and Excise.

Mr. EULER: The parliamentary committee of inquiry.

Mr. BELL (Hamilton): Yes. Let me deal with that for a moment. I do not know exactly just what those seventeen may be, but surely it must be of importance to the committee that so long ago as June 18, 1926, the report of that committee was made and that at page 4696 of Hansard of that year we find that there were in one paragraph alone, beginning at the bottom of the page, the names of some twenty-six firms which were reported for action by either the Department of Customs and Excise as it was then, or the Department of Justice. I would be interested in knowing which out of those twenty-six the minister had reference to to-night. I find that that list is headed by the John Gaunt Company and that the second on the list is

the Dominion Distillery Products and Associated Enterprises. There are then no fewer than twenty-four companies which stood before that committee convicted of fraud in connection with their operations at Rock Island. It would be interesting to the committee to know at this time what claims have been prosecuted against those twenty-four firms, to say nothing of the two first mentioned, in connection with those frauds which, it will be remembered, were represented to the house in 1926 as causing to the Dominion of Canada an annual loss of more than $10,000,000. I should like to know which of these firms thus recommended for summary dealing, have been sued, what proceedings have been taken and what are the results of those proceedings. The minister will agree with me that in making this request I do not take him by surprise because I asked for this information across the floor of the house upwards of a month ago. I would like to ask the minister to inform the committee whether or not the recommendations of the special committee reporting on the Department of Customs and Excise on the same page in regard to J. A. E. Bissaillon, the former preventive officer, have ever been acted upon in any way. In connection with the report of the committee of the same date, namely, June 18, 1926, I find this:

> The committee recommends that the evidence of J. A. E. Bisaillon given before this committee with reference to his bank account for the amount of $69,000 be transmitted to the Attorney General for Quebec, for the purpose of comparison with the evidence given by him on the same point at preliminary inquiry at Quebec, P.Q., in the case of Rex vs. Symons et al, and for such action by the said Attorney General as the evidence may warrant; and further that the evidence in connection with the Morris Delage motor car case be transmitted to the said Attorney General for such further action as the said evidence may warrant.

Those were direct charges of falsification, theft and forgery. I have followed as carefully as I can the proceedings in the house down to this hour and so far as I can discover we are without a reply to any inquiry we have addressed to the government as to what has been done in connection with those matters. It may be said by the minister that the recommendations to which I have just referred were made to the Attorney General of Quebec, but surely the matter would not rest there. Surely a committee of this house, having reported, through the medium of the house itself, to the Attorney General for Quebec that proceedings on those very grave and serious charges should be taken, was at least entitled to feel that if that attorney general took action, it should be advised of that action and if the attorney general refused to take action, it should be advised of his refusal.

That leads to another point which the minister mentioned in reply to the hon. member for Vancouver Centre a moment ago. The minister, having in mind doubtless the difficulty that is sometimes experienced in having the law properly enforced, said that although the process of the courts had been invoked in a number of instances, the courts apparently did not co-operate with the department in carrying out their own duties as they should have done on what was reported. The minister instanced a very extreme case in which a man who had been convicted was sentenced to but one day in gaol. I do not know whether the minister wishes us to conclude from that that the Justice department is so helpless that when a court goes on such lines as these that are here under criticism, it throws up its hands and surrenders, but I cannot imagine what other construction can be placed upon what the minister has said. Let me suggest to him that if the Justice department of the Dominion of Canada is as helpless as all that, it may well take pattern by the Justice department of Ontario presided over by the Hon. W. H. Price. In that department during the last two or three years there have been ten or a dozen cases where it was felt that the courts were lax, were overly lenient in the way they dealt with the cases, whereupon the Attorney General demanded that these cases should be remitted to the courts, that other charges might be laid and the cases properly considered. It may be suggested that the Department of Justice of this dominion is not as powerful as the department of the Attorney General of Ontario. I would with reluctance accept that rather humiliating confession, but even if it were so I would like at least to have it shown to this house that an attempt was made by the Department of Justice of this dominion to see that the law really was enforced, even if the previous attempts had failed. I ask, Mr. Chairman, that before consideration of this item has been concluded, we be informed authoritatively from the Department of Justice why it is that that which the minister himself has pointed out as being a ridiculous farce in the administration of justice was not at least sought to be corrected.

The suggestion is further made that:

> The department is rendered helpless in the efforts that it makes by reason of the fact that there are repeated postponements of cases.

When the question of appointing a committee of this house to investigate the Department of Customs and Excise was first broached

in 1926, one of the things that was brought before the house was the fact that those who had charge of prosecutions had entrusted them to counsel who did not press them to a conclusion, and that the department had sat down under the laxity of these counsel and had not attempted to make them do their duty. Apparently, notwithstanding the revelations before the special committee investigating that department, notwithstanding the revelations before the royal commission that followed that special committee, we are to-day confronted with the same condition of laxity, the same unwillingness to do their duty on the part of counsel whom the government appoints. Surely it does not lie in the mouth of a minister of the crown charged with the duty of administering this department to say: We retain counsel to prosecute violators of the law, and we are helpless because they are not successful in doing so. It seems to me elementary that those who find that their instructions are not carried out should at least have the enterprise and the courage to retain counsel who will do what they are required to do, and bring before the courts the matters with which they are entrusted. So I say that the explanation which the minister has been good enough to give, while it does indeed testify to the energy he has shown and to the good he has accomplished, shows that we have but begun to remedy the abuses that existed in that department, and that we are very far from being able to congratulate ourselves upon having made any real progress down to this date.

Mr. EULER: I think the hon. member for West Hamilton is hardly fair when he intimates, as I understood him to do, that we had refused to answer any inquiries made from the other side of the house.

Mr. BELL (Hamilton): I did not say that. I said that I had asked my hon. friend if he had not had plenty of time to make those answers. He should be in a position to give the list asked for.

Mr. EULER: It was a misunderstanding on my part. My hon. friend has asked with regard to the status of the cases recommended for action by the parliamentary committee of inquiry. I have a record of them all before me. It is a lengthy list, but if the committee desires I am quite prepared to read it. I have already summed it up in this way, that seventeen of these cases were in the courts; in two other cases we have settled on the advice of our solicitor, the departmental solicitor, also Clarkson, Gordon and Dilworth, and the commissioner of customs himself. There were five or six cases in which it was absolutely impossible to proceed. Perhaps I might read those.

The O. B. Earle Company case was placed in the hands of counsel, who reports inability to effct service upon any representative of the company, which has disappeared leaving no trace and no visible assets.

Mr. STEVENS: Who was the solicitor in that case?

Mr. EULER: Mr. Spence, of Toronto. The Royal Cloak Company, of Toronto; that case was settled. The Miracle Dress Company; this case was placed in the hands of Arthur Geoffrion, K.C., who finally reported that he could see no prospect of successful action. The available evidence is now in the hands of Paul Ranger, Esq., advocate, who reported that the firm wound up its business in 1925. We were not quite content with Mr. Geoffrion not going on with the case, and we gave it to another solicitor. The case of Hollinger and Packer is in the same position as that of the Miracle Dress Company. The Payanner group of companies is in liquidation, and it is not deemed advisable to proceed pending the result of the liquidation proceedings. The case of Woollens Limited was placed in the hands of Mr. Geoffrion, who reported that he could do nothing in the matter. That case was then placed in the hands of Mr. Ranger, who has issued a writ for the recovery of $25,000. Perhaps that will dispose of the case to the satisfaction of the committee.

Mr. STEVENS: Will the minister give the cases that have been proceeded with, and the state they are in?

Mr. EULER: I am willing to do that. I can go into it at considerable length.

Mr. GARDINER: Can the minister give us the reasons why Mr. Geoffrion did not proceed with the cases?

Mr. EULER: The company was defunct. He thought there was absolutely no chance of successful action.

Mr. SPENCER: And yet somebody else was engaged to take his place?

Mr. EULER: The first on the list is the John Gaunt Company. It is in the hands of R. L. Calder, K.C., who, as I mentioned before, was appointed by my hon. friend, I think.

Mr. STEVENS: Just on that very point, Mr. Calder certainly was appointed by me, but surely the minister does not take refuge behind the fact that Mr. Calder was appointed

by me nearly two years ago. If the case has not been proceeded with, and if it is Mr. Calder's fault, then the minister has it in his own hands to remedy the matter.

Mr. EULER: I think nearly all the cases were placed in the hands of Mr. Calder by my hon. friend himself, and I have no fault to find with that at all.

Mr. STEVENS: By the way, Mr. Calder was not chosen by me, but he was chosen by the parliamentary committee of which my hon. friend from St. Henri was chairman.

Mr. EULER: He prosecuted the cases.

Mr. STEVENS: No, Mr. Calder was engaged by the parliamentary committee, not by me; he was not even named by me. I had nothing to do with it except to sit in the minority in that committee.

Mr. CANNON: After the committee had sat you appointed him.

Mr. STEVENS: He was chosen by the parliamentary committee of which I was a minority member, and carried on that investigation. He was not—I want to make this clear—a choice of my own. When the question of prosecutions came up, I simply said, as minister of the department for the time, "Let Mr. Calder carry this on, because then there can be no possibility of suggesting that I am indulging in any political expediency in connection with this matter."

Mr. CANNON: No one would ever suspect that.

Mr. BELL (Hamilton): Not when Mr. Calder was a Liberal.

Mr. EULER: I have no fault to find with that. According to my information, my hon. friend I think designated Mr. Calder to prosecute all the cases.

Mr. STEVENS: Not all, I think.

Mr. EULER: Practically all the cases, and I think he had begun only three of them. He was acting with the royal commission as their solicitor, and he went to British Columbia in connection with his duties with the commission, and I felt that it was utterly impossible to get any action if he was kept in charge of all those cases, so I withdrew all the cases from him except three, which are still in his hands, and none of which I think has been finally settled.

But to proceed:

The John Gaunt Company. The firm was wound up. John Gaunt is personally insolvent and beyond the jurisdiction. The case is in the hands of Mr. Calder.

[Mr. Stevens.]

Dominion Distillery Products. In the hands of Mr. Calder. Information laid in the exchequer court for the recovery of $830,855.52. Defence filed and litigation proceeding under direction of the Minister of Justice.

B. B. Glove Company. In the hands of Emile Marcotte, K.C. Writ issued in the Superior court of Quebec for $41,612, July, 1927, representing customs duties and penalties under Customs Act. Action defended and litigation proceeding. Case will go to trial at an early date.

James A. Gilmour. In the hands of Emile Marcotte, K.C., as above. Writ issued claiming $29,947.41. Defended. Litigation proceeding.

Globe Suspender Company and Eastern Apparel Company. In the hands of Emile Marcotte, K.C. Writ issued for $59,836.29. Mr. Marcotte reports that he has obtained judgment by default. Mr. Marcotte reports Marois' whereabouts unknown and unable to discover any assets belonging to him within the jurisdiction of Canadian courts.

Mr. STEVENS: When was that last report made?

Mr. EULER: Perhaps I shall be able to find it later.

Mr. STEVENS: It would be well to have it where you make the statement.

Mr. EULER: I have so many papers that I cannot keep them all under my hand.

The Perfecto Garment Company. In hands of Emile Marcotte, K.C. Writ issued for $8,511.21. Case defended. Litigation proceeding. May be advisable to obtain commission evidence in the United States.

Peerless Overall Company. In the hands of Emile Marcotte, K.C. Writ issued for $55,321.20. Case defended. Litigation proceeding. May be advisable to obtain commission evidence in the United States.

R. G. Manufacturing Company. In the hands of Emile Marcotte, K.C. Writ issued for $96,101.01. Defended. Litigation proceeding. May be advisable to obtain commission evidence in the United States.

The same with regard to the Reliable Garment Company. Writ issued for $33,357.40.

The same with regard to the Stanstead Manufacturing Company. Writ issued for $15,366.31. May be advisable to obtain commission evidence in the United States.

W. M. Pike and Standard Manufacturing Company. In the hands of Emile Marcotte, K.C. Writ issued for $67,803.01. Case defended. Litigation proceeding. May be advisable to obtain commission evidence in the United States.

Telford Bros. Garment Company. In the hands of Emile Marcotte, K.C. Writ issued for $30,099.08. Case defended. Litigation proceeding. May be advisable to obtain commission evidence in the United States.

Telford and Chapman. In exactly the same position. Writ issued for $23,691.15.

Jenkins Overall Company Limited. This is the third case of those remaining with Mr. Calder. Writ issued and returnable. Trial probably in June.

Mr. GEARY: When was the writ issued? Mr. Marcotte just says that it may be necessary to get commission evidence in the United States. He puts it in that vague way.

Mr. EULER: I would ask my hon. friend to wait a moment or two; I am almost through.

Snag Proof Company Ltd. In the hands of Emile Marcotte, K.C. Writ issued for $9,517.01. Case defended. Litigation proceeding.

Rock Island Overall Company. In the hands of Emile Marcotte, K.C. Writ issued for $37,206.76. Defended. Litigation proceeding. Probably necessary to obtain commission evidence in the United States.

Also Dress Company. Case settled.

The O. B. Earle Company. Case placed in the hands of J. H. Spence, K.C., who reports inability to effect service on any representative of the company, which has disappeared, leaving no address and no visible assets. Matter dropped.

Royal Cloak Company. Claim was set up by Clarkson, Gordon and Dilworth, for customs duties and penalties for $8,758.93. Settled on their advice and that of solicitor for crown, the departmental solicitor and commissioner of customs.

Mr. GUTHRIE: Settled for how much?

Mr. EULER: For $4,000 odd, and about $3,000 sales tax. The others I have already dealt with.

Mr. LAPOINTE: Mr. Chairman, in view of certain statements that have been made, I may be allowed to say to the committee what is the practice in regard to these cases. As the committee is aware, the legal work of all the departments of the government extends throughout the Dominion. It has always been the practice to have legal agents in all parts of Canada, because almost every day some department asks for the name of a legal representative in some district to institute proceedings. This is done for the Department of National Revenue as well as for the other departments. It is indeed under those circumstances necessary that there should be in the department a list of legal men who could be employed in any part of Canada for this sort of work. When I became the head of the Department of Justice I found there a list of legal men practising in all parts of the Dominion to whom legal work of the various departments could be entrusted. Obviously that list had been prepared by my predecessor in office, and I had no reason to doubt the qualifications of those legal men; indeed I knew many of them personally. The names of the men who were suggested or recommended or given to the various departments were always taken from that list, and as far as possible those who were more especially qualified for the kind of work which had to be done were always selected.

Now, that list existed in the deparment until 1926, when we went out of office for some time. When two or three months afterwards I came back again as the head of the department I found that that list had disappeared altogether and had been replaced by another list which I now have in my hand. There was a list for every one of the provinces, and not one of the names that were there three months previously appeared in this new list. It may be interesting to my hon. friend from Vancouver—

Mr. ROSS (Kingston): May I ask the hon. minister a question.

Mr. LAPOINTE: Yes.

Mr. ROSS (Kingston): Had not those names been changed before? They had been in my constituency.

Mr. LAPOINTE: Probably; but not during my time, because I became head of the department in 1923, and accepted the list as I found it. But, as I said, on my return to the department three months later I found a new list altogether. Starting from the extreme west of the Dominion I have before me a list of legal men to be employed in the province of British Columbia, bequeathed to me by my immediate predecessor in office. There is in the margin preceding the name of the legal gentleman the name of the person who recommended that he be employed as a lawyer for the department. There is the name of my friend from Vancouver Centre, Mr. H. H. Stevens; there is the name of Doctor Tolmie; there is the name of Doctor J. W. Rutledge. I think those are the only ones for British Columbia. I have a list also for Alberta, and the legal gentlemen were recommended during that short time by Hon. R. B. Bennett, Mr. J. B. Stewart, Hon. R. B. Bennett, Hon. R. B. Bennett, Hon. R. B Bennett, Hon. R. B. Bennett. I have the list for Prince Edward Island, but as the gentlemen who recommended the names are perhaps not so prominent as those I have mentioned, perhaps it is not necessary that I should name them.

An hon. MEMBER: Who are they?

Mr. LAPOINTE: I see the name of the Hon. J. A. Macdonald anyhow. Now the Manitoba list was recommended by Mr. Ahern; he was private secretary to the Minister of Justice at the time. And I see

Colonel Anderson and the Right Hon. Arthur Meighen. Then H. A. Mullins, H. A. Mullins again, Colonel Anderson, W. W. Kennedy, Right Hon. Arthur Meighen. Then New Brunswick: the New Brunswick list was prepared and recommended by Mr. Culligan. I see the name R. B. Hanson, P. T. Ahern, O. B. Price, Charles Fish, P. T. Ahern, Charles Fish, R. W. Grimmer, the Hon. G. B. Jones, the Hon. J. K. Flemming—

Mr. McINTOSH: What about Saskatchewan?

Mr. LAPOINTE: I am coming to Saskatchewan. I find this peculiar condition in Saskatchewan, that although a new list was prepared for the entire province it was recommended wholly and exclusively by the Hon. Doctor Tolmie. For Nova Scotia I find a full list of new recommendations. I find these names: R. K. Smith, H. B. Short, M.P., the Hon. J. C. Douglas, P. T. Ahern, F. MacDonald, M.P., Doctor J. A. Macdonald, the Hon. W. A. Black, H. B. Short, I. D. Macdougall, A. de W. Foster, P. T. Ahern, Thomas Cantley,—I am pleased to see the hon. member's name—J. A. Macdonald, L. W. Johnstone, the Hon. W. A. Black, A. de Witt Foster—

Mr. QUINN: Are thees recommendations for canonization?

Mr. LAPOINTE: Canonization? I don't know. Now I come to Ontario—

Mr. KAISER: Read all; don't miss any in Ontario.

Mr. LAPOINTE: The list is a voluminous one.

Mr. QUINN: Take your time.

Mr. LAPOINTE: The recommendations come from R. Preston, W. E. Tummon, Doctor P. McGibbon, R. E. Ryerson, G. H. Pettit, M. E. Maybee, H. A. Stewart, M. C. Senn, A. D. Chaplin, the Hon. R. J. Manion, R. K. Anderson, the Hon. Mr. Chaplin, the Hon. Mr. Guthrie, C. W. Bell,—

Mr. BELL (Hamilton): If the minister is reading that as a name, it is false, for I never gave one.

Mr. LAPOINTE: I am sorry, but the name of my hon. friend was evidently unlawfully and miserably put there by some of his friends.

Mr. BELL (Hamilton): I give my assurance it is false; I recommended no one.

Mr. LAPOINTE: I am sorry for my hon. friend but I am not responsible for the name being there.

Mr. BELL (Hamilton): Nor am I; it is false.

Mr. LAPOINTE: In justice to my hon. friend I will tell him whose name is there as being recommended by him; it is S. C. Arrell.

Mr. BELL (Hamilton): I repeat, I know no person by that name and I recommended no one. If it is in the record, the record is falsified.

Mr. SHORT: I want to make the same statement; I never recommended a single person. What does the minister expect to make out of it? Kindly read the names I recommended.

Mr. LAPOINTE: I expect—

Mr. QUINN: The whole thing is a fairy story.

An hon. MEMBER: A bed-time story.

Mr. LAPOINTE: This is what I find in the department.

Mr. BELL (Hamilton): It only shows you how inaccurate the records are.

Mr. LAPOINTE: They were not kept by me.

Mr. BELL (Hamilton): Nor by me.

Mr. LAPOINTE: No; by someone in the department while hon. gentlemen were in power.

Mr. BELL (Hamilton): Is the minister accepting my statement that I made no recommendation?

Mr. LAPOINTE: Absolutely. Not only do I accept my hon. friend's statement, but I sympathize with him.

Mr. BELL (Hamilton): My hon. friend can keep all the sympathy; he needs it, after having read a false record to the house.

Mr. LAPOINTE: That is rather hard on my hon. friend's minister at the time—

Mr. BELL (Hamilton): I can't help that.

Mr. LAPOINTE: —who was in charge of the department when these recommendations were made. Now, as the hour has almost expired—

Some hon. MEMBERS: Go on.

Mr. LAPOINTE: All right.

An hon. MEMBER: Finish it.

Mr. MACDONALD (Richmond): You can't get yourself out of it that easy.

Mr. LAPOINTE: I am quite willing to read it all, but it will—

Mr. KAISER: Read all of it.

Mr. LAPOINTE: The Hon. Hugh Guthrie—

Mr. MacDONALD (South Cape Breton): As the time is short now it would be far more interesting if the minister would read the present list.

Mr. LAPOINTE: A. E. Ross—

Mr. ROSS (Kingston): Right, right, right. I will tell you the reason.

Mr. LAPOINTE: P. T. Ahern; R. K. Anderson; Colonel Lennox; G. H. Pettit; John Ferguson, defeated candidate; M. E. Maybee; P. T. Thompson; Doctor T. E. Kaiser—

Mr. KAISER: What name did I recommend, please?

Mr. LAPOINTE: Mr. D. J. A. Swanson, Oshawa.

Mr. KAISER: You lost a good man when you turned him down.

Mr. LAPOINTE: I have no doubt he is an excellent man. I do not say that any one of these gentlemen who were recommended was not perfectly qualified to conduct proceedings for the department.

Mr. THOMPSON: The Minister of Justice has mentioned my name, so I might say that some man had not paid his income tax and the department wanted to know of a lawyer to handle the case.

Mr. LAPOINTE: I have no doubt about that.

Mr. KAISER: I do not think it is fair to these men to ridicule their names in this way. I want to say that Mr. Swanson was recommended by me and his name should be received by this government with respect, because he is one of the best criminal lawyers in our section of the country. I do not think it right that the Liberal party, or any other party, should take so much amusement out of the mention of his name.

Mr. BELL (Hamilton): I think the minister should go on.

Mr. LAPOINTE: I am in the judgment of the committee. I do not blame anyone; I am merely stating the practice. I said there was a list in the department which was used by me prior to 1926; I had found that list when I came there and I had used it, but when I came back two or three months later the list was altogether changed. I started to say that it included new men all over the country, and if I am reading all these names it is just because my hon. friends opposite are asking me to do so. I do not attach any blame to them; I quite agree that any one of the gentlemen recommended by my hon. friends was quite qualified to act as the legal agent of the department.

Mr. MANION: Might I ask a question? I suppose the list the minister is using at present—because of course he is not using this one—is made up in exactly the same way, on the recommendations of his friends?

Mr. LAPOINTE: Let me tell my hon. friend that when I found that new list, largely composed of men I did not know, I rather reinstated the old list, and surely my hon. friends will not criticize me for using that list which I left there when we took that little holiday of two or three months.

Mr. MANION: I do not criticize my hon. friend at all; I just wanted to show the house that my hon. friend is doing exactly what his party are laughing at us for having done.

Mr. LAPOINTE: I am using the list which I had prior to July, 1926; that is quite true, and let me say right here that I do not think there are not enough Conservative lawyers all over the country to act as legal agents of the government in a proper way and to carry on the cases of the department in a dignified and reliable way, but there are Liberal lawyers all over Canada who are equally qualified. The idea that because a man is selected by one party he is not qualified, does not appeal to me. As I say, I do not criticize the recommendations which were made by my hon friends or even the list which was prepared; I am quite sure that most of these men were qualified to do the work.

Mr. SHORT: Then why take so much amusement from it?

Mr. LAPOINTE: The amusement is caused by the attitude of my hon. friends opposite.

Mr. BELL (Hamilton): Does not the minister understand that the criticism which has come from this side of the house has nothing to do with the recommendation of people to do that work, but arises rather out of the fact that when they were appointed they did not do their duty, and the department took no action?

Mr. LAPOINTE: I beg my hon. friend's pardon; it was stated in the famous report by Mr. Sparks that under the present administration the Department of Justice is employing lawyers only because they are Liberals.

Mr. BELL (Hamilton): We are not saying that.

Mr. LAPOINTE: I think my hon. friend from Vancouver Centre said that it never had been worse than under the present minister. I am simply showing what the practice always has been; as soon as my hon. friends opposite took charge of the government they did the same thing, and I am amazed that they had time to prepare a list covering all Canada in the short period during which they held office.

Mr. CANTLEY: Will the minister do me a kindness? Will he be good enough to read the names of the gentlemen I recommended, because I would like them to know I was looking after their interest.

Mr. LAPOINTE: I will do that with great pleasure.

Mr. GEARY: Are there as many new lawyers as new postmasters?

Mr. LAPOINTE: No, fortunately. Now I will conclude the names of the Ontario list, unless the committee think I have read enough.

Some hon. MEMBERS: Go on.

Mr. QUINN: Answer the question.

Mr. LAPOINTE: I have been answering questions all the time.

Mr. GOTT: I want to ask the minister a question. Will he consider—

Some hon. MEMBERS: Order.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, May 30, 1928

The house met at three o'clock.

REPORTS OF COMMITTEES

Tenth report of the select standing committee on banking and commerce.—Mr. Jacobs (for Mr. Hay).

Eighth report of the select standing committee on agriculture and colonization.—Mr. Kay.

CONCRETE WALKS ON PARLIAMENT HILL

Hon. J. C. ELLIOTT (Minister of Public Works): I desire to lay on the table information asked for by the hon. member for Acadia (Mr. Gardiner) in regard to the sidewalks on parliament hill.

NEW EDINBURGH MILLS PROPERTY

Hon. J. C. ELLIOTT (Minister of Public Works): I desire to lay on the table the additional information regarding the Sussex street property which was asked for by my hon. friend from Vancouver Centre (Mr. Stevens).

BUSINESS OF THE HOUSE

Mr. T. L. CHURCH (Toronto Northwest) moved, seconded by Mr. Thompson:

That on Friday, June 1, Bill No. 63, to amend the Railway Act (Investigation of subsidiary of telephone or telegraph companies) now under public bills and orders, be given precedence over all (a) private bills; (b) public bills and orders; (1) during the hour devoted to private bills and (2) over all other business until disposed of on that evening.

Hon. ERNEST LAPOINTE (Minister of Justice): I am sorry that the Prime Minister is not in his seat at the present time, but I have to take the stand which he has already taken with regard to similar matters. I think it would be unfair to other measures which have precedence over this to accept the motion of my hon. friend. If the bill comes up in due course at its proper stage, it will certainly be considered, but we cannot agree to give it precedence over other measures.

Mr. CHURCH: It is not being unfair to other members to give precedence to this bill which has been on the order paper since February. I have a bill which has been standing on the order paper since early in February. This is not a free parliament unless we can bring these questions before it.

Mr. SPEAKER: The motion is out of order. The other day I ruled that according to May and Bourinot any motion concerning the order of business of the house should be made by the Prime Minister or the leader of the house.

Mr. CHURCH: I rise to a point of order. I gave due notice of the motion.

Mr. SPEAKER: It matters not whether the hon. gentleman gave notice or not. The question is: Is the motion in order? I contend, and May supports my contention, that any motion concerning the order of business of the house must be moved by the leader of the house. I have so decided and I now so rule.

INDUSTRIAL AND INTERNATIONAL RELATIONS

MOTION TO REFER BACK REPORT OF COMMITTEE

Mr. C. R. McINTOSH (North Battleford): Mr. Speaker, in accordance with your ruling of yesterday which took place when I was unavoidably absent from the house, and for the purpose of giving the hon. member for Vancouver Centre (Mr. Stevens) another

portion of a week intellectually to grasp the numerical section of the report presented to the house two weeks ago—

Some hon. MEMBERS: Order.

Mr. McINTOSH: If you have any more to say, go on. I have the floor at the present time.

Mr. SPEAKER: Order. I would ask the hon. gentleman to make the motion properly.

Mr. McINTOSH: I am just about to make it. I made the preliminary part of it and this is the latter part. I beg to move, seconded by Mr. Neill:

That the third report of the select standing committee on industrial and international relations, presented to the house on May 16th instant, be referred back to the said committee with instructions that they have power to amend the same by substituting the following for paragraph 8 thereof:

Your committee further recommend that 750 copies in English and 250 copies in French of this report, and the evidence upon which it is based, be printed in blue book form, and that standing order No. 64 be suspended in relation thereto.

Hon. HUGH GUTHRIE (South Wellington): Just on a point of order, I understand that this committee has made its final report and has presented it to the house. The committee has ceased to exist for the present session if it has made a final report. In Beauchesne's Parliamentary Rules and Forms, at paragraph 664, I read:

If a committee at the conclusion of their inquiry, make a final report to the house, the sittings of the committee are assumed to have been closed, and if further proceedings were desired, it would be necessary to revive the committee.

There has been no motion to revive the committee, and there is no committee, practically, to which to refer the matter.

Mr. SPEAKER: Does anyone else desire to speak to the point of order?

Mr. SHORT: What about the intellect now?

Mr. A. W. NEILL (Comox-Alberni): I would point out, Mr. Speaker, that this is a standing committee, and therefore it does not need to be revived. Also the committee is not trying to do anything at the present time; it is the house that is asked to recommend that the report be sent back to the committee.

Hon. R. J. MANION (Fort William): The rule distinctly says that the committee having made its final report, if further proceedings are desired, it is necessary to revive the committee. In other words, the committee is dead, and I do not know how we can possibly send something back to a committee that does not exist.

Mr. McINTOSH: I submit that the point of the hon. member for Fort William (Mr. Manion) is not well taken. The committee that has made its report is a standing committee of the house, and I would like to ask my hon. friend from Fort William how it is that a standing committee should need to be revived. That is great logic.

Mr. MANION: As the hon. gentleman asks me a question, I would say that I prefer to take Beauchesne's ruling rather than that of the hon. gentleman.

Mr. SPEAKER: I will take the point of order into consideration and give my ruling later.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

STEAMER PELEE

Mr. GOTT:

1. What was the cash subsidy paid to the steamer Pelee for the year 1927?
2. When was the contract drawn for the 1928 season of navigation?
3. What subsidy is proposed for 1928?
4. On whose recommendation was it passed?
5. Has the company any other revenue from the government?
6. If so, from what source?
7. What amount?
8. What dividends did the company pay for the season of 1927?
9. Will the minister make any attempt to reduce or increase the subsidy?

Mr. RINFRET:

1. $11,000.
2. On February 25, 1927 (for three years).
3. $11,000.
4. On the application of the company in 1927.
5. No information.
6. No information.
7. No information.
8. No information.
9. The present contract does not expire until March 31, 1930.

UNIFORMS FOR CREWS ON GOVERNMENT VESSELS

Mr. NEILL:

1. Were certain regulations adopted by the Department of Marine and Fisheries, to become effective in June, 1914, regarding the issuing of uniforms, for crews on board government vessels?
2. Did regulation No. D.S. 17 provide for the issuance of two suits a year to officers, and chief and petty officers on government ships which are in commission the year round, and that the

winter issue was to take place on the 10th October in each year, and was so issued since that date?

3. Was the issue of the winter suits discontinued last October without any previous notice having been given, and if so, why, and under what order in council or authority?

4. Why was the remuneration of these men reduced in this way?

Mr. CARDIN:

1. Yes.

2. Yes. The requisition for winter uniforms was to reach department 10th October.

3. Yes; by department authority.

4. The supplying of uniforms was at no time regarded as remuneration.

COLCHESTER-SACKVILLE WHARF

Mr. GOTT:

1. What did it cost the country to build a wharf or pier at Colchester-Sackville, Colchester south township, Essex county, Ontario?

2. Was the wharf ever used?

3. Under whose recommendation was the work instituted?

4. How many loads of stone, gravel or earth were used in construction?

5. From whom was same purchased?

6. By whom hauled?

7. How many people were engaged in the work from the beginning to the end?

8. Who were they?

9. How much did each receive?

10. Was a request ever made to the Department of Public Works, or any other department, for assistance to preserve the banks at Colchester?

11. Was same granted?

12. If refused, why, and what was the nature and reason for refusal?

13. Has the government taken any part in the recent construction work there to preserve the graves of Canadian veterans?

14. If so, how much has been appropriated?

15. Will the government lend any further assistance?

16. If so, how much?

17. If not, why?

Mr. RINFRET:

1. $23,389.55.

2. Yes.

3. On the report of the department engineer.

4 to 9. Information not available.

10. Yes, for the prevention of erosion of the bank at the edge of cemetery.

11. No.

12. It was not considered that any responsibility in connection with the prevention of such erosion devolved on this department.

13 to 17. No information.

CANADA WEEKLY PRINTING COMPANY

Mr. EVANS:

1. How much money was paid to the Canada Weekly Printing Company, 325 Logan avenue, Winnipeg, Manitoba, and the Norwegian Publishing Company of the same address, during the fiscal years ending March 31st, 1923, 1924, 1925, 1926, and 1927?

2. Are these payments continued for the present fiscal year to the said companies?

Mr. RINFRET:

Department of the Interior

1.

1922-23—Nil.
1923-24—Nil.
1924-25—Canada Weekly Printing Co., $15.68.
1924-25—Norwegian Publishing Co., $18.
1925-26—Nil.
1926-27—Canada Weekly Printing Co., $15.68.
1926-27—Norwegian Publishing Co., $18.
1927-28—Nil.

2. 1928-29—Yes.

Department of Immigration and Colonization

1.

Canada Weekly Printing Company

Year	Amount
1922-23	
1923-24	$6,756 98
1924-25	8,366 48
1925-26	2,880 00
1926-27	3,180 00

Norwegian Publishing Company

1922-23	
1923-24	$6,688 16
1924-25	8,403 28
1925-26	3,380 00
1926-27	3,180 00

2. An order has been placed with these companies covering the fiscal year 1928-29, the order to amount to $3,500 in each case.

VIOLATIONS OF CUSTOMS AND EXCISE ACT

Mr. QUINN:

1. Of the twenty-seven firms charged with violations of the Customs and Excise Act recommended for prosecution by the parliamentary committee of 1926, how many have since been prosecuted?

2. In each case who was the prosecuting attorney representing the interests of the department?

3. How many of the cases have actually come to trial?

4. How many of the cases have been settled by mutual agreement out of court, and if any, what are the names of the firms or persons with whom settlement was so made?

5. What are the total legal fees paid by the department in each case?

Mr. EULER: See statement attached.

1. The parliamentary committee of 1926 did not recommend for prosecution 27 firms charged with violations of the Customs and Excise Acts.

Said committee recommended that certain firms and companies, 25 in number, be pro-

ceeded against in the proper forum to recover the sums, if any, then owing by them to the crown.

The following are the names of the said firms and companies: John Gaunt Company; Dominion Distillery Products and Associated Enterprises; B. B. Glove Co.; Jas. A. Gilmore Co.; Globe Suspender Co.; Perfecto Garment Co.; Peerless Overall Co.; R. & G. Manufacturing Co.; Reliable Garment Co.; Stanstead Manufacturing Co.; W. M. Pike & Sons, Standard Manufacturing Co., William Flint Pike; Telford Bros. Garment Co.; Telford & Chapman; Jenkins Overall Co. Ltd.; Snag Proof Ltd.; Rock Island Overall Co.; Alco Dress Co.; O. B. Earle Co.; Royal Cloak Co.; Miracle Dress Co.; Hollinger and Packer; Klover Dress Co.; Poyaner Group of Companies; Woollens Limited. 17 of these cases are in the courts. Two of them have been settled, and for status of balance see explanation.

2. The following is a list of the cases with the name of the solicitor representing the department in each:

Dominion Distillery Products and Dominion Distillers Ltd., Jenkins Overall Co. Ltd. Departmental agent, R. L. Calder, K.C.

B. B. Glove Co., W. A. Gilmore et al (carrying on business as Jas. A. Gilmore Co.), C. J. Marois (carrying on business under firm names Globe Suspender and Eastern Apparel Co.), H. S. Pocock (Perfecto Mfg Co.), Alfred J. Bissonnette (Peerless Overall Co.), J. H. Gauthier & H. G. Duncalfe (R. & G. Manufacturing Co.), Reliable Garments Ltd., Stanstead Manufacturing Co., W. M. Pike & Sons and Standard Manufacturing Co., (William Flint Pike), S. B. Telford (Telford Bros. Garment Co.), Telford & Chapman Ltd., Snag Proof Co. Ltd., Mrs. H. Fregeau (Rock Island Overall Co.). Departmental agent, Emile Marcotte, K.C.

Woollens Ltd. Departmental agent, Paul Ranger. Since the issue of the writ this company has made an assignment under the Bankruptcy Act. Claim has been filed with the trustee.

3. Judgment has been obtained by default against C. J. Marois for $59,836.29 with interest from 10th October, 1927, but it has not been possible to realize upon the same, the judgment debtor having left the jurisdiction and no assets being found.

4. Two cases have been settled by mutual agreement out of court on the advice of Messrs. Clarkson, Gordon and Dilworth, the solicitor for the crown, the departmental solicitor and the commissioner. The names of the firms with whom settlement was so made are as follows:

Alco Dress Co. and Royal Cloak Co. Departmental agent, James H. Spence, K.C.

The status of the remaining cases is as follows:

O. B. Earle Co. Agent reported no person could be found to serve with process. Departmental agent, James H. Spence, K.C.

Miracle Dress Co. First placed in hands Arthur Geoffrion, K.C. Agent reports this firm wound up its business in 1925. Hollinger & Packer. Agent reports this firm defunct. Klover Dress Co. This firm liquidated in 1926 and all its assets disposed of. Poyaner Group of Companies. No claim established against these companies by Clarkson, Gordon and Dilworth with the exception of a possible claim of approximately $1,000 against Dominion Dress Co. Ltd., a subsidiary of Poyaner Ltd. The Limited Company is in liquidation and the agent reports that he is awaiting result of liquidation proceedings before instituting action. Departmental agent, Paul Ranger.

John Gaunt Company. Firm wound up and John Gaunt personally insolvent and beyond the jurisdiction. Departmental agent, R. L. Calder, K.C.

N.B.—The reports upon Miracle Dress Co., Hollinger and Packer, Klover Dress Co., Poyaner Group of Companies and Woollens Limited were originally placed in the hands of Arthur Geoffrion, K.C., of Montreal, who finally reported that he could see no prospect of establishing any claims against any of the firms concerned. The cases were then placed in the hands of Mr. Paul Ranger.

5. Nil.

MAJOR A. L. NORMANDIN

Mr. EDWARDS (Frontenac):

1. Is Major A. L. Normandin employed in the Printing Bureau?
2. If so, how long has he been so employed and what is his present salary?
3. How many days sick leave has he had during the last two fiscal years?
4. How many days of statutory leave has he had during the last two fiscal years?
5. Is he the owner and publisher of "The Parliamentary Guide"?
6. How many copies of such book were bought by the Government during the last two years, and what was paid for same?
7. How much was paid by the government during the last two years for advertising in the Parliamentary Guide?
8. Does the said Major A. L. Normandin come under the Civil Service Act?

Mr. RINFRET:

1. Yes.
2. (a) Since January 2, 1917; (b) $2,520.
3. Continuous illness January 20 to June 30 1927, 120½ days; casual 6 days.

4. 36 days.

5. No knowledge.

6. (a) 2,485 copies; (b) $7,696.38.

7. No department of the government has advertised in Parliamentary Guide during the last two years.

8. Yes.

CANADIAN NATIONAL RAILWAYS—TORONTO HOTEL

Mr. CHURCH:

1. Did the Canadian National Railways enter into negotiations with anyone, and whom, to acquire land or to build a hotel on Queen street, south side, opposite University avenue, Toronto, as announced some time ago?

2. What were the terms and conditions and basis of said action by the Canadian National Railways, and what is the present situation?

3. Were any protests received from the Ontario government, or any member thereof, by the Canadian National Railways, protesting against the use of these lands for hotel purposes, and what was the nature of this protest, if any?

4. Has or had the Canadian National Railways any interest in these lands and of what nature, directly or indirectly, or through any lawfully authorized agent?

5. Did the Canadian National Railways acquire any interest in these lands from the former owner, the Sir William MacKenzie estate, and what was that interest?

6. Has the Canadian National Railways any interest now in these lands, and what is it?

7. Has the Canadian National Railways, directly or indirectly, or through any agent, an interest in the Amulet Realty Company, the present owners, and who compose the Amulet Realty Company?

Mr. DUNNING:

1. No.

2. Answered by No. 1.

3. No.

4. No.

5. No.

6. No.

7. No.

MR. F. G. BRONSKILL

Mr. BELL (Hamilton):

1. What are the duties of Mr. F. G. Bronskill, accountant, Department of Public Printing and Stationery, as provided by chap. 162 of the revised statutes, 1927, Public Printing and Stationery Act?

2. On whose authority does Mr. Bird of the civil service commission deal with Mr. F. G. Bronskill in arranging for all promotions, employment and transfers in connection with the clerical staff of the printing bureau?

3. Has the king's printer made recommendation to the civil service commission to have the position of accountant changed to that of financial controller?

4. If so, has this proposed change in title received the approval of the Secretary of State?

[Mr. Rinfret.]

Mr. RINFRET:

1. The duties of the accountant of the Department of Public Printing and Stationery as provided by chapter 162, section 25, R.S.C. 1927, are as follows: The accountant shall, under direction of the minister and the king's printer, audit all accounts for any of the services under the control of the department, keep the accounts of the department, receive and deposit all cash paid in, and render statements of accounts to the clerks of the two houses of parliament, and the deputy heads of the several departments, as and when the same are required by this act or by regulations made by, or instructions received from the minister.

2. All departmental dealings with the civil service commission are under the control of Mr. F. A. Acland, King's Printer, with whom Mr. Bird deals direct.

3. In January, 1927, the king's printer requested the civil service commission to review the duties and compensation of all officers from the director and superintendent of printing down to foreman, with suggested changes of title in some cases, and the title of financial controller was suggested in substitution for that of accountant.

4. The usual procedure was followed—the minister being made aware of the action taken.

PUBLIC PRINTING AND STATIONERY—EMPLOYEES

Mr. BELL (Hamilton):

1. On page 99, civil government estimates, 1928-29—Department of Public Printing and Stationery—the number of officials and clerks is given as 32 and total salaries as $80,190 annually. As there are over 250 officials and clerks employed, permanently, with annual salaries aggregating $450,000, what reason exists for not placing these salaries and positions in the estimates so that they may be voted by parliament?

2. On whose authority does the stationery branch add a tax of 15 per cent and 20 per cent to the actual cost of all stationery supplied to other departments of government?

3. What amounts were the Post Office, National Defence, National Revenue and Public Works departments called upon to pay for the year ended December 31, 1927, as a result of this method of managing the stationery branch?

4. Does the Secretary of State propose to have this practice discontinued?

5. If not, why not?

6. Are moneys which are paid to the king's printer's advance account being used to increase or affect the salaries of new permanent clerks, or paid to them on any basis whatever?

Mr. RINFRET:

1. Under the accounting system of the department as confirmed at the reorganization effected under P.C. 562, March, 1918, the

salaries of officers and clerks in question are in effect charged back to other departments in the accounts rendered, and it has not been deemed proper to include such salaries in the civil government appropriation; the question whether or not these salaries should be placed in the estimates and voted in civil government or other appropriation has been for some time under consideration but no conclusion has been reached.

2. The regulations framed for the government of the department by the authority appointed under P.C. 562, March, 1918, contain the following instructions on this point:

> (3)—stationery supplies: The price charged departments for stationery supplies shall include the original cost of the supplies, the freight and transportation charges and an added percentage to cover the cost of operating the stationery supplies divison.

The tax is not 15 per cent and 20 per cent, as stated, and is collected, not on all stationery supplies, but on certain classes, and ranges from 5 per cent upward, the principle followed being to grade the tax in proportion to the margin secured at purchase; when supplies are purchased in large quantities an ample margin is usually obtained, and an addition may be made to the selling price for small quantities without increasing the cost above the level of the retail charge for similar quantities.

3. The cost of maintainng a record which would show the difference between the selling prices of an infinite number and variety of articles in a turnover of between two and three million dollars and the purchase or cost price of the same in bulk would be disproportionate to its value. Such a record is not kept and the information is not available.

4. The practice is related to points raised in question No. 1 and is similarly receiving consideration.

5. Answered by reply to No. 4.

6. All moneys paid to the king's printer by the house of parliament or government departments for services performed or goods supplied, or by the public for official documents sold, are deposited to the credit of the Receiver General. The kings printer's advance account consists of advances authorized by the Minster of Finance, under Chap. 162, Sec. 38. R.S.C. 1927. All officials of the department, whether paid from civil government or king's printer's advance account or otherwise, are under the jurisdiction of the civil service commission and the pre-audit of the Auditor General as to increases and salaries, and the salary of any official paid out of king's printer's advance account is not increased or affected except by the civil service commission and the acceptance of such by the Auditor General.

MR. G. FRED PEARSON

Mr. MACDOUGALL:

How much did the government pay Mr. G. Fred Pearson for his legal services in connection with the recent fishery commission?

Mr. CARDIN: Amount paid for legal services to Mr. G. Fred Pearson, $16,300.

PORT HOOD HARBOUR

Mr. MACDOUGALL:

1. When did the federal government commence work on what is locally known as "The closing of the northern entrance of Port Hood harbour"?
2. How much money was spent on this work?
3. When was it commenced?
4. When was it abandoned?

Mr. ELLIOTT:

1. 1904.
2. $133,653.68.
3. Answered by No. 1.
4. Work discontinued 1912.

QUESTION PASSED AS ORDER FOR RETURN

CONVEYANCE OF MAILS IN 1927

Mr. ARTHURS:

1. How many contracts were made for the conveyance of mails in Ontario during the calendar year 1927?
2. How many renewals were made: (a) at suggestion of department; (b) by the contractor?
3. In how many cases were tenders advertised for?
4. In how many cases was the lowest tender, as originally received, accepted?
5. Did the department decide that in certain cases the tenders were not satisfactory?
6. If so, in how many cases?
7. Were new tenders called for when those received were not considered satisfactory?
8. If not, why?
9. Have contracts been concluded in some of such cases, and if so, how many?

SEVEN SISTERS FALLS

Mr. T. L. CHURCH (Toronto Northwest) moved:

For a copy of all correspondence, letters, telegrams, orders in council, between the government of Canada or any member thereof, or officials and any other person or persons in reference to the development of water-power on the Seven Sisters site and Slave Falls, including all correspondence with the government

of Manitoba, the city of Winnipeg and all other private companies seeking to control power sites on the Winnipeg river in Manitoba.

Hon. CHARLES STEWART (Minister of the Interior): A great deal of correspondence would have to be brought down if the motion was passed as it stands, and I am informed that a great deal of the correspondence is not material to anyone. Perhaps the hon. gentleman would let the motion stand until I have had an opportunity of discussing it with him. I think we can reduce the order very materially.

Motion stands.

UNOPPOSED MOTION FOR PAPERS

BLACK POINT BREAKWATER

Mr. MACDONALD (Richmond-West Cape Breton):

For a return showing a detailed statement of expenditures on Black Point breakwater, Richmond county, together with a copy of all correspondence relating thereto, from March 15, 1927, to March 15, 1928.

FISHING LICENSES IN BRITISH COLUMBIA

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): I would like to call the attention of the Minister of Marine and Fisheries (Mr. Cardin), or possibly the Minister of Justice (Mr. Lapointe), to the decision recently given by the Supreme Court of Canada on a question that was referred to it some months ago regarding the jurisdiction of the Minister of Marine and Fisheries under the Fisheries Act, in relation to the issuance of certain fishing licenses in British Columbia. In view of that decision, I would ask if it is the intention of the government to amend the Fisheries Act to meet the situation that has arisen, or how is it proposed to deal with the situation, because this is a matter of very great importance to British Columbia.

Hon. ERNEST LAPOINTE (Minister of Justice): I may say that the judgment is of very recent occurrence. As a matter of fact, I have not yet had the opportunity of seeing a copy of it; I do not think that an official copy has been received by the department, but it may have been. In view of the importance of the matter, we shall certainly consider the advisability of appealing this judgment to the Privy Council.

Mr. NEILL: And in the meantime continuing to enforce the law as it stood prior to the decision?

Mr. LAPOINTE: Yes.

BUSINESS OF THE HOUSE

MORNING SITTINGS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): As hon. members are aware, the house will not sit on Monday of next week. My attention has been drawn to the fact that a number of hon. members will desire to leave the city early on Saturday afternoon or evening for the week end. Before the hon. leader of the opposition (Mr. Bennett) left for the west, I had a word with him with respect to having morning sittings begin next Saturday, and I understood the hon. gentleman was agreeable to that. I have just learned from my friend the acting leader of the opposition (Mr. Guthrie) that he understands that will be satisfactory to the members of his party. If it is agreeable to hon. members generally, I should like to move the necessary motion at once, so that hon. members may arrange their plans accordingly; if there is any desire to debate the motion, I would let it stand as a notice. If the house is agreeable, I move that we return to Notices of Motion.

Mr. SPEAKER: By leave of the house.

Motion agreed to and the house reverted to the order "Notices of Motion."

Mr. MACKENZIE KING moved:

That on and after Saturday, the 2nd of June instant, until the end of the present session, the house shall meet at eleven o'clock in the morning of each day, except Sundays, and that in addition to the usual intermission at six o'clock p.m., there shall be also an intermission from one to three o'clock p.m.

Mr. GUTHRIE: Do I understand there is a sitting arranged for Saturday of this week?

Mr. MACKENZIE KING: Yes, Saturday morning.

Mr. GUTHRIE: And Saturday afternoon?

Mr. MACKENZIE KING: Yes.

Mr. BOURASSA: Does it mean that we shall adjourn from one to three, or from one to two on Saturday?

Mr. MACKENZIE KING: From one to three.

Mr. GEARY: Does the house sit Saturday evening?

Mr. MACKENZIE KING: I think it may be understood that the house will not sit Saturday evening. We may adjourn early in the afternoon.

Motion agreed to.

APPLICATION OF DUMPING DUTY

BRITISH COLUMBIA STRAWBERRY CROP

On the orders of the day:

Mr. W. K. ESLING (West Kootenay): Mr. Speaker, on Monday last the Prime Minister (Mr. Mackenzie King) stated that council would act on the advice of the Minister of National Revenue the very moment that the minister gave to council reasonable grounds for restricting importation—referring probably to natural products. Now, I am in receipt of a telegram from Preston stating that the 1928 strawberry crop to the value of $65,000 will be ready for the market in a few days, and that the growers will be subject to serious loss if they are compelled to market this crop in competition with surplus berries from the United States. May I ask the Prime Minister if this will be considered a reasonable ground for passing an order in council to restrict the importation of surplus berries?

Right Hon. W. L. MACKENZIE KING: I may say to my hon. friend, Mr. Speaker, that while I might have one view of what is a reasonable ground, some of my colleagues might have another. I would not be able to say what view council as a whole would take until the matter comes before us there.

STRUCTURAL STEEL WORKERS' STRIKE

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, I desire to ask the Acting Minister of Labour (Mr. Elliott) what has been done or will be done to adjust the very serious strike of structural steel workers employed on an important public work in Toronto. A week ago the minister stated he would have a reply ready. What is the situation?

Hon. J. C. ELLIOTT (Acting Minister of Labour): Mr. Speaker, as far as I am aware, there has been no change in the situation since my hon. friend asked the question the other day. At that time he seemed to be under the impression that a request had been made by the steel workers of the city of Toronto for action by the Department of Labour. I have made inquiries, and I find that while there was a communication from the mayor of the city, there has been no such request for intervention as the act contemplates. I shall be glad to make inquiries as to what is the situation this afternoon, but that was my information this morning.

CHICAGO DRAINAGE CANAL

PRINTING OF PAPERS TABLED RESPECTING DIVERSION OF WATER

On the orders of the day:

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I wish to call the attention of the hon. Minister of the Interior (Mr. Stewart) to Hansard of Monday, April 30, 1928, when he presented a motion for the printing of a portion of a return tabled on April 19, being documents respecting the Chicago drainage canal. On that occasion the leader of the opposition (Mr. Bennett) urged upon the minister that the report should be printed as a whole, and the latter said he would take it under consideration. Subsequently, on May 2, 1928, page 2596 of Hansard, the minister made a motion with regard to the printing. When he was reading it I found it difficult to understand the purport of what was a rather complicated statement, and I asked him this question:

Mr. Cahan: May I ask what is included in this present motion? For instance, the earlier documents brought down have been printed, but they are not available; it is impossible to obtain copies of them although I have applied to the printing bureau and to the distribution office.

To which he replied:

Mr. Stewart (Edmonton): This covers the reprint of all those documents, so we will have everything together.

I think the minister's statement has not been carried out, because the documents which have been printed and placed at the disposal of members contain simply a list of the recent correspondence between Canada and the United States. I would ask the minister to consider whether this promise of his—may I call it?—will be carried out.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I may tell my hon. friend that the previous documents were simply out of print, and we have ordered that they be reprinted for distribution.

Mr. CAHAN: That is satisfactory.

SUPPLY—SALARIES OF PROFESSIONAL AND TECHNICAL OFFICIALS

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee of supply.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I desire to bring to the attention of the house and the government a matter which is of supreme importance to the basic indus-

try of this country, and which I think should be dealt with before this house prorogues. I refer to the salaries being paid to men engaged in research work in the Department of Agriculture. A study of the salaries paid to the scientific and professional men in the Canadian government service, and a comparison between these salaries and those paid for exactly similar positions in the United States federal government service, make it evident that salaries in the Canadian technical and professional service are in most cases far too low, and, moreover, that they are relatively much lower in some parts of the service than in others, notably in the Department of Agriculture. It is a well-known fact that during the last few years many well-trained scientific men have left our government service to accept much higher salaries elsewhere, and that great difficulty has been experienced in replacing satisfactorily many of those men.

I should like to give the house a comparison of the salaries paid in this service in the United States with those paid in Canada. In grade 1 of the United States service the salary range is from $1,860 to $2,400. This is the exact equivalent of the Canadian first professional grade, or junior grade, $1,620 to $1,920. The qualifications and duties are the same in the two services. Examples: Junior cerealist, junior entomologist, junior plant pathologist.

In grades 2 and 3 of the United States service the salary ranges from $2,400 to $3,000, and from $3,000 to $3,600. They are the exact equivalent in qualifications, responsibilities and duties of Canadian second professional or assistant grade, with salaries ranging from $2,040 to $2,400. Examples: Cerealist, assistant entomologist, assistant plant pathologist.

In grade 4 of the United States service the salary ranges from $3,800 to $5,000, and this grade is the exact equivalent of our third professional grade with salaries ranging from $2,520 to $2,880, with a few senior research positions at $2,760 to $3,240. Examples: Cereal specialist, entomologist, plant pathologist.

In grade 5 of the United States service the salary ranges from $5,200 to $6,000, and this grade is the exact equivalent of our fourth professional grade, with salary ranging from $3,000 to $3,480, and fifth grade with salary ranging from $3,420 to $3,780, which includes chiefs of divisions in our service.

In grades 6 and 7 of the United States service the salary ranges from $6,000 to $7,500, and $7,500 and up, and they are the equivalent of our highest grades with salary ranging from $4,020 to $4,620, and in a few positions with a maximum of $4,920 or $5,120, including heads of branches in our service and heads of bureaus in the United States service.

I am informed that the United States president has recently signed what is known as the Welsh bill, which has increased the salaries for scientific positions very considerably, as the following statement shows:

Grade	
1	$2,000-2,600
2	2,600-3,200
3	3,200-3,800
4	3,800-4,600
5	4,600-5,400
6	5,600-6,400
7	6,700-7,500
8	8,000-9,000
9	9,000 and up

You will see that the maximum salary for these positions in the United States is $9,000 compared to $5,120 in Canada, for exactly the same sort of work. Our professional service must compete with the professional service of the United States. In many lines of scientific work our young men, after receiving their initial training in college in this country, must go to the United States for post graduate courses, and many of these men in the last few years have remained in the United States, accepting higher salaries offered there. So that their services are not only lost to this country but go to assist our competitors.

Next I want to deal with the discrimination shown in the classification as between different departments in this country. First as an example I would make a comparison between the geological survey branch and the cereal division of the experimental farms branch.

Geological Survey

Assistant geologists: minimum, $2,220; maximum, $2,580.

Associate geologist: minimum, $2,700; maximum, $3,600.

Geologist: minimum, $3,720; maximum, $4,620.

Chief geologist: minimum, $4,440; maximum, $4,980.

Cereal Division

Junior cerealist: minimum, $1,620; maximum, $1,920.

Cerealist: minimum, $2,040; maximum, $2,520.

Cereal specialist: minimum, $2,520; maximum, $2,880.

Senior cereal specialist: minimum, $2,760; maximum, $3,240.

Dominion cerealist (with house allowance $360): minimum, $2,880; maximum, $3,480.

Mr. SPEAKER: The Chair cannot hear.

Mr. COOTE: I cannot hear you very well, either, Mr. Speaker; I thank you for asking for better order. As I say, the Dominion cerealist may receive a maximum of $3,480 and house allowance of possibly $30 or $40 a month. I want to say a few words regarding the work of the cereal division.

Mr. SPEAKER: I would ask hon. members kindly to be silent; I cannot hear the hon. gentleman at all.

Mr. COOTE: One of the most important activities of the cereal division is that of evolving and developing varieties of wheat capable of producing maximum yields of high quality throughout the various wheat growing districts of western Canada. The world famous marquis wheat is the most outstanding contribution of this division to date. According to conservative estimates we now realize in Canada at least $100,000,000 more from our wheat crop annually than would have been possible had we still to depend on the varieties of wheat grown prior to the introduction of marquis. Many districts however require varieties that have earlier maturing qualities than marquis, and the introduction of garnet wheat in 1926 and reward wheat this year seems to have filled that want. Both these wheats are the work of men engaged in the cereal branch. The breeding of rust-resistant varieties, which is largely concentrated at the rust research laboratory in Winnipeg, where it is being prosecuted by officials of the cereal division co-operating with Dominion plant pathologists, is an immensely important undertaking. As is well known, rust has exacted a toll of as high as $100,000,000 in a single year. Indeed, many farmers in Manitoba and parts of Saskatchewan have almost been compelled to abandon their farms as the result of the frequent occurence of this dread disease. The solution of this problem, would appear to be possible, providing the personnel of the staff be held intact. Unfortunately a serious depletion in the staff has already taken place through the resignation of one of the most outstanding officials, and I understand that other resignations are pending unless salaries are adjusted.

I wish to quote a few sentences from the Grain Growers' Guide in regard to the discrimination which seems to exist so far as the Department of Agriculture is concerned. The statement is made:

> As for younger men the situation is well illustrated by an incident referred to in the March issue of Scientific Agriculture. Recently the commission advertised for two men. For an assistant superintendent for an experimental farm, who must be an agricultural college graduate, with a post graduate degree and special training in histology, genetics and physiology, it offered a salary range of $1,620 to $1,920. For an assistant chief of the narcotics division, who is required to have only a high school education and two years' clerical experience, preferably police experience, with some knowledge of drugs, it offers a salary range of from $2,400 to $2,880. It is little wonder in these circumstances that Canada is losing some of her best scientific agriculturists.

We cannot afford to lose these men. I think it is generally admitted that agriculture is the basic industry of Canada, and wheat is certainly the greatest item in our agricultural economy. I want to quote briefly from an article entitled Wheat is King, published in MacLean's Magazine of April 1st:

> The stupendous Canadian wheat industry totally eclipses all other Dominion enterprises in the number of men employed, in the amount of machinery utilized and in the quantity of money involved. When talking of Canadian wheat we now speak in terms of billions. . . . Wheat, and wheat alone, augments the national treasury annually by $100,000,000 more than the total annual income from our forests. It brings into Canada twice as much money as our mines, and ten times as much as our fisheries. No other single commodity produced in the Dominion has a chance in the race for national importance. It is so far ahead of all others that it has no competitors.

The greatest enemy of our wheat producers to-day is rust. In this connection I want to quote from an editorial which appeared in the Alberta Farmer:

> Because the future success of western Canada's wheat harvests is seriously threatened the Dominion government, under pressure of public opinion, organized two years ago a Dominion rust research laboratory. It is not necessary to explain to prairie farmers the seriousness of the rust menace. A year ago 55 per cent of the wheat crop of the west graded No. 3 northern or better; this year only 35 per cent of the crop graded that high. The cause for the most part was rust. Thus far this year only one and one-half per cent of the wheat graded in western Canada has been classed No. 1 northern and only 10 per cent No. 2 northern. The cause for the most part has been rust. Rust is responsible for the fact that in 1927 Manitoba, which was at one time an exclusive bread wheat area, produced over 50 per cent of durum wheat. Rust was almost entirely responsible for the reduction of 20,000,000 bushels in Manitoba's wheat crop last year from the year before. Absence of rust in Alberta during 1927 made it possible for this province to raise as much wheat on six and one-half million acres as Saskatchewan, where rust was rampant, raised on thirteen million acres. Stem rust caused a loss of approximately two hundred million dollars to prairie farmers in 1916.

Even if that statement is exaggerated it should cause some concern to this house. It seems to me that this is the proper time to place before the house a resolution passed by the Canadian Council of Agriculture at its annual meeting, which was held in Winnipeg last March:

> Whereas grain rust is costing the country millions of dollars annually, which loss can only be prevented through the agency of scientific research, which demands the services of the most highly trained experts;
>
> And whereas Canada is losing many agricultural scientists to other countries where the scale of remuneration is considerably higher than prevails here;

And whereas the civil service salary classification sharply discriminates against scientific men engaged in agricultural research work as compared with men requiring no higher standard of training engaged in other branches of the civil service;

And whereas the future prosperity of Canada depends in a large measure upon scientific research in the various branches of agricultural development;

Therefore the Canadian Council of Agriculture recommends to the federal government that immediate steps be taken to remove the discrimination against agricultural scientists now existing in the civil service salary classification;

And further that nothing be allowed to stand in the way of prosecuting rust research work as rapidly as possible to a successful conclusion.

At present the obstacle in the way is the insufficient salaries which are being paid to men engaged in this work; according to the press we have been losing quite a number of men who were formerly actively engaged in this work at Winnipeg. The first of these of whom mention is made is Doctor D. L. Bailey, who had charge of the laboratory; he has been asked by the university of Toronto to accept a position as head of the department of pathology. Next is Mr. J. R. Craigie, who has accepted invitations from the United States Botanical Society at Washington and from Harvard university to present his paper and to consider opportunities they have to offer. I understand that he has accepted one of the offers. After nine years of intensive training, he started work at the rust laboratory for $2,400 per year, and his maximum salary under the present classification would be $2,880. The next is Doctor Margaret Newton, who has a standing offer from the university of Saskatchewan. Doctor C. H Goulding also has received offers from the United States. It is unfortunate but true that during the last few years many highly trained scientific officers have left our service to go to the United States or other countries because they have been offered higher salaries; our Department of Agriculture alone has lost over 75 professional officers in the last five years. Many of these men go to the United States and enter either the federal service or one of the various state services, and unless these salaries are increased we will lose many more of these trained investigators and professional officers. When these men leave the service they take with them a wealth of knowledge and experience which in many cases cannot be replaced.

Among those who have left the service within the last few years are two highly trained scientific officers, each holding a doctor's degree. These men resigned from the entomological branch of the Department of Agriculture three years ago, one to accept a position in the United States federal service at $4,500 per year and the other to accept a position in the Fiji islands at $7,500. It does seem a strange thing to me that this country cannot afford to pay our men salaries equal to what they can get in the Fiji islands. These men were each receiving $2,760 in Canada, and the maximum of that class since has been raised to $2,880. One of these positions is still vacant; it has been advertised several times but no suitable person has applied. These gentlemen were investigating the injury done by the spruce bud worm in the forests of eastern Canada, with a view to devising methods of preventing similar outbreaks. It is stated that in our eastern forests the spruce bud worm has killed fir, balsam and spruce within the last twenty years to the amount of from 150,000,000 to 200,000,000 cords, worth between one and two billion dollars before being manufactured into pulp.

A few months ago we were informed that a highly trained technical officer in charge of the tobacco division at the experimental farm had resigned from our service to accept a much higher salary under the Australian council for scientific research. Our scientific branches are just as important as those of the United States, Australia, or the Fiji islands; our problems are quite as difficult to solve. It is necessary that our scientific investigations be maintained at a standard of efficiency equal to that of any other country, and this can be done only by retaining these highly trained men in our service. Doctor Charles Saunders, through his discovery of marquis wheat, is credited with having increased the value of our wheat crop to the extent of $100,000,000 annually; this parliament has seen fit to grant Doctor Saunders a pension in recognition of his services, but who knows whether by losing men of this character to other countries because of the inadequate salaries we are paying, we may not have lost men who could have rendered to agriculture in Canada services equally valuable to those rendered by Doctor Saunders?

Mr. ADSHEAD: Would my hon. friend tell me the pension given Doctor Saunders?

Mr. COOTE: I am sorry, but I cannot give that; I do not expect that it is equal to the pension given some of our judges, however.

I do not wish to take up the time of the house unnecessarily to-day, Mr. Speaker. In closing I wish to say that I have brought this matter up for discussion because I believe it to be very important in a truly national sense that the salaries of these men should be put on a more satisfactory basis before

this parliament prorogues. I hope we may have a promise from the government that this will be done and that the supplementary estimates will provide for such increases in these salaries.

Mr. JAMES STEEDSMAN (Souris): I feel grateful to my hon. friend for having introduced this subject. I was under the impression that it might be discussed on another occasion, but now that it has been introduced I would like to say a few words with reference to it. I am not going into a comparison of the salaries paid in the different branches here with those paid in other countries for services of a scientific character; my hon. friend has done that already, and in presenting what I have to say I wish to be as brief as possible.

We have been alarmed by the fact that we have lost many of our best scientists because we have been unable to offer them salaries sufficiently large to induce them to stay here. The question introduced to-day by my hon. friend is one of the most important which will come before this parliament this session. We realize that the prosperity of this country depends to a very great degree upon the success of agriculture, and the invasion of the grain fields of western Canada by rust is threatening the whole prosperity of the country. We find the area affected spreading from year to year; a few years ago the ravages of this disease were confined to Manitoba, but now we find it spreading considerably farther afield. It is almost certain, unless some means are found to control or combat this menace, that the whole area of western Canada will be more or less affected. I will be pardoned if I confine my remarks chiefly to the effect it has had in Manitoba, the province from which I come.

As the hon. gentleman has just said, the wheat crop in Manitoba last year amounted to only 30,000,000 bushels, and of that amount 15,000,000 bushels were durum wheat. The remainder was of a very poor quality, so low in fact that much of it was almost unsalable, being little better than feed wheat. The introduction of new varieties and the propagation of rust-resistant varieties has done something to relieve the situation. Great areas in southwestern Manitoba, from which I come, have had to change from marquis to durum wheat. While this has proven very satisfactory for that particular locality, at the same time we can readily understand that it is out of the question that any one variety of wheat will be satisfactory for the whole of western Canada. Climatic and soil conditions make that impossible, and the question of markets has also been mentioned by my hon. friend. While there are those who suggest that the introduction of new varieties and the propagation of rust-resistant varieties may be the solution, I am not prepared to go that far, for the reason that no one or two varieties of wheat can be suitable for such an extensive area as we have in western Canada to-day.

Other kinds of grain are being affected as well. Not only was the wheat crop of Manitoba affected last year by rust, but the oat crop also suffered, and to a greater degree. The oat crop of Manitoba last year was cut down by two-thirds from the previous year, due largely to rust, aggravated, of course, by weather conditions. The balance of the crop was of very poor quality, scarcely any of it fit for feed. Great quantities of feed and seed oats have had to be imported into Manitoba this year as a result of the attacks of rust on the oat crop last year.

So you will see that it extends ever farther than wheat. When it comes to affect the feed grains of our province or our country, you will see that our whole agriculture is affected. As a result of the condition I have outlined with regard to oats, you will find that very few cattle were fed in Manitoba this last winter. A great number of stock which would otherwise have stayed there has been shipped out as the result of the failure of that crop, owing to rust.

I do not wish to detatin the house but I want to point out to the government the importance of securing the very best men available, the most highly trained scientific men that it is possible to find anywhere, to take on this work. And having secured them we should pay them such remuneration as will induce them to stay with the job. At the present time Canada cannot afford to lose one man who can do anything towards the solution of this problem, by not paying him sufficient money to keep him at his post. Therefore I would suggest to the Minister of Agriculture and to the government not only the advisability but the necessity of paying sufficient wages to induce these men to carry on this work which means so much to the prosperity of this country..

Hon. S. F. TOLMIE (Victoria, B.C.): I have much pleasure in agreeing with what has been said by the two previous speakers. I do not think there has been anything of greater importance brought up in this house during the whole of this session. We are dependent very largely on our agriculture; it

is one of our greatest industries, and more people are interested in it than in any other single line. Anything that we can do to further agriculture, to place it on a sound basis, to remove any disadvantages that it is suffering will do as much towards adding to the general prosperity of the whole of Canada as anything else I know of.

I quite agree that our technical experts in the civil service, and particularly in the Department of Agriculture, should be remunerated adequately to enable them to remain here and to give us the advantage of their knowledge in the development of this great country. I do not know of any worse form of economy than to pay a man small wages after we have educated him for a special work, and then have him taken away by some other country for the sake of an increase in remuneration of one or two thousand dollars. I think we should keep these men here because , as has already been said, every one of them is necessary in this great work we have before us—the development of Canada. The increase in these diseases in the cereal and other crops make it absolutely necessary that we carry on this research work and make every effort to combat these diseases. Otherwise, as has already been pointed out, we will have a falling off in production which will be very serious indeed.

The ground has been pretty well covered in this regard by the previous speakers, and I propose to adhere strictly to the health of animals section, and the technical work performed in the Department of Agriculture.

Owing to the fact that horses are not used as much to-day as they were a few years ago, the field for the veterinarian is more limited than it was some time ago. The result is that the inducement is not there, and we find our young men going into other lines of work. About the only field left for the veterinarian is in the health of animals branch, in connection with the treatment of other animals such as cattle, dogs, etc.

To qualify as a veterinarian requires the passing of the matriculation examination, then four years in college, and the passing of another examination before entering the health of animals branch. We must offer such remuneration to these men who have graduated and passed these examinations as will enable them to make a reasonable living in comparison with what can be earned in other lines of activity. In order to give the house an illustration of how the passing of the horse has affected the veterinary profession, let me say that while the medical colleges have increased the number of their students since 1919 to the extent of 40 per cent, there has been a falling off in the veterinary colleges of no less than 25 per cent. We have in the livestock industry in Canada the immense investment of $800,000,000 and this livestock must be protected not only from ordinary diseases but from contagious disease. We must also protect our milk supply and the animal products that are produced through our abattoirs. Further, there is research to be carried on and investigations of various kinds to be made for which the veterinarian is especially trained, and it is his special responsibility to carry on this work. Therefore, it must appear to all that it is imperative that we should pay sufficient wages to retain in the service the best men we can secure to perform this important wark.

Let us look at the working conditions of the ordinary veterinary inspector. In the first place the field man has to do his work in corrals, stockyards, barns and generally outside under very unfavourable conditions. The meat inspector, working under cover, is working in an atmosphere charged with steam, operating on a wet floor, handling and incising viscera for hours at a time in the packing house. Very often the man who is carrying on this important work, looking for disease, rejecting carcasses that are unfit for human food and in this way protecting human life, is rendering this valuable service for less money than the foreman butcher operating on the same floor receives.

With regard to what the veterinarian has done for Canada in the past, let me point out that we have an exceedingly proud record. In the first place Canada is to-day freer from animal contagious diseases than any other country in the world. Surely that is a great asset to this country. We have never had an outbreak of foot and mouth disease in the history of Canada. Six outbreaks have occurred in the United States since 1902 necessitating the slaughter of 313,906 domestic animals at an appraised value of more than $11,000,000 and in addition to this it was necessary to slaughter some 22,000 deer in the national forest at a very heavy expense. Moreover, there was a great loss of breeding animals interfering with the general business of breeding livestock. There was restriction in the movement of cattle from one part of the United States to another and other general interference with the business. In 1912 no less than twenty-three states in the union were affected, some of them bordering right on the Canadian line, and it is much to the credit of health of animals branch that not a single case of foot and mouth disease crossed

the line and became established in Canada. As to what has been done in connection with other contagious diseases I might point out that in 1904-05 more than $147,000 was paid in compensation for horses destroyed for glanders. In 1914-15 this was reduced to $35,000 in round figures and in 1926-27 the compensation was reduced to $1,852. Surely that is a very excellent showing for the work of the branch. In 1904-05, $5,412 was paid in compensation for hogs destroyed for cholera. In 1914-15 there was an epidemic of hog cholera and compensation amounting to $196,000 was paid. In 1926-27 this was reduced to $5,771. In regard to dourine, a disease affecting horses in the southwestern section of Saskatchewan and the southeastern section of Alberta, in 1904-05, 292 horses were destroyed and compensation paid to the extent of $16,000. In 1913-14, 471 horses were destroyed and compensation paid amounting to $48,743. Shortly after this Dr. Watson, chief patholgist of the health of animals branch, who had charge of this work, discovered a blood test whereby diagnosis was possible before any physical symptoms were shown in the animal. The result of this very useful discovery was that six years afterwards the disease was reduced to only two horses destroyed with compensation paid amounting to $70 and there has never been any dourine in Canada since. What is a man like that worth to the live stock industry of Canada? I do not know what he is worth, but I know he is paid the very modest salary of $3,780 a year and a house. I suppose a house is necessary in this climate.

With regard to tuberculosis eradication the restricted area plan includes about 11,000 square miles with approximately 240,000 cattle. In one area 52,000 cattle have been tested with a first test showing a reaction of 7.95 per cent of infected animals. This was reduced in two years to four-fifths of one per cent, and the compensation was reduced from $150,000 to $12,000. In another area including about 23,000 head of cattle the percentage of infection was 6 per cent on the first test. This was reduced to three-tenths of one per cent and the compensation was reduced from $43,000 to $2,819. This clearly indicates that the veterinary inspector of Canada is paying his way in handling the diseases of this very important industry.

Let me compare the salaries paid in Canada with those paid to men in the United States doing similar work and without the same record that we are so proud of, namely, that of possessing the freest herds in the world from infectious diseases.

In Canada we have the following officials:

Salaries

269 veterinary inspectors, $1,920 to $2,520.
6 district veterinary inspectors, 3 district supervisors of the meat and canned food division, 1 supervisor of bovine tuberculosis control, $2,640 to $3,000.
9 animal pathologists, $2,700 to $3,120.
1 travelling veterinary inspector, 2 divisional supervisors meat and canned food division, $2,820 to $3,240.
1 chief animal pathologist, $3,420 to $3,780 and house.
1 chief meat and canned foods division, $3,420 to $3,960.
1 chief veterinary inspector, $3,420 to $3,960.
1 veterinary director general, $4,440 to $5,160.

The Veterinary director general is in charge of all the work. Veterinarians carrying on similar work in the United States are remunerated as follows:

250 junior veterinarians, $1,860 to $2,400.
920 assistant veterinarians, $2,400 to $3,000.
90 associate veterinarians, $3,000 to $3,600.
22 veterinarians, $3,800 to $5,000.
1 chief bureau of animal industry, $7,500.

The chief of the bureau of animal industry, who holds a position similar to that of the veterinary director general, receives for the work a salary of $7,500 plus various other emoluments, in connection with supervisory duties, which bring his income up to about $15,000 a year. Action is now being taken by congress to increase the salaries of these men because they are feeling the same pinch as we are in Canada, namely, that there is not a sufficient supply in the offing to take care of the work. Under date of February 27, 1928, Dr. U. G. Houck, acting chief of the United States bureau of animal industry, writes me as follows:

It has been the bureau's intention that its varied activities call for men of education and experience, and it has been agreed generally that our field veterinarians are underpaid and that their salaries are not on a par with other scientific employees of this department. A marked result of these conditions is a serious shortage in the number of young men pursuing veterinary courses in the colleges.

So it will be noted that the United States veterinarians are paid considerably more than Canadian veterinarians for doing the same work, yet even under those conditions, Dr. Houck states that there is distinct evidence of a serious shortage of veterinarians in the near future unless special inducements can be offered.

With regard to the remuneration paid for the same service in Great Britain, unfortunately I have only the maximum of the salaries paid. In Great Britain the figures are as follows:

Maximum Salaries

65 inspectors, including bonus, $2,965.
30 divisional inspectors, including bonus, $3,772.

8 superintending inspectors, including bonus, $4,836.

1 chief superintending inspector, including bonus, anl also including a special allowance of £100, $5,322.

1 deputy chief veterinary inspector, including bonus, $5,857.

1 chief veterinary inspector, including bonus, $6,829.

The bonuses run from about £160, on salaries of £450, to a bonus of £205 on salaries of £1,200. The chief veterinarian of the city of Liverpool receives $7,000 per annum, and his assistant veterinarian receives $6,000.

The British government has maintained an inspector at Montreal for the inspection of cattle shipped alive to Great Britain from Canada, and they have paid this man $5,000 per year. So it is quite evident that they are paying more money for the same work than we are paying, and they are not doing any better work because, as I said a moment ago, our record is the best in the world, yet we pay less money for similar work than is being paid in the two countries I have just mentioned. Again, the falling off in the attendance of students at our veterinary colleges is a clear-cut indication that we are not paying sufficient money to interest enough young men to enter this particular profession.

Let us take a glance at what might happen in the event of an outbreak of foot and mouth disease occurring in this country. We have been very fortunate indeed in the past in this regard, but in the event of an outbreak of foot and mouth disease occurring among the cattle herds of Canada, we would find that the whole business would be paralyzed to a very great extent. Quarantines would be placed on certain areas, on stock yards, and so forth, so that the interference with our business would soon run into a very great deal of money indeed. Breeding operations would be interfered with, and general demoralization of the whole industry would take place. In addition to that, and let me point this out very clearly to those men from the west who are interested in the breeding of cattle and are looking for the best market obtainable for the selling of their live stock when they are ready to sell, no matter what arrangement you may make with the United States as to the trade in live stock between the two countries, no matter how much you might profit from any such arrangement you might make, the whole thing would be upset and tied up overnight in the event of an outbreak of foot and mouth disease occurring in Canada. A quarantine would immediately be placed against this country. That will indicate how necessary it is for us to take hold of this situation while yet there is time, so that we can develop men to carry on this very important work. We must be careful to see that we do not have an inefficient service. In one outbreak in the United States to which I referred, owing to inefficiency, owing to failure to make a proper diagnosis when the disease first appeared in the state of Michigan, I think it was, the disease was scattered through several other states, stock yards were infected, and the final loss amounted to millions of dollars.

The work of a veterinary inspector is of a contentious nature. You require a man who is above the average to carry on this work His duties are not appreciated by the average man, but very much appreciated by those who are thinkers, and who realize the importance of healthy herds in this country. In addition to the field work he has to do, he has to condemn many live animals, often pure-breds, which are very valuable. Then in the abattoir he has to destroy the carcasses of many valuable animals, the whole running into a great deal of money in a year; so with the wrong kind of man, with a man who is inefficient and does not thoroughly understand his business, or has not backbone enough to carry out the regulations, a very unsatisfactory service will result. We must realize at once that to obtain men who will carry on the work in a proper and efficient manner, we must pay them at least as much as does the United States. Let us realize that we cannot run the civil service of Canada satisfactorily simply on low salaries and love of country. If we attempt to do that, we are not going to retain in this country the very best men and women who can be used in the service. We must realize, too, that it requires four years to prepare a veterinary to carry on this very important work, and with the vast investment in our live stock, and with the present shortage we are suffering from, it must be obvious to all that immediate action is necessary, and the responsibility is the government's. I want to say, in conclusion, that Canada cannot afford to take any chances with this vast investment of $800,000,000 by tolerating any carelessness in this connection.

Hon. J. A. ROBB (Minister of Finance): My hon. friend from Victoria closed his remarks with the statement that the responsibility was the government's. I beg to submit on behalf of the government that we realize the importance of this question, and we are sympathetic to the idea of retaining within the service the very best men and women obtainable at the salaries provided. But may I point out at once to you, Mr. Speaker, and

to the house that it is the Civil Service Commission that fixes the salaries for the employees of the Dominion of Canada. We have in the Dominion of Canada many departments of public service, and the Civil Service Commission, like the government, must always keep in mind when adjusting salaries, how any proposed increases or decreases in one department will affect other departments. I believe that all parties entrusted with the responsibility of office have always endeavoured to keep in the public service competent and industrious employees who were interested in the affairs of the country. But we have lost excellent civil servants. I can recall that we have lost from the public service of Canada two or three men who left many years ago to go into private business, and I admit frankly that one or two of the three I have in mind are much better off, in a monetary sense, to-day than if they had remained in the public service. But as I said a moment ago, it is not the government that fixes the salaries generally all along the line in the departments. In the first place, recommendations come from the Civil Service Commission to the treasury board. It may interest the house to know that we did receive from the Civil Service Commission on the 23rd day of May last, just seven days ago, just three days before the supplementary estimates were tabled, certain recommendations regarding the technical and professional men and women in the public service. I have read that recommendation carefully, and I observe that even the Civil Service Commission, having given considerable study to this question, and realizing, as I believe they do realize, the importance of an increase in the salaries of the technical and professional staff, but realizing also the difficulties, are not yet quite clear in their own minds what should be done. For the information of the house I will just read a summary of the recommendation of the Civil Service Commission:

> The recommendation is that the minimum and maximum salary rates for professional and scientific classes and for other classes with a maximum salary of $4,000 or more be revised, and increases according to a general plan, subject to such modifications as the committee consider warranted—

That was the view presented to the government by the Civil Service Commission only seven days ago, and as I said, they are not yet quite clear in their own minds, because to summarize:

> The commission is as yet none too clear what classes should get increases. In one paragraph they comment on the fact that if increases are given to the scientific men only, it may result in cases where the heads of branches might be receiving less than their assistants, so that increases would have to be made not only in the salaries of the scientific men, but also like increases for all positions where the salary is over $4,000.

But if the commission had any doubt in their own minds as to what classes should be increased, they had no doubt as to what the cost would be to the taxpayers of the Dominion, because in this memorandum they state that on the basis of the estimated increases which they are now considering it would involve an additional outlay of $750,000 a year. I am not sure that that would be sufficient to keep in the service the scientific men that have been referred to this afternoon, because the Civil Service Commission say that upon this basis the increases vary from $240 for classes with maximum salary rates of less than $2,400 per annum, to $420 for classes with maximum rates greater than $4,000.

Those increases might be considered by some of these officials who have been offered other positions insufficient to retain them in the service. When my hon. friend says that the responsibility is the government's, I say that we are willing to take all the responsibility that is coming to us, but we have a Civil Service Commission that revises and recommends the salaries to be paid to civil servants, and if we increase the salaries and come back next session with an increased vote of $750,000 for carrying on the business of the country, I wonder if we shall be attacked.

The government welcome this discussion and the co-operation of all classes to assist us in retaining in the service those who are most useful to the country. But before going further may I say this? Taking them generally, the Dominion of Canada has a pretty good staff of civil servants. The men and women are devoted to the national service, and the Dominion provides very well for them. The civil service—and I am speaking generally now—receive in remuneration a return that compares most favourably with their brothers' and sisters' who are paying the taxes and paying their salaries. Not only do they receive pretty good salaries, but once a man or woman is on a permanent basis he or she has the assurance of continuing a civil servant, no matter what government may be in power, so long as the service rendered is loyal and efficient. And civil servants have the further advantage of being entitled to a pension when they reach a certain age limit, and in case of death a certain proportion of the pension is continued to their widows. So those who have the responsibilities of bringing up a family are fairly well provided for.

It will be found that the salaries of our professional and technical civil servants compare very favourably with the salaries earned by other technical and professional men outside the service.

Mr. COOTE: Would the minister permit this question: In regard to the duty of the Civil Service Commission to revise salaries, have the commission authority to revise any salaries until the matter is referred to them by the government or by the heads of departments?

Mr. ROBB: I am speaking from memory, and subject to correction, but my understanding is that the head of a department suggests to the Civil Service Commission the desirability of reclassifying certain employees. The Civil Service Commission pass on that suggestion. They have to endeavour to maintain uniformity throughout the service, always keeping in mind that when they increase the salaries in one department, the next day the head of another department will ask for a similar increase for his staff.

Mr. TOLMIE: May I ask this question: If the number of able veterinarians continues to reduce at the rate of 25 per cent, as it has done since 1919, where in the future are we going to get our supply of professional men for the health of animals branch?

Mr. ROBB: My hon. friend is better posted on that than I am, but my principal difficulty with veterinarians is to find them government jobs. If any vacancies occur I think I could find a few veterinarians ready to fill them. Allow me to read part of paragraph 2 of the recommendations of the Civil Service Commission to council, so it may be on record for the information of the house:

> The Civil Service Commission find that the distinction between the professional and scientific positions and other positions of the service is that for all professional and scientific positions the basic qualification requirement is education equivalent to graduation from a university or college of recognized standing. Therefore, in determing what classes should be included in this revision, the controlling factor considered has been whether or not the work of an employee, to enable him to carry on properly the duties of his position, requires university graduation or its equivalent. It therefore follows that it is those classes for which university graduation or its equivalent are essential qualifications, which will now be subject to revision.

That brings up another question of possible difficulty. There are men and women who have been many years in the service, and their long experience makes them peculiarly useful in attending to the country's affairs. Is it fair that they should be discriminated against because they did not have the advantage of a college education? They have been through what is perhaps the best of all universities—the university of experience within the service.

I do not wish to detain the house any longer. I repeat, the government is sympathetic in its attitude to the civil service, and is just as desirous as any former government to retain the services of those who are useful in carrying on the business of the country. But I ask the house: The government having received this memorandum from the Civil Service Commission just seven days ago, and three days before the supplementary estimates were tabled, is it reasonable to expect that ministers—who work as long hours as many civil servants, that is, about eighteen hours a day—could give this matter in the closing days of the session the consideration which it deserves. The government will go carefully into the question of salaries, not only of those engaged in the Department of Agriculture but in all departments. May I say in passing that the Civil Service Commission recognize the importance of the Department of Agriculture, for I notice in their memorandum this statement is made:

> There is urgent need for an immediate special review of all scientific and professional classes in the Department of Agriculture. Such review should be supplementary to any increase granted to such classes hereby and will be reported to His Excellency the Governor General in council at the earliest possible date.

We have not had that yet, but when it does come to us we will look into it carefully.

Only one word more in conclusion. My hon. friend from Victoria (Mr. Tolmie) made a comparision between salaries paid to our civil servants and those paid in the United States. I submit that, generally speaking, our civil service is remunerated just about as well as that of the United States. But if my hon. friend is going to compare salaries in the United States and Canada, perhaps it would be interesting to some of hs own friends, from whom I have heard whispers in this regard, if he would compare the salaries of congressmen and senators in the United States with indemnities paid members of parliament and senators in Canada. He might compare the salaries of the judiciary in the United States with salaries paid judges in this Dominion.

The government are charged with the responsibility which my hon. friend has just indicated. But we have a responsibility not only in taking care of our professional and scentific men in the service but, as well, in seeing to it that there shall be such uniformity throughout the service as will be satisfactory

to all classes. I repeat, we are sympathetic to increases in salaries where they are deserved by those doing useful scientific work, and we welcome this discussion, which will be carefully considered during the recess.

Mr. JOHN MILLAR (Qu'appelle): The hon. member for Victoria (Mr. Tolmie) and the hon. member for Souris (Mr. Steedsman) well said that no more important matter has been brought to the attention of the house this session than the question introduced by the hon. member for Macleod (Mr. Coote). I am not going to cover the ground already covered so well by the hon. member for Macleod and others who have spoken, but I want to add a word in support of what they have said.

The losses which Canada is sustaining at the present time through the lack of research are so enormous that this matter must be looked upon very seriously. The hon. member for Macleod spoke of rust. I want to stress this because it is one of the greatest enemies which the western wheat grower has to face to-day. In Manitoba, a province already referred to by the hon. member for Souris, the acreage under wheat in 1925 or 1926 was only the same as the acreage of 1903. That is a rather remarkable statement. The greatest factor in bringing about that state of affairs, forcing Manitoba into the growing of course grains and compelling that province very largely to go out of wheat production, has been rust. That disease has spread over Saskatchewan also, permeating almost the entire province. Last year it was pitiable to see crops of wheat which ordinarily should thresh forty bushels to the acre reduced by rust alone to such a condition as to yield only about seventeen or eighteen bushels. There was a heavy crop of straw to be handled and tied with twine and yet the yield was very low. And not only was there a low yield, but the quality of grain was not as high.

It is no good exaggerating the losses sustained in this regard, but it is a very conservative estimate indeed that the loss annually from rust is $100,000,000. That is putting it low indeed. We have had some very excellent scientific men at work on the rust question. Until a few years ago scientists believed there was only one variety of rust; about the year 1916, however—I am speaking from memory—it was discovered that there was not one variety but there were forty. Twenty of these are found in western Canada. The little spores we see on wheat and other grain plants, falling on the plant work their way into it, cutting off the supply of food, and they develop in such large numbers that they break out on the plant much the same as a rash on the human body. Then they go through a process whereby they multiply by hundreds of millions. The fact that there are twenty different varieties in western Canada makes it most difficult to find a remedy. Scientists tell us that the different spores—the different varieties—cannot be distinguished except by means of research, to discover the kind of plant on which they will feed. One will feed on one variety and another on some other variety, and that is the only way to distinguish them. So that now instead of having to fight, as formerly it was believed, merely one enemy, there are twenty to cope with. You can see therefore how difficult the problem becomes.

In the course of the session there has been considerable discussion about the loss to Canada through the importation of strawberries from the United States as well as other fruits from various places and eggs from China. I assure you that in the rust disease you have an importation infinitely worse. It comes from the United States, from the south, and it is a million times more harmful than any strawberries that come into this country. These spores travel in the air at a rapid pace, finding their way into the extreme north as far as Norway House and York Factory. They travel high as well as low in the air, two or three miles. To build a fence to keep them from coming up from the south is an impossibility. They must be fought by other means.

These research men in the service of Canada have made splendid headway, having found out a great deal about rust during the last ten or fifteen years, and it does seem to be most unfortunate that we should lose their services which means so much to the country. The evil is worse now than it was five or ten years ago and to lose these men because of insufficient remuneration, allowing them to go elsewhere, is a very grave mistake.

The Minister of Finance (Mr. Robb) suggests that the result of an increase in the salaries paid these men—at least I inferred as much from his remarks—would be something like $750,000, for the reason that if the salaries of the scientific men were increased this would have its effect all along the line. I agree with the minister that generally speaking our civil servants are very well paid. But when we have in our employ a man whose efforts mean not hundreds of thousands but millions of dollars to Canada, I contend that he is in a class that should be taken entirely out of

the civil service. Such a man should not be in the civil service but should be paid according to the service he is rendering to the state. And this should have no effect on the various classes in the civil service. I do not see any reason why scientific men such as those referred to by the hon. member for Macleod should not have their remuneration increased in order that we may retain their services, without that affecting the men who run elevators in our public buildings or elsewhere.

We have had a committee working for some months on the question of immigration; I think immigration is linked up with this matter, although very few of our students of immigration seem to realize that the reason we cannot get immigrants as easily as we would like is because conditions on the farm are not as attractive as they should be. I remember that on one occasion the Minister of the Interior (Mr. Stewart) remarked that these same hard conditions obtained thirty or forty years ago. The farmer has seen hard conditions; he has managed to weather them successfully, but that hardly applies at present. Now the farmer has more of class consciousness; he realizes that during the years gone by he has not enjoyed that share of the good things to which he was entitled. If he is going to work long hours and spend his time in an employment which is very risky, which might be called almost a gamble, then he wants some remuneration to compensate him for that hard work and the lack of an opportunity to enjoy the good things which our city friends enjoy. We have arrived at a time when farmers' sons are not going to stay on the land unless conditions are made more attractive. If the amount of money we lose through rust alone could be saved, farming would pay so much better than is the case at present that it would become attractive, and some of the millions of dollars we are spending to bring immigrants into Canada could be saved.

I am very glad the hon. member for Macleod brought up this question; this may or may not be the best time for it, but I am not worrying about that. There is no wrong time to bring up a matter of such vital importance as this question of retaining the services of our scientific workers. Perhaps the government may not be altogether to blame for the situation, but I hope that something may be done, either by taking these men out from under the Civil Service Commission or in some other way, to retain their services which we so greatly need. The best are none too good for us, and I do not want to see good men lost to us after they have spent years at their work which means that new and untried men must be employed, who require years to reach the same point in their work. This is a matter of very great importance, and I hope the government will give it the most serious consideration.

Mr. SPEAKER: The motion that I do now leave the chair for the house to go into committee of supply was made by the Minister of Finance. Before the motion was carried one hon. member brought up a question, under the old practice of airing grievances before going into supply. He was followed by two or three other hon. members, after which the Minister of Finance rose to reply. Under our rules the mover of a substantive motion has the reply, and when that reply is made the debate is closed. I should have stopped the hon. member for Qu'Appelle (Mr. Millar), but I thought he was bringing up another matter. Under the rules of the house the debate is now closed and I should leave the chair.

Mr. ROBERT GARDINER (Acadia): It is usual for the Speaker to call attention to the fact that when the mover of a motion replies the debate is closed. On this occasion Your Honour did not do so, and under these circumstances I submit that the debate should be allowed to continue.

Mr. SPEAKER: I am in the hands of the house, if hon. members desire to continue the debate.

Some hon. MEMBERS: Question.

Mr. M. N. CAMPBELL (Mackenzie): On the point of order, I would like to know if there is anything to prevent me, as a private member, from airing any grievance I may have before the motion is carried?

Mr. SPEAKER: No. The practice is that grievances are aired before the house goes into committee of supply, but I thought that when the Minister of Finance spoke the particular grievance which had been brought up was disposed of; when I saw the hon. member for Qu'Appelle rising I thought he was going to bring up some other question. Hon. gentlemen may bring up other points, however.

SUPPLY—HIGH COMMISSIONER'S OFFICE

Sir GEORGE PERLEY: I wish to say a few words in connection with the discussion yesterday regarding the High Commissioner's

office. I regret to say that a statement made by the Prime Minister on that occasion escaped my notice. At page 3507 of Hansard the right hon. gentleman is reported as having said:

. . . . at a subsequent session the government may ask parliament to approve of the appointment of a financial comptroller. . . .

I entirely disagree with the suggestion that any such officer is needed; I should have noticed the statement yesterday and spoken about it at the time. Ordinarily the High Commissioner's office in London is simply a spending office, although it is quite true that at present there are accounts still open with foreign governments. During the war the High Commissioner's office had to deal with a great many large and important financial questions; these we had to talk over and settle with the British treasury and the British war office. The High Commissioner attended to these questions throughout the war, with the assistance of his office staff, without having to call in any expert assistance. That is all I have to say on the subject; I wish to take this opportunity of expressing my appreciation of the faithful and effective service given by the whole staff of that office during the war.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion?

Motion agreed to.

INDUSTRIAL AND INTERNATIONAL RELATIONS

RULING OF MR. SPEAKER ON MOTION TO REFER BACK REPORT OF COMMITTEE

Mr. SPEAKER: Before I leave the chair I would like to give my ruling on the point of order raised a short time ago by the hon. member for South Wellington (Mr. Guthrie), with reference to the motion presented by the hon. member for North Battleford (Mr. McIntosh). The point of order was to the effect that when a committee made a final report, that report could not be amended unless the committee were revived.

I think under the present circumstances the word "final" should mean that the report should be considered final only when it is adopted by the house, because the house can always refer a report back to a committee with instructions to amend it in any particular. The hon. member has cited May, page 440, but it was the twelfth edition. In May, thirteenth edition, at page 488 appears the following:

Motions also may be made that the report be recommitted; or recommitted, with minutes of proceedings, so far as they relate to a certain paragraph; or recommitted, and the order of reference amended;

There apears to be a difference between the later and older editions of May. Bourinot says, at page 479:

A report may be referred back to a committee for further consideration, or with instructions giving them power to amend the same in any respect. In this way a committee may regularly reconsider and even reverse a decision it has previously arrived at.

In the present instance there is no question of reversing the conclusions of the report; it is simply a technical change in the number of printed copies to be published. There is a recent and very clear case in point—the famous report of the customs committee some two years ago. A final report was brought before the house on the 18th June, 1926. The following appears on page 4694 of Hansard, June 18th, 1926:

The special committee appointed to investigate the administration of the Department of Customs and Excise, beg leave to present the following as their third and final report:

That was not a standing committee, it was a special committee. The revival of a committee should take place when it is a special committee, if it should take place at all, but when it is a standing committee it is different. A few days afterwards, on June 22, I find that an hon. gentleman well versed in the rules of the house, Mr. Stevens, seconded by Mr. Doucet, moved:

That the report be not now adopted, but that it be referred back to the special committee with instructions to add thereto the following clauses as subclauses to paragraph 6:

So that the practice in the Canadian parliament does not prevent a report, even if it is a final report, of either a special or, better still, a standing committee, being referred back to be amended. The hon. member for Wellington (Mr. Guthrie) quoted from Beauchesne. But Beauchesne, paragraph 672, says:

A report may be referred back to a committee for further consideration, or with instructions giving them power to amend the same in any respect. In this way a committee may regularly reconsider and even reverse a decision it has previously arrived at. B. 479.

Under these circumstances, my ruling is that the motion is in order, and if it is the desire of the house we will revert to motions and decide if it should be carried or not.

Is it the pleasure of the house to revert to motions, and that the motion presented by the hon. member for North Battleford (Mr. McIntosh) be carried?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. SPEAKER: There must be unanimous consent. The motion will therefore stand until to-morrow.

SUPPLY

DEPARTMENT OF NATIONAL REVENUE

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

National Revenue—$13,473,506.

Salaries and contingent expenses of the several ports in the Dominion, including pay for overtime of officers notwithstanding anything in the Civil Service Act,—and temporary buildings and rentals, $7,538,460.

Salaries and travelling expenses of inspectors of ports and of other officers on inspection, and in connection with the board of customs; the latter including $500 for the secretary and amount required to create positions, make appointments and pay salaries and expenses of Dominion appraisers, notwithstanding anything contained in the Civil Service Act, and the said positions and staff so appointed to be wholly excluded from said act, $1,137,725.

Miscellaneous—Printing and stationery, subscriptions to commercial papers, flags, dating stamps, locks, instruments, etc., for various ports of entry, express charges on samples, stationery and legal forms, legal expenses, premiums on guarantee bonds, and uniforms for customs officers, $600,000.

To provide for expenses of maintenance of revenue cruisers and for preventive service, including $6,000 salary F. W. Cowan and an amount required to create positions and make appointments, by the Minister of National Revenue, of officers for the prevention of smuggling, and to investigate reported frauds against the revenue, notwithstanding anything contained in the Civil Service Act and the said positions and staff so appointed to be wholly excluded from said act; also to provide for expenses of such officers and for the purchase or charter of vessels and for the purchase or hire of automobiles to be used in the prevention of smuggling or other offences against the revenue laws, $1,896,821.

Amounts to be paid to Department of Justice to be disbursed by and accounted for to it, for secret preventive service,—amount required to create positions and make appointments of officers for the prevention of smuggling and to investigate reported frauds against the revenue, notwithstanding anything contained in the Civil Service Act, and the said positions and staff so appointed to be wholly excluded from said act, $100,000.

To provide for the administration of the Business Profits War Tax Act, 1916, and the Income War Tax Act, 1917, and amendments thereof, and authority for this purpose to create positions and make appointments, notwithstanding anything contained in the Civil Service Act, and the said positions and the staff so appointed are hereby wholly excluded from the operation of the said act; and salary of $7,000 for the Commissioner of Income Tax, $2,200,000.

To pay Mrs. Turner Ingalls, widow of the late Turner Ingalls, a customs excise enforcement officer who was accidentally killed while on duty, $500.—Total, $13,473,506.

[Mr. Speaker.]

Mr. CAHAN: I called the attention of the Minister of National Revenue last night to a matter on which I did not have the file, and I suggested to the minister that I intended to refer to that matter again on this vote.

The minister said last night that he was not aware that any letter had been received by him or his department from Mr. Dumoulin. You will remember the circumstances, Mr. Chairman, this being a case regarding J. W. Dumoulin of Notre Dame des Bois. Dumoulin is a French Canadian who volunteered at the outset of the war. He served with distinction in that regiment which brought fame and honour to the province of Quebec, the 22nd regiment. On his return when he had been wounded and partly incapacitated, through the instrumentality of some friends, he was recommended for appointment as a preventive officer of customs at Notre Dame des Bois. His appointment was made on or about the 23rd of April, 1919, and he served until the 25th of November, 1926. On that date he received a letter from the Department of Customs and Excise, marked file B.2589-11, as follows:

J. W. Dumoulin, Esq.,
Customs Excise Officer,
Notre Dame des Bois, Que.

Sir,

I have the honour to inform you that an order in council was passed on November 19, 1926, dispensing with your services as customs excise enforcement officer at Notre Dame des Bois for political partisanship in the last election contrary to section 32 of the Civil Service Act, and your services will therefore require to terminate immediately upon receipt of this letter.

I have the honour to be, sir,
Your obedient servant,
G. W. Taylor,
Acting Deputy Minister.

Immediately on receipt of this letter Mr. Dumoulin wrote a letter to the Minister of Customs and Excise, of which letter I have a duplicate copy. It will be remembered that the present Minister of National Revenue was appointed to his office on September 25, 1926, and this letter is dated November 29, 1926. In reading this letter you will notice that there are some discrepancies in construction of language. The mother tongue of Mr. Dumoulin is French, and he has written this letter in English, but I wish that I could write French as well as he writes English. The letter is as follows:

The Hon. Minister of Customs and Excise.
Ottawa, Canada.

Sir,

I am in receipt of a letter from the Department of Customs and Excise, dispensing with my services as a customs and excise enforce-

ment officer at the preventive station of Notre Dame des Bois, Que., for political partisanship in the last election.

I absolutely deny the accusation; and not only as a Canadian citizen but as a disabled veteran of the great war, I should be given a chance of appeal and face my accusers.

I have been employed in the customs service for nearly eight years, and if my dismissal is carried on by your department as intended to, I will come to a conclusion that a man who is doing his duty without doing favours to nobody, creates enemies that will constantly try to ruin himself.

All I want is fair play, and that is the reason why, I anticipate your opinion on the subject, before going any further.

I have the honour to be, sir,

Your obedient servant,

J. W. Dumoulin.

Of that letter Mr. Dumoulin has not to this day received any acknowledgment. Not having received any acknowledgment, he wrote on December 16, 1926, to the president of his branch of the Great War Veterans' Association asking that the matter be brought to the attention of the government through the branch of the veterans at Ottawa. On the same date, December 16, 1926, he wrote the following letter from Notre Dame des Bois, Quebec:

Secretary-Treasurer, Civil Service Commission,
Ottawa, Ont.

Dear Sir:—

Enclosed please find the following copies of letters:

Departmental letter dated November 25 dispensing with my services as customs and excise enforcement officer;

Letter to Minister of Customs and Excise dated November 29 for which I have received no reply;

Letter to President of G.W.V.A. Standstead branch.

Owing to the fact that I have been discharged from the service under false accusation, I appeal to the Civil Service Commission to grant me an inquest to find out if I am not the victim of some violators of the customs laws.

Wishing that my request will meet your approval.

I remain,

Your obedient servant,

J. W. Dumoulin.

Under date of December 23, 1926, the Civil Service Commission replied as follows:

Dear Sir:

I beg to acknowledge receipt of your letter of the 16th instant enclosing copies of a letter addressed to you by the department under date of November 25, 1926, advising you that your services as customs excise enforcement officer at Notre Dame des Bois, Que., had been dispensed with by order in council; a letter which you then addressed under date of November 29 to the Honourable the Minister of Customs and Excise, and a letter dated the 16th December to the president, Stanstead branch, G.W.V.A.

I regret that the Civil Service Commission is unable to give you any assistance in this matter as removals are entirely in the hands of the heads of departments. The Civil Service Commission is not in a position to institute any inquiry, or to take any steps towards your reinstatement.

Yours very truly,

W. Foran, Secretary.

J. W. Dumoulin, Esq.,
Notre Dame des Bois, P.Q.

The matter went on. Mr. Dumoulin received no reply from the department, but as the correspondence, which I will not read in full, shows oral communications were made by representatives of the soldiers' association to some officers in the department.

Mr. EULER: I think I should correct my hon. friend there. My recollection is, I think, fairly accurate in this regard, that the officers in the soldiers' organization sent a letter to the department, indeed, I think, to myself. Last night I concluded that the matter was closed and I have not since looked up the file, but I think a letter was received by myself from the organization on behalf of this man and a reply was made.

Mr. CAHAN: I do not wish to go into the correspondence, but it will show, as I proceed, that J. C. G. Herwig, adjustment officer, Canadian legion of the British Empire Service League, of the service bureau at Ottawa, says that he had placed certain representations before the department. I am not, however, insisting upon that at the moment.

Mr. EULER: I have a letter from Mr. Herwig himself acknowledging receipt of a letter.

Mr. CAHAN: Perhaps the matter was dealt with by correspondence. In order to show the good faith of Mr. Dumoulin, I may say that under date of January 10, 1927, he writes to the veterans' association as follows pointing out his case:

In regard to my discharge from the customs service, it looks now as if the complaint was made upon a Conservative committee sign, which was hung across the road from the Conservative committee room to the house where the customs office is only rented. It is easy to understand that this complaint is ridiculous. I cannot be held responsible for what has been done in Notre Dame des Bois, during the last election as I was on relieving duty at the ports of Beebe Junction and Rock Island, and this can be easily found in the customs records.

I accept the minister's statement unreservedly, but I had understood that that fact was further communicated to some officer of the department.

Mr. EULER: I have no knowledge of that.

Mr. CAHAN: If the minster says he has no knowledge of it, I accept his statement unreservedly. Under date of February 10, 1927, Mr. Herwig, who was the adjustment officer of the legion at Ottawa, wrote this letter:

It may not be necessary for Comrade Dumoulin to come to Ottawa at this stage to make his representations, but in order to open the case will he please forward to the Minister of Customs immediately a statutory declaration covering all the points which he wishes to bring forward?

As far as we can ascertain the specific charges against him relate to the streamer across the street from the customs building, and to active participation in the election by canvass, as we understand that certain statements have been made affecting him in this regard.

Having received that, Dumoulin made an affidavit himself and had made by his friends some affidavits which he forwarded to the Department of Customs. I have duplicate copies of some of these and I intend to read them to show his good faith in the matter. The first affidavit is as follows:

To Whom it may concern:

I, J. W. Dumoulin, do solemnly and truly swear, that I did not attend any political meeting or taken any part whatever in the last election.

Signed J. W. Dumoulin.

Province of Quebec,
District of St.Francois,

Sworn before me at Notre Dame des Bois, this seventeenth day of February, 1927.

Signed L. Lavigne,
Justice of the Peace.

Another affidavit is as follows:

To Whom it may concern:

I, J. C. Goudreau, proprietor of the building in which the customs house is rented, do solemnly and truly swear that J. W. Dumoulin then customs officer, had nothing to do with the streamer that was laid across the road from my house to another, furthermore the above mention officer was not in this locality during the election campaign.

Signed J. C. Goudreau.

Province of Quebec,
District of St. Francois,

Sworn before me at Notre Dame des Bois, this seventeenth day of February, 1927.

Signed L. Lavigne,
Justice of the Peace.

Another affidavit:

To Whom it may concern:

I, Edgar Dumoulin, do solemnly and truly swear that J. W. Dumoulin was not responsible for the Conservative committee sign that was laid across the road from the building in which the customs office is located as he was absent during the last election.

Signed Edgar Dumoulin.

Province of Quebec,
District of St. Francois,

Sworn before me at Notre Dame des Bois, this seventeenth day of February, 1927.

Signed L. Lavigne,
Justice of the Peace.

Then there is this further affidavit which I regard as most important:

To Whom it may concern:

I, the undersigned, do solemnly declare and swear, that J. W. Dumoulin was not here during the last political campaign.

That the Conservative committee for this locality was held in my house.

That the Conservative committee sign was hung across the street from my house to Mr. J. C. Goudreau's house, my neighbour.

That one end of the said sign was tied up to my neighbour's house under my instructions after having obtained his permission.

That neither J. W. Dumoulin nor the customs department had anything to do with this committee sign.

That I have seen a document bearing the name of the Liberal leader from this locality, Mr. Ludger Lavigne, stating that he had no knowledge of political activities from the part of Mr. J. W. Dumoulin during the said political campaign; and which document is supposed to be in the Liberal member's hands for Compton county, for his information.

Signed T. Goudreau.

Sworn before me at Notre Dame des Bois, Que., this 21st day of February, 1927.

Signed L. Lavigne,
Justice of the Peace.

I thought that this had been communicated to the department, but I believe, in view of the minister's statement, that it was not. To show his good faith, Mr. J. C. Goudreau wrote also to the president of the soldiers' association under date of Februay 21, 1927, in which letter he says:

It has come to my knowledge that Mr. J. W. Dumoulin, former customs officer of this port, has lost his position on account of a streamer that I personally permitted that one end of the said streamer be tied up to my house.

He is the proprietor of the house mentioned before. He goes on:

I regret very much that such an ordinary action from my part had been imposed upon the above mentioned veteran.

Here is the case: I am the proprietor of the building in which the customs office was located. I have rented to the Canadian department only three rooms of this building that contains four tenements in all. I occupy myself the first tenement, so when they call this the customs building, it's wrong! It's only the customs office in my own building in which I live constantly. This being said, whoever is the customs officer, how can he be responsible for what I may do in such occasions? It's evident, that all these reports are false as the said officer was on relieving duty at the time.

Then later, on April 12, 1927, Mr. Herwig wrote from Ottawa, after, as we supposed, having had communication with the department, but I withdraw that because I have not definite knowledge. He writes:

It would seem that in order to clear him it will be necessary to have the member retract.

That is the member of the House of Commons representing Compton county. He goes on to suggest that Mr. Dumoulin should see the member and have him retract. Then on April 16, 1927, Mr. Dumoulin wrote to the Department of Finance, as follows:

Notre-Dame des Bois, Que.,
April 16th, 1927.

Department of Finance,
Ottawa, Canada.

Sirs:

As I have been dismissed from customs service in November last, for alleged political partisanship, (accusation I have denied and could not get inquiry), I apply to your department for refund of my superannuation funds.

Having waited five months for the said inquiry, no need to say that I expect this refund at once.

Yours truly,
(Sgd) J. W. DUMOULIN.

On April 21, there is a statement which I am going to read, not because it involves the department, but because it is a matter that should be brought to the notice of the hon. member for Compton. Mr. Dumoulin writes the president of the soldiers' association under date of April 21, in which letter he says:

I have seen the member for Compton county at his home last Monday, and there before witness, he declared that he simply transferred complaints he had received from individuals to the Minister of Customs which caused my destitution without inquiry. There is the wrong! As you know, it is necessary that the member has seen personally a civil servant making politics and a declaration made to that effect, before such an employee can be dismissed without an inquiry, otherwise it is necessary to summon witnesses and give an inquiry. The member cannot fulfil that condition as he did not know me.

I am afraid that perhaps he was in error as to the procedure in such cases, but I call that to the attention of the minister again because Dumoulin is, I think, a splendid example of the young men growing up in our province. He had a splendid career overseas. I was in France behind the lines, where I was in perfect safety, and, time and time again, I have heard men speak in the highest words of praise of the splendid bravery of the French-Canadian corps. I have seen them in hospitals, and my heart bled for them at times. I am proud of them, and proud to represent a constituency from Quebec that was associated with such splendid bravery and valour, and therefore I take this dismissal very much to heart; and because I believe that this young man has been wrongly treated, because I believe that he has been wrongly condemned, I think the government and parliament of this country should make the utmost restitution to him that lies within their power.

Mr. EULER: As I said yesterday, Mr. Chairman, in connection with this matter, it had already given me very considerable concern. That concern is somewhat increased by the remarks just made by the hon. member for St. Lawrence-St. George. I do not know that I can add a very great deal to what I said yesterday in connection with the matter.

The dismissal took place in exactly the way I stated yesterday, in accordance with the practice which has been observed for many years, and with which I may say now, I am not in very great sympathy.

Replying at once to a statement said to have been made, that no distinct charge was made to me by the member for the constituency that this man had exercised political partisanship, I want to say, as emphatically as I can, that such a charge was made on the part of the member that he had personal knowledge of the activities in a political way of Mr. Dumoulin. That letter is here. It is written in French, but my hon. friend is at perfect liberty to see it. It was following that, and in accordance with the established practice, that the dismissal was made. Perhaps where I may have been at fault, and I must accept any responsibility that fairly comes to me, was in this connection: A letter, I understand, was received by myself from Mr. Dumoulin taking exception to his dismissal and denying the charge. That no reply was sent to that letter, I must say is a matter of great surprise to me, because if there is one thing which I think I always do, it is at least to acknowledge any communication that is sent to me. Later on, however, another letter was sent to myself by the soldiers' association. That letter I did reply to, as is shown on the file, agreeing to an investigation if the man asked for it. That the affidavits were later on sent to myself appears to be quite true. I was not in Ottawa at the time, as is shown by the file, and I did not even know the file was here until I saw it a moment ago. The receipt of those affidavits was acknowledged by my secretary who says that he submitted them to me later, which statement I do not for one moment doubt. If I at that time took no further notice of these affidavits, and no acknowledgment was made, it must have been, I say quite frankly, because of the pressure of work due to my absence, and possibly supposing that the man had been dismissed in

the usual way and that nothing probably could be done. But this does stand, that I expressed myself as quite willing to have an investigation made, but also, as I said last night, I could not see exactly what remedy could be applied, because the man was out of the civil service and could only be reappointed by the Civil Service Commission itself. This may not be satisfactory to my hon. friends opposite, but last night I said I was quite willing to have another investigation made. Now I say to the committee that this morning I directed that such an investigation be made. I further directed that an order be prepared that the sum paid into the superannuation fund by Mr. Dumoulin should be refunded to him. Of course this repayment will depend on the action of the treasury board. I do not know, Mr. Chairman, that I can say any more. It is an unfortunate affair. If the investigation discloses that this officer was entirely innocent of the charge made against him, so far as I am concerned I shall do all I can to have him restored to some place in the service, if he cares to come back.

Mr. CAHAN: I may say to the minister that, as I understand it, at the time this young man was dismissed there were, as we are all aware, all sorts of rumours and suspicions, due to the hiatus in the customs examination, and various firms who could have given him employment refused to do so unless he could produce a certificate of character from the department, to which he had no access. The impression went around that in some way he had been mixed up with the customs scandals, and he had to go across the border to get employment. I am instructed that the customs department should have in its records information to the effect that during the time of that campaign he had been taken away from his own office at Notre Dame des Bois and assigned to special service on the border, and was so engaged during the whole time that he was alleged to have been acting as a partisan in putting out this flag across the street. I think the minister might well examine into that fact. It is so stated in the man's affidavit, and I believe it to be true.

Mr. EULER: This man was sent on relief duty at some time near the election, but the charge does not say that he was active just at the time of the election, but during the campaign.

Mr. CAHAN: I can well understand how the minister might be misled, but at the time this banner was put out that is made the basis of the local charge he certainly was not there; I am sure of that.

[Mr. Euler.]

Mr. EULER: At the moment I have no real knowledge of the details. If the facts are as stated, the whole matter is regrettable, and I can only take the action that I have indicated.

Mr. ROSS (Kingston): Mr. Chairman, we have a statement from the minister that if an investigation is held, and this returned man is proven innocent, the minister will do what he can to get him a position. I ask the house; should not that man be returned to his job, if this investigation proves that he was unfairly dismissed? All returned men will demand an answer to that question, because any of them might be treated similarly. The minister admits that it was an unwilling act on his part, that he was taken by the throat by some person.

Mr. EULER: No.

Mr. ROSS (Kingston): Well, the minister must admit that he did it willingly or unwillingly. He said he did not do it willingly, so he must have been forced by some influence behind the throne to treat this man in an unfair way by dismissing him from his job. I am in sympathy with what the minister has said. I may add that I commanded a unit in the first division, and in it were at least fifty or sixty French-Canadians, who could not speak English, but I am ready to declare here or in any part of the Dominion that I had no more loyal and no more efficient soldiers than those men. If this investigation is held and the man is found innocent, I am confident that the returned men from one end of the country to the other will demand that he be put back on his job.

Mr. EULER: I may say to my hon. friend that so far as I am concerned, I have absolutely no power whatever—and he knows it—to restore the man to the position he held; the Civil Service Commission has that power, fortunately or unfortunately as it may be in this case. I also want to assure him in absolute sincerity that neither he nor anybody else can take me by the throat and force me to do anything that I do not desire to do.

Mr. ROSS (Kingston): I take your own words.

Mr. JACOBS: Mr. Chairman, the airing of this matter before the committee this afternoon ought to do some good. It seems to me that this vicious practice of accepting a statement from one partisan that another partisan has been guilty of taking an interest in politics ought to stop.

Some hon. MEMBERS: Hear, hear.

Mr. JACOBS: Dismissing a man and trying him afterwards is what is known as Jedburgh justice. We should do away with that. I do not think the government ought to fear an investigation of any kind in these matters of alleged partisanship. There is no reason to be afraid of an investigation. There is no more independent man in the house than the Minister of National Revenue, and I am sure that if at the time he felt there was an attempt to put something over on him he would have been the very first to look carefully into the matter. The trouble is he is merely a cog in the wheel. It is a vicious practice, which arose, I think under some Tory administration.

Some hon. MEMBERS: Oh, oh.

Mr. JACOBS: I may be wrong.

Mr. STEVENS: Don't spoil a really good speech.

Mr. JACOBS: As I said last night, we Liberals should do better than the other fellows. Here is an opportunity of doing something to correct an abuse which is clogging the wheels of the administration. If the Liberal party cannot remain in power except in this particular way, the sooner it goes out of power the better. I do not like to give my adherence to any party that will knowingly agree to any such injustice as has been related by the hon. member for St. Lawrence-St. George (Mr. Cahan). I think I have as much independence as the Minister of National Revenue, and I certainly would not want to agree with anything of this kind. If it is found that wrong has been done to this man, Civil Service Commission to the contrary or not, some way should be found of giving him relief. The old saying, it is easy to find a stick if you want to beat a dog, is applicable here. If the man cannot be put back in his exact position, why, give him a better position, give him something which will compensate him for the injustice which has been done. There are lots of positions in the departments of state, and if I were a member of the administration I would be one of the first publicly to acknowledge that a wrong has been inflicted, and to declare that we are big enough and broad enough to correct it.

Mr. STEVENS: I do not know, Mr. Chairman, whether it is desired to continue the discussion on this matter. My hon. friend (Mr. Jacobs) who has just taken his seat has very largely voiced my views. I have been in parliament a good many years, and I never recommended the dismissal of anyone.

Mr. JACOBS: You were not long enough in power.

Mr. STEVENS: I came to parliament in 1911, when we had an excellent opportunity to do that.

Mr. McLEAN (Melfort): They did not wait for your recommendation then, they did it automatically.

Mr. STEVENS: In my constituency at that time there were six or seven hundred government employees who had been appointed by the preceding administration. I did not recommend the dismissal of any, and none were dismissed, for partisan or any other reasons. I think we ought to bear this in mind: the different sections of the house are partisan in their views. We know that. But in 1918 we passed the Civil Service Act and erected a Civil Service Commission to administer the civil service. Personally, I am quite willing to join with hon. gentlemen opposite or in any other part of the house in an endeavour to get away from the old-fashioned partisan system. I grant it is difficult. We are all human, and undoubtedly there will be a tendency to favour recommendations presented by friends. I would make just one suggestion to the minister. Here we have an instance of an obvious error, that is, if the facts presented by my hon. friend from St. Lawrence-St. George are borne out by a further examination by him, an obvious error has been made. That is not a question whether partisan recommendation is good or bad; it is a question of injustice to an individual; and I would suggest to the minister that if it is shown that an error was made, and he and the government are satisfied that it was made, surely there is nothing in the Civil Service Act to prevent the rescission of that order in council which was passed, we might say, upon an improper basis so far as information is concerned. I suggest that to the minister as the way out of the difficulty and in order that justice might be done to this man.

Now I want to pay tribute to the Minister of Justice for the very excellent smoke screen he threw out last night over the question under discussion. I think he played his part very ably and very well. But I might call his attention and the attention of the Minister of National Revenue to this fact: I was not discussing this list or that list or the lawyers or counsel who were represented on those lists. I was reading to the minister a section of the report of the royal commission, and I wish to read it again, in order to bring the Minister of Justice and the Minister of National Revenue back to the point I was making.

Mr. EULER: I never got away from it.

Mr. STEVENS: We did get a long distance away from it. The report states:

We see no reason why parties committing frauds on the revenue should not be proceeded against with the same degree of promptitude and efficiency as usually characterizes prosecutions for enforcement of the provisions of the criminal code. This, according to the evidence, has not been so in the past.

Mr. EULER: That is referring, of course, to the past.

Mr. STEVENS: Quite so. But the point I am coming to is that the royal commission was directing the attention of the government and of parliament—because this is a document of parliament—to the fact that the system followed in the past had not brought satisfactory results. And they make this suggestion:

For this purpose competent counsel should be retained by the department throughout the Dominion to act in such matters.

The minister may take the list he has had prepared and under which he is now acting; I am not complaining about that. Out of that list select, as the royal commission suggests, competent counsel. And, as the report states:

It is very desirable that wherever possible the legal representative should be familiar with the customs and excise act and regulations and that where one case has been handled to the satisfaction of the department it should be free to use the same legal agent in other cases.

Let the Minister of Justice take his list, about which I have not a single complaint to make so far as his personnel is concerned. Out of that list select counsel for the Department of National Revenue, and where such counsel give good service let them be continued in that particular work, because they become familiar with the technique of the customs and other laws appertaining to the department. The report proceeds:

—and that where the outcome of one case has indicated the unsuitability of the agent the department should be able to secure promptly a more suitable representative.

In other words, if the person appointed from his list does not proceed with the cases, shows a lack of competence or energy, or inattention to business, then drop him from further cases. That is my point. I wish to make it clear that I am not complaining about the list or about the source from which the minister gets the list of names to be selected. But I do call attention to this—and the Minister of National Revenue gave us evidence of it last night—that in the past, according to the report, the results have been unsatisfactory; because very frequently, if not almost entirely, these cases were farmed out to different counsel instead of care being taken to select those who would prosecute them effectively.

We might as well face this fact also. During the last two years the act has been so amended as to provide more severe penalties; the act is a much more important statute than it was two years ago. The first amendment was made, I think, in 1925 and subsequent amendments were introduced in 1926, I think, and 1927, strengthening the act and making the penalties more severe; so that prosecution under the act is to-day a different matter from what it was prior to 1925. There again I call the attention of the Minister of Justice particularly to the necessity of selecting such counsel as will prosecute these cases vigorously. The Minister of Justice will acquit me of seeking to suggest any partisanship in the selection; that is not my point. The point is that, according to these reports, we have not had the results which we might reasonably expect; and the reports suggest that selection should be carefully made among those who are offered for appointments to this particular part of the service.

Mr. JACOBS: Does it occur to the hon. member that what he calls strengthening the law, with regard to penalties and so on, has defeated its own object?

Mr. STEVENS: I will meet my hon. friend in one respect. In 1922 I think, or possibly 1923, we did increase the duties. I am glad my hon. friend has brought this matter to my attention because it is very important, and I am a firm believer in reducing the duties, both excise and import, on liquors.

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: I did not say that frivolously; I am sincere about it. In 1923—I am speaking from memory—we raised the tax from $2.40 to $10.

Mr. EULER: In 1920.

Mr. STEVENS: In 1920? It does not matter; it was some years ago.

Mr. VENIOT: It was $6 and then was increased to $10.

Mr. STEVENS: Yes; we increased it from $2.40 to $6 and then to $10. Now $10 a gallon constitutes such an enormous margin of difference between the original cost and the actual selling price that, in itself, it is a most attractive profit for the bootlegger or the smuggler. My hon. friend from Maple Creek last night interjected the suggestion. "Lower the duties"—

Mr. McINTOSH: The member for Weyburn (Mr. Young) said that.

Mr. STEVENS: Yes; and the suggestion was that protection was causing the difficulty. I would remind the hon. member that the two rates are about the same: $9, and import $10. In other words, in the liquor business we are following the strictly taxation-for-revenue principle. That is, we impose a duty of $10 on imports, and $9 excise. But the difficulty lies here: So high is this rate of duty that it offers a strong inducement, in the excessive profit that can be made, for both smugglers and evaders of the excise law. I therefore suggest this for the consideration of the government—and I have no hesitancy in asserting my own views on it—that we should consider the reduction of the duty on these liquors. If we reduced the duty on liquor I believe we would largely remove the incentive to bootlegging, as far as excise duty is concerned, and smuggling as far as import duty is concerned, and further I think it would be conducive to the distribution of a better quality of liquor, while the revenue would suffer very little. From that standpoint the law amendment has been an injury rather than a help. Undoubtedly my hon. friend had in mind the excessive penalties to which reference frequently has been made. I confess that I have an open mind on that subject, but I would not be prepared to support a repeal of these rather severe penalties, because when we get into that realm we are not dealing with liquor. By the way, just here I might interject, that the same argument which I applied to liquor applies equally to cigarettes, and perhaps more so. In regard to the law amendments to which my hon. friend has referred, the stiffening of the penalties, these deal largely with the smuggling of valuable merchandise such as silk goods and the cheaper forms of jewellery, such as ordinary gold-plated articles.

Mr. SMITH (Stormont): Would not the same argument with regard to the reduction of duty on liquor apply to these articles?

Mr. STEVENS: I do not think that is the point there. The point is that my hon. friend referred to the penalties, which I believe are a fine of $100 in certain cases, and in other cases where the value of the goods is above a certain sum it is obligatory that offenders be sentenced to a term of imprisonment. The difficulty is that there has grown up in Canada and in the United States, but I think particularly in Canada, a certain class of very adroit smugglers dealing almost exclusively in these valuable but more or less light articles such as silk goods, dress goods, jewellery and other articles. So perplexing has become the problem of enforcement of the law against this class of smugglers that I think the officers of the department have been a unit in asking for a more severe penalty. I may tell my hon. friend at the moment I am not prepared to agree with the suggestion that those penalties should be reduced.

Mr. POULIOT: May I ask a question? The hon. member said he was in favour of a reduction of duty on alcohol and spirits; does he mean the excise or the customs duty?

Mr. STEVENS: They both go together. At present the excise duty is $9 per gallon and the import duty is $10. I would reduce them both; I would not fix a figure, but I would not object to going back to where we were eight or ten years ago. These liquors could stand duties of $3 and $4 per gallon, but $9 and $10 is altogether too high. I think in the interests of temperance itself, and I care not what view one may hold, it would be a very sound move and certainly would lessen the urge for immorality in the way of violations of the law.

Mr. EULER: Perhaps I might reply just here to what my hon. friend has said in connection with the retention of lawyers for the prosecution of our cases. I am free to admit that perhaps there might be some further improvement in the method now used, but to a very considerable extent we are following the practice of using the same lawyers. For example, within the last two months in the city of Montreal, and in the city of Toronto we have arrested some seventy persons for defrauding us of sales tax. In the city of Montreal I believe the same lawyer has been retained to prosecute all these cases, and I think two lawyers are handling nearly all the cases recommended for prosecution by the parliamentary committee. In connection with the prosecutions against the brewers and distillers for sales tax—and I am sorry to say most of them are in the province of Ontario—we have retained the same solicitor in all cases, and we have been very successful. In the income tax branch we have one income tax specialist, who is known to most hon. members; I refer to Mr. Elliott, who takes all the important cases for the department. In some of the more distant towns and cities we have other lawyers who prosecute cases; that is the case in the city of Vancouver, where my hon. friend resides.

Mr. STEVENS: And he does very well.

Mr. EULER: With regard to the securing of convictions, I must admit that that is very difficult, even in cases dealing with self-confessed smugglers. I have in mind at the moment one case which happened not very long ago, that of a man who smuggled jewellery. He was caught in the act and confessed his guilt, but sentence has not been passed upon him as yet.

Mr. STEVENS: Would the minister pardon me if I ask what was the reason? It strikes me that this is a most appalling condition.

Mr. EULER: That is beyond me; I do not know, but I will give the opinion that there is an impression or an idea in certain sections of the country that smuggling is not really a serious offence; if the offender makes restitution they think that is about sufficient. So long as that idea is prevalent among most of the judges and juries of this country we are not going to have the prevention of smuggling we should have.

Dealing with smuggling itself, however, I will say to the committee in all sincerity that at present there is not a great deal of commercial smuggling in Canada. That statement is borne out by the royal commission, and I believe it to be true. If I had time I could read a good many letters, particularly from merchants in Quebec, where there was a good deal of smuggling formerly, in which they say that the smuggling of silks to which my hon. friend has just referred seems to have stopped almost entirely.

Mr. STEVENS: Would the minister agree that the law, to which reference has been made, has had a salutary effect in that regard?

Mr. EULER: I believe it has, and I will say further that representations were made by the royal commission suggesting that the penalties were so great that the judges and juries in certain parts of the country would not convict, because they would not send people to jail. However, I did not accept that recommendation; I brought in no amendment to the act in that regard. I believe this is a deterrent to some extent, and I am going to try it for another year, to see whether or not it is the proper method. If I should then decide, in the light of experience, that we fail in our purpose and that juries will not convict people because they must go to jail, and if I am convinced that we will not attain any good result by following this method, I will be ready to consider going back to some milder form of punishment, or providing some alternative punishment. As the law is now, in some instances when a man is found guilty by a jury the judge has no alternative but to commit him to jail.

Mr. EDWARDS (Frontenac): May I ask if any of the following lawyers are employed as counsel by the minister: Newton Wesley Rowell, R. L. Calder, R. B. Law, G. C. Lindsay or W. F. O'Connor? I presume they are not being so employed, because if they were I think the estimates of the minister would be one or two million dollars higher. I notice that the first-named gentleman, who assisted the royal commission, drew $44,060 as fees, $3,230 for living allowances—it must have cost him more for meals than it costs in the parliamentary restaurant—and $3,140.84 for travelling and other expenses. I presume the 84 cents was for tips. That makes a total of $50,430.84 paid this one gentleman for work lasting less than a year. He can wear socks the year round on that, no doubt about it. The sum of $112,535.82—they did not forget to put in the 82 cents—is what the counsel got, and the commissioners got $28,559.48, or a total of $141,095.30. I hope the minister will be wise enough to steer clear of these gentlemen as advisers or counsel. If he does not we can look for much higher estimates next year.

Mr. EULER: The hon. gentleman has asked me whether Mr. Rowell is retained by the department. He is retained by the department in the prosecution of the cases against the brewers, and he has been very successful.

Mr. EDWARDS (Frontenac): He ought to be.

Mr. EULER: I hold no brief for him, but he is receiving less in the employ of the government than he would in his private practice, or so I am informed. He has obtained verdicts against the brewers and distillers by excellent work, which I think will pay this government in dollars and cents.

I stated last night that Mr. Calder was employed now. I hope my hon. friend does not mind my mentioning it again, but Mr. Calder was first employed while the hon. member for Vancouver Centre (Mr. Stevens) was Minister of the Department of Customs, and we have retained him since that time. Mr. Lindsay is employed at the moment on a special mission of investigation in the province of British Columbia, and Messrs. Law and O'Connor are not now in the employ of the department.

Mr. MANION: The tone in which the minister has mentioned Mr. Calder so often since yesterday makes one wonder if he is apologizing for him.

Mr. EULER: The question was asked by the hon. member for Frontenac-Addington (Mr. Edwards).

Mr. MANION: The minister has so continually alluded to the appointment of Mr. Calder by the hon. member for Vancouver Centre that I wondered if he was apologizing for him.

I wish to mention something in a few words which was brought up by the hon. member for Vancouver Centre, and I do it because, as the house knows, I have had some experience during the last year with the liquor question on the Ontario commission. Now that I am no longer associated with it I can speak, which I could not do in the past. I wish to support entirely the position taken by the member for Vancouver Centre—of course, this is more for next year than for this year—that it would be a good move on the part of the government, when they are considering the duties and excise on liquor, to take up the question of reducing both the duty and the excise in the future. If I may be permitted to take a couple of minutes, with the consent of the committee, I would like to give one or two reasons. In addition to the smuggling which was mentioned by the member for Vancouver Centre, there is the further fact that a large portion of the people in our country, and in other countries, insist on sometimes drinking liquor, and it is far better that they drink good liquor than poor liquor. If the duties and excise are so high that these people cannot afford to buy good liquor, they are then forced to drink home made liquor, or home brew as it is called, and also alcohol. I might tell the minister that both through my experience in the past year, and my experience as a medical man, I do know that the use of diluted alcohol as a beverage is becoming very general among a certain class of people in this country. There is a very large consumption of diluted alcohol for beverage purposes. It is split three or four ways, as the expression is, making three or four bottles for one bottle of alcohol. I repeat that if we are going to have people drinking liquor, it is far better to have them drink good liquor. While alcohol, perhaps, is not as bad as some of the home brew that is made, at the same time it is not considered a good drink by those who are experienced in the business. I am not speaking of those who are experienced in drinking, but those who are experienced in the business itself. I submit, Mr. Chairman, that the government will be well advised to consider seriously this whole question with a view to the downward revision of the excise on liquor produced in this country, and the duty on liquor brought in. I have no desire to increase the consumption of liquor, but I believe in this way while the consumption of good liquor might be increased, the consumption of bad liquor would be materially decreased.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. POULIOT: I have just a few words to say regarding what was said in the latter part of the afternoon about the Dumoulin case. The hon. member for St. Lawrence-St. George (Mr. Cahan) made a very eloquent plea on behalf of Mr. Dumoulin. I do not know anything about the case, but it should not be taken for granted that the minister has made a mistake in regard to it. He has granted an investigation and the investigation will show whether or not a mistake has been made. It would be improper to decide the case before the investigation is held by stating now that the minister has made a mistake. I do not know who has been appointed to conduct the investigation, but I will ask the minister to give to the investigator strict instructions to present the report only to the minister himself and not to give it to the members opposite as occurred when Mr. Boivin was Minister of Customs and Excise. At that time hon. members opposite were told everything that was done by the officials of the department before the minister knew a word about the matter, and I am sure the present minister, who is an energetic man, will give instructions accordingly. It is the proper way to act and no one will blame me for making this statement.

I have a word to say about commercial smuggling. It is a fake but it is a fake that was used to kill the predecessor of the Minister of National Revenue. During the election of 1926 we heard that there was a great deal of commercial smuggling, but afterwards the evidence was given before the commission and the report was that the smuggling was chiefly in liquor and cigarettes.

I come to the third question on which I wish to say a word, and that is the reduction in the duty on spirits. I asked the hon. member for Vancouver Centre (Mr. Stevens) if he thought a reduction in the excise and cus-

toms duties would be proper, and he said he thought so. That tax was imposed about eight years ago by another government. I think it is a sound method of taxation. Naturally, opinions may differ in that regard but I believe, as I have already said in the house, that the excise duty should be reduced and that the customs duty should be left as it is. My reason for saying this is that it is just as well to encourage Canadian distillers. If they are encouraged, people, as the hon. member for Fort William (Mr. Manion) has very wisely said, will not drink more but they will drink better liquor. I make a distinction between wood alcohol and grain alcohol. I do not know whether the hon. member for Fort William, when he spoke of alcohol, meant wood alcohol or grain alcohol. I have seen in the drug stores wood alcohol which is used for rubbing purposes and for heating purposes.

Mr. MANION: I meant grain alcohol. Wood alcohol is deadly poison.

Mr. POULIOT: As for grain alcohol I am not a medical man, but if it is well distilled it is hardly worse than any other kind of liquor, and I know that doctors very often prescribe for sick people white wheat whiskey, which is a kind of grain alcohol.

Mr. MANION: May I suggest to my hon. friend that good doctors do not?

Mr. POULIOT: If some of my friends ever get a prescription for white wheat whiskey I will tell them to be careful on account of what my hon. friend has just said. But to conclude, I notice with pleasure, but also with astonishment, that my hon. friends opposite advocate a reduction in duty even on alcohol, and I wonder if this is because Mr. Ferguson is doing a very good business as his friend from Quebec is doing from the sale of liquors.

Mr. McPHERSON: Just in reference to the remarks made in connection with the customs and excise duties on spirituous liquors and tobacco I should like to draw to the attention of the committee the fact that the matter is in a rather peculiar position. If my recollection is right, the increase from approximately $2 to $10 a gallon on spirituous liquors was imposed by a government at a time when eight out of nine provinces of the Dominion allowed it to be sold only on prescription. In other words a medicinal article was highly taxed for the purpose of revenue. I rather think that was about the proportion of the Dominion which was under the so-called Temperance Act. If it was necessary on behalf of raising revenue to tax that, then at the present time when the Dominion is coming back to using spirituous liquors as a beverage, it would appear to me that it would take some arguing to show a reason why what is practically an amusement should be relieved of taxation whereas a medicinal article should be highly taxed. If on the other hand the contention is that the tax is not needed now because the revenue is not needed, I would suggest that there are coming into the Dominion many necessaries on which the duty could much more readily be lowered. I have no objection to the principle of the thing, but the revenue is there; we need it yet and tobacco and liquors are logical articles to be taxed to the utmost.

Mr. BOURASSA: But my hon. friend is forgetting the reason given by the Minister of National Revenue, that too high a tax defeats its own object. Therefore, if he is considering the question of revenue, he should take into consideration the experience of every country. The moment you raise the duty to a point where the premium to fraud and smuggling is such that it induces many people, so-called honest and decent people, to trade in it, because it is the most profitable trade to engage in, from that moment your revenue goes down. That has been the experience in France, in England, everywhere; so that as regards revenue there is not the slightest doubt that the high figure at which both the excise and customs duties stand on liquor and tobacco, especially cigarettes, as the hon. member for Vancouver Centre pointed out this afternoon, did not increase substantially the revenue of the country but increased tremendously the process of smuggling and thereby helped other kinds of smuggling. Because people who make of smuggling a trade smuggle not only liquor and cigarettes, but something else besides. So it not only deprives the country of revenue upon these very articles, but helps the smugglers to carry on their trade in other articles as well. The minister would certainly be well advised to give heed to the expressions of opinion given here this afternoon and prepare for a substantial reduction next year in the duty on these articles; then everybody will find, after a little while, and if the law is properly enforced, that the revenues will increase, and that drunkenness will certainly not increase.

An hon. member has spoken of alcohol being used for some years as a medicine. Then something very extraordinary must have happened in those virtuous provinces which adopted prohibition; there was a tremendous amount of illness in the fifteen days around

Christmas and New Year's in various cities in prohibition territory. The government liquor store in Montreal, near what is called Pied du Courant, received orders from Toronto alone for two or three carloads of liquor at Christmas time to fill doctors' prescriptions.

Mr. MANION: When was that?

Mr. BOURASSA: I think it was two or three years ago, not while my hon. friend was on the commission.

Mr. MANION: The reason I ask the question is that it has been against the law to get liquor into Toronto from Quebec.

Mr. BOURASSA: That did not prevent it. There was such an epidemic of sudden illness, and such a number of doctors' prescriptions required at Christmas time, that the druggists of Toronto and many other towns could not supply the demand; and they immediately applied to the liquor store in Montreal to get that very helpful medicine and fill up the drug stores at that time.

Mr. SANDERSON: An epidemic of flu.

Mr. BOURASSA: I presume so, and I think that is one of the things which have induced Mr. Ferguson, very properly and very sensibly, to adopt a new law, upon which I take this opportunity of congratulating the Ontario government.

Mr. BROWN: On the question of the reduction of the excise duties on liquors, I know that I hold views on liquor that are not universally held in this house. With me, liquors are not classified as good and bad but as bad and worse. If revenue were the only question to be considered, all well and good; but I hope that when we come to consider this question, it will be considered not from the standpoint of revenue only, but from the standpoint of how we can bring about a greater condition of sobriety among our people. Just at the present moment I would not like to express an opinion one way or the other as to how it would affect our revenue. To me that is not the all-important question, nor is the matter of the illegal sale the important question. Granted that the liquors are of the same kind, illegally sold liquor is no worse and no better than liquor that is legally sold. I should be very glad to consider the question from the standpoint of its influence upon the consumption of liquor, and for my part, before sanctioning the proposal to reduce the customs and excise duties, I should like to be thoroughly convinced in my own mind that such a measure would tend towards greater sobriety, and towards a reduction in the consumption of liquor rather than towards increased consumption. In reasoning on other matters we naturally feel that to make things cheaper and more accessible leads to increased consumption, and if there is any reason that can be pointed out why that seemingly natural effect would not result in this particular case, I for my part would be willing to give consideration to it. I say this, not simply to foist my views on the house at this time, but to emphasize what we know to be a very widespread sentiment throughout the country, and that is that the handling of liquors for the sake of profit is not a business we like to see our governments engaged in, whether directly through the revenue or through any measure of government control. I know that these sentiments are not popular in all corners, but they are held very widely by people in this country who would like to see our nation above everything else a nation of sober people.

Mr. BOURASSA: There is another matter I should like the minister to consider. What are the measures taken now by his department to prevent the entry into Canada of the filthy literature which is flooding this country in such quantities, coming from the United States and elsewhere, but mainly from the United States?

Mr. EULER: I am not sure whether my hon. friend has reference particularly to what enters the province of Quebec.

Mr. BOURASSA: No, generally.

Mr. EULER: The department has authority to prevent the entry of immoral or seditious literature, personally I am not very much attached to the office of censor. I am of opinion that a good deal of freedom, reasonable freedom, in these matters should be permitted to the people. I am not a very great advocate of paternalism, but at the same time I would say this, that where we are clearly convinced that books or papers or literature, if you can call it literature, of an immoral character or that is seditious or indecent is coming into this country, we will take the necessary steps to prohibit its entry into Canada. I have not had any complaint for three or four months until just within the last few days with regard to such importations, and for the information of my hon. friend from Labelle, I would say that instructions have been issued by the department within the last few weeks with regard to this very matter. I will read a copy of a letter which has been forwarded to every

collector and sub-collector in the province of Quebec. It says:

Dear Sir:

The attention of the department has been drawn to the fact that there are many books and other publications printed in French and imported from France into the province of Quebec, which are of an undesirable character.

Four sample copies of publications have been submitted to the department recently, entitled—

I am not going to take the responsibility of pronouncing these names; they are in French; the names of these publications are given:

These have been examined and are found to be immoral or indecent and prohibited importation by item 1201, schedule "C" of the customs tariff.

You are instructed to keep a close watch on all importations of books from France, and seizures are to be made of those which are obviously immoral or indecent. If any doubt exists, sample copies are to be sent to the department for examination.

Please give this matter your personal attention and acknowledge receipt of this letter.

These instructions are now in the hands of every collector and subcollector in the province of Quebec. If we have complaints from any other provinces, we shall take such action as may be deemed necessary.

In addition to the publications named in this circular, some fifteen or sixteen books whose names I cannot pronounce have been seized at the port of Montreal during the last year.

Mr. DUNNING: None of the classics, I hope.

Mr. EULER: I am not sure; I am not so well acquainted with the French classics, or perhaps the classics in any language. The commissioner informs me that in the rest of the country there is an average of fifteen seizures a month. A number of seizures have been made from booksellers in the city of Montreal.

Mr. HOCKEN: Is any person appointed to examine the flood of literature that comes in from the United States, to discover its character?

Mr. EULER: We have a man in the department at Ottawa to whom is committed the duty of examining any literature of that kind.

Mr. HOCKEN: Notwithstanding that, these very objectionable publications come in right along. I wonder what his idea is. As long as there is no absolute profanity I presume he allows the publications to circulate. But magazines are coming in from the United States so suggestive that they should not be allowed on the bookstands where young girls and young boys can view them.

Mr. EULER: If the hon. gentleman will send us copies of those magazines they will be dealt with. I would not entertain the practice of having a man at every port to examine every book or publication that comes in; but if citizens will send to the department copies of any objectionable books or magazines they will be carefully examined, and if found unworthy of circulation they will not be allowed to come in to this country. It seems to me absolutely inconsistent to expect this or any other department to keep out such objectionable literature when we have in our picture shows and our theatres at least as indecent things as we find in certain magazines and books.

Mr. HOCKEN: With the picture shows and theatres my hon. friend has nothing to do; with this objectionable literature he has, and he cannot evade his responsibility by calling our attention to other objectionable things.

Mr. EULER: I am not trying to evade any responsibility.

Mr. HOCKEN: I say without hesitation, Mr. Chairman, that there is an enormous flood of literature of the most objectionable character coming in from the United States.

Mr. YOUNG (Saskatoon): Have you submitted a list of that to the department?

Mr. HOCKEN: I do not consider it my duty to do more than draw the attention of the department to the facts. If my hon. friend had been here the last four or five sessions he would have heard me speak on this question. Last session I brought here an armful of publications, none of which I think should be allowed to be sold in this country on the ground of their suggestiveness. Such filth should not be put within the reach of the young people of Canada. I am not exactly a puritan, Mr. Chairman, I can appreciate good literature, but when we find magazines produced for the sole purpose of appealing to the most vicious traits of humanity, I think we should exclude them. I know that in the United States magazines are published under a certain name, and when the Post Office department of the republic puts a ban upon the first issue, the publishers change the name and get out another issue so that sales may not be interrupted. That practice is

carried on right along. Magazines are allowed entry here which are banned in the country where they are printed. I submit, Mr. Chairman, that a person of good judgment, and one who realizes the dangerous character of these filthy publications, should be appointed to go over them, say, once a week, and if an issue is found to be objectionable the magazine should be excluded perpetually.

Mr. BOURASSA: Hear, hear.

Mr. HOCKEN: The publisher who errs once by circulating that kind of literature should not be given another opportunity to offend. I submit to the minister that he select a person for this work with the qualifications that I have stated. If that were his whole duty the country could well afford to pay him three or four thousand dollars a year to guard the morals of our young people. Let him examine these magazines one after another, and in my opinion it would not take him long to weed out these objectionable publications. That is the responsibility of the minister.

Mr. EULER: Perhaps my hon. friend was not present when I stated that every week we are excluding these objectionable books and magazines. If he has knowledge that others are coming in that should be excluded, and he will submit them to the department, the necessary action will be taken. The hon. gentleman says that I ought to get a suitable man, a man of judgment, to censor these publications. I think we already have such a man. He sat in the press gallery for years. I have never had any complaint as to his qualifications for the work that he is doing.

Mr. YOUNG (Saskatoon): I congratulate the hon. member for Toronto West Centre (Mr. Hocken) on the stand he has taken. I remember very well the day he brought into this house a few of these objectionable magazines, and I think at the time we had an exchange across the floor. Unfortunately he suggested then an increase of the duty on such magazines to check their entry. I was of the opinion that they should be excluded altogether, and I am glad that in this respect at least the hon. gentleman has changed his view.

Mr. HOCKEN: Mr. Chairman, my hon. friend is not quite accurate.

Mr. GEARY: Far from it.

Mr. HOCKEN: When I advocated a duty on magazines it was for an entirely different purpose. I argued then, as I am prepared to argue now, that some protection should be accorded to Canadian publishers. I know a large number of Canadian magazines have had to suspend publication because of the unfair competition from American magazines, there being no duty imposed on them. A little relief has been given to our publishers by a drawback on the paper they use, but that is a mere trifle I asked the department to put into operation the item in our tariff and impose a duty of 25 per cent upon all magazines entering this country. There is such an item in the tariff, but by an arbitrary and absurd interpretation by the department that duty is not imposed. The department resolutely refuses to apply that item of the tariff.

Mr. EULER: It is being done now in regard to a large number of so-called magazines.

Mr. HOCKEN: That is the aspect of the argument to which my hon. friend from Saskatoon (Mr. Young) has referred.

Mr. CAMPBELL: Will the minister explain to the committee the nature of the change in the regulations under which an increased duty is imposed on many of these American magazines—not the objectionable ones at all, but such magazines as Needlecraft, for instance, which many Canadian women desire to have in their homes?

Mr. BOURASSA: Mr. Chairman, if my hon. friend (Mr. Campbell) will allow me, I do not think we should let the first question pass out of sight. Let us deal with the kind of literature that I agree entirely with the hon. members for Toronto West Centre (Mr. Hocken) and Saskatoon (Mr. Young) should be excluded. A couple of points were raised by the minister which had better be dealt with now. First, he says he is not in favour of paternalism, but of freedom. He seems to be much more in favour of freedom of filth and obscenity than freedom of trade.

M. EULER: Mr. Chairman, I rise to a point of order. I take objection to that remark.

Mr. BOURASSA: If the hon. member will permit me, there is nothing insulting—

Mr. EULER: Mr. Chairman, I object to the statement.

Mr. BOURASSA: What I meant—

Mr. EULER: He stated the minister was apparently more in favour of filth and obscenity than of something else. I object entirely, and ask that he withdraw the statement.

Mr. BOURASSA: I withdraw entirely the form of the statement if the minister takes it that way. What I meant was this: if we are to have strict laws in favour of trade it seems to me we should have some laws in favour of morality. On that point the minister objects to paternalism; he does not think his department has any responsibility. And he cites some of the Canadian filthy literature and pictures that are put up for sale in book stores and elsewhere. There the responsibility obviously is not his; the responsibility rests with the representatives of the local authorities. The attorney general of each province has the right to have prosecutions instituted against people who deal in such things. The police of each city can deal with the matter. But when it comes to the importation into Canada of foreign matters of this nature, this is something that comes under the department over which the hon. gentleman presides, and there the responsibility of his department is in question. This the minister himself admits when he says that there is someone in his department to look after it. But how is supervision exercised? The minister says that the attention of the department should be called to these things before authority is exercised. To a great extent he is right. It is obvious that the official charged with this duty cannot take cognizance of all the filthy publications that come into the country and are sold on every bookstall in every city. But when the attention of the department is drawn to any particular case, action should be taken promptly. When the hon. gentleman's predecessor was in office I myself submitted to him several of these publications printed not only in French but in English as well—because Montreal is flooded with much more filthy literature coming from the United States than from France. I congratulate the minister upon his decision with regard to French literature. But I am also concerned that the young people who read filth imported from the United States should be safeguarded, whether these young people be French, English, Scottish or Jewish. They are all children of Canada and we have a duty towards them. I am glad the hon. gentleman is doing something to protect the youth of my race, but I want him to protect all young people. Some of these magazines I submitted to the minister's predecessor; he realized at once their abominable character and issued instructions prohibiting their entry into Canada. But a crisis came, and hon. gentlemen on the other side, during their short stay in power, rescinded the order. Then the Liberal party came back to power, and some time after, my hon. friend (Mr. Euler) was appointed. But most of these publications continued to come in. And they are still coming in. Their character has been denounced several times by organizations of men and women in Montreal, Catholic, Protestant, French and English. May I read an opinion which apeared in a Liberal paper, printed in English, supporting this government, the Montreal Herald, which called the attention of the government and of all thinking people to this matter. I will quote a few extracts:

> Tabloid Newspapers published in the United States, successors to the "yellows" of a decade or so ago, and far surpassing their worst efforts in the dissemination of salacious filth, are permitted to enter Canada without hindrance, adding thousands of Canadian readers to their swollen circulation among the illiterate and the sensation seekers. This condition has been in existence for some time.

Then there is an analysis of the character of the papers, giving titles, et cetera. Here I follow the example set by the minister; I will not advertise them. But I have a number of these publications in my desk and they are to be found in any bookstore or in any newspaper stall in Ottawa, Montreal, Toronto or any other city in Canada. They are still sold, notwithstanding that the attention of the department has been directed frequently to the matter. Without naming any of these publications, I may say that one of them—I have it here—purports to give what is considered the last word of cleverness in this sort of thing. An agent of this particular newspaper received permission from the executioner in the state of New York to witness the last minutes of life of a poor woman sentenced to death there. He had a kodak in his pocket and took several pictures of this wretched creature. The result was that readers in Canada and the United States were able to get some idea of the last seconds of this unfortunate woman's life on the executioner's chair. What does the decent element in the United States press say about the matter? Of course, the outrage was condemned; it was considered one of the most degrading performances on the part of newspaperdom in the United States. Nevertheless that publication continues to come into the country and at present is sold on the streets of Ottawa, Montreal and other cities. But it is not the only one; I have several here just as bad. May I quote from the Montreal Herald its characterization of these publications:

> Sex is their highest standard of news, with murder, divorce, suicide and scandal following in due order. They dismiss matters of world importance with a few flippant phrases; but

they devote columns to exploiting the latest unfortunate woman, the newest rich fool, and the most recent divorce case. Their existence and their habits are deplored by decent folks in their own country: but they are an American product and they represent one phase of contemporary American life in the big cities. A regrettable phase but one which exists in the United States. The problem of their publication in the country of their origin is one with which Canada can have no concern. But Canada can, and should, protect her own people from the contamination of such salacious foreign filth...

There is in Montreal a growing public opinion against the entry into this country of salacious tabloid publications printed in the United States. The government at Ottawa has full authority under the law to act, in the protection of public morals. That such action would have the support of all right thinking people in the country is obvious from expressions of opinions made during the past day or so to the Montreal Herald.

Then follow expressions of opinion from representatives of various races and denominations, men and women. I can scarcely reveal the testimony that has been given me by some physicans, very serious men, who have a consciousness of their responsibilty and who know the facts. Not later than this week one of the most respectable and best informed persons in the city of Ottawa told me of girls and boys of the public schools in another city being carried to the hospitals with venereal disease and who were found to have in their beds, for solace during illness, some of these very publications which enter this country under the regime of freedom which is recommended to us as the proper thing. I believe in liberty as fully as does the minister. There is no country on the face of the earth in which liberty of the press is enjoyed more proudly than it is in England. Yet this problem has reached the stage there where publications of this kind are seized by the police. Everyone knows that if there is a country on earth in which there is no impediment to the dissemination of literature of every variety, that country is England. I do not think we should be very far wide of the mark if we followed liberal England in this respect, especially when it comes to publications that are printed outside this country and which we can control far more easily than we can those published in the Dominion. In a sense, the press of Canada is largely responsible for this. If you take a very large proportion of the daily newspapers, you will find that their so-called funny pages are practically all contracted for in the United States. I have frequently put forward this, both in this house and outside, as an example of the moral and intellectual penetration of Americanism in Canada. Let us at least stop what we can stop. I do not think it is an excuse to say that some people in our country do wrong, and therefore we should encourage the foreigners in their wrong, and let them contaminate the minds and hearts of the youths of our country. I am quite sure the minister, who is a man of sense, of conscience and of energy, will look at it in that way. Of course, in his position he cannot get all these facts, because he is busy with his department, but he has been informed of them. The hon. member for Toronto West Centre (Mr. Hocken) sent him information, as I and others have done. Unfortunately, he is right when he says that too few people take the trouble to inform ministers of the crown of what is going on, but I am expressing the views of a large number of those people who have been writing me and speaking to me in this regard for the last two years. I am voicing the disquieted thoughts of thousands of fathers and mothers of families, who hold themselves responsible for their children, and who do not like to see those children coming out of school and purchasing such literature on their way home. If you travel in the street cars of any large city in Canada to-day, Montreal, Toronto, Winnipeg, or Vancouver, you will find that kind of literature in the hands of school boys and school girls; and I am sure no one will think that that makes for better citizenship and higher morality in our country.

The matter is worthy of the serious consideration of the house, the government and the department, and if the minister reflects a moment he will instruct that official in his department to be on his guard, not to delay matters and not to repulse the initiative of the people who take the trouble to gather up and forward this information. It is no pleasure to go to a news stand and purchase that kind of filth in order to form a record; I know numbers of these periodicals have been sent to the department; I have sent some, and I am sure the hon. member for Toronto West Centre has sent some. But we cannot keep on purchasing them. No one desires to increase the circulation of these publications for the sake of forming a record. It seems to me that the few samples sent to the department should be sufficient to inspire the official charged with this duty with sufficient energy to bring about results so that, at least, some of the book stalls of this country will be purged of this filth, if we cannot abolish it all at once.

Mr. THOMPSON: Before this item is carried I should like the minister to give some information as to the practice pursued in his department in chartering boats for the service. I find that the steamship Vigilant formerly belonged to the government; almost their first official act after coming into power in December, 1921, was to sell this boat to a then Liberal member of parliament for $18,000. Last year, after six years of wear and tear and depreciation, I find that the Department of National Revenue chartered this boat for seven months; it is chartered for nine months in 1928 and for nine months in 1929, and though the boat was sold for $18,000 they are paying for it $2,250 per month. In other words, in the twenty-five months during which this boat will be in their possession the fortunate owner will receive $56,250. For the last ten or twelve years this boat has been up in the Georgian bay, lying tied up to the dock for the greater part of the time, but in 1927 she was sent down to the coast of Nova Scotia. Still more remarkable is the fact that in spite of this high rental, in 1927 the department also expended $1,565.18 for repairs; what they will spend this year and next year no one knows. I suppose the fact that the present owner of the boat is the chief Liberal worker in my riding did not stand against him in any way when he came to make this good bargain for the charter of his boat.

I might also say that up around Georgian bay, where this boat was formerly kept, the marine men, who know what they are talking about, regard this as a gross example of political favoritism, but until I heard the speech made by the minister this afternoon I was under the impression that he personally had been very loath to make this bargain. I had understood that the very strongest pressure had to be brought to bear upon him, but he said this afternoon that no man could bulldoze him into making a bad bargain, so I understand he will take the responsibility for this charter. To my mind the whole thing savours of graft; it cannot be defended or justified, but I would like the minister kindly to explain it to the house, if he will.

Mr. CHURCH: Now we will hear from the admiral of the fleet.

Mr. EULER: I want to say to my hon. friend that he is in error at the very outset; this boat was originally owned by the Department of Marine and Fisheries and was not sold by the Liberal government. That makes no particular difference, but it was sold by the Union government for $18,000. As I say, I do not attach any particular importance to that. I understand that at that time, shortly after the war, boats were pretty much of a drug on the market, and this boat passed into the hands of Mr. Chew of Midland. Later it was sold to a gentleman named Payette, from whom we chartered the boat after he spent about $30,000 on it. I am not a seafaring man myself, but I am assured by the chief of the preventive service, in whom I think everyone has confidence—I know I have—and upon whose recommendation the boat was chartered, that it was extremely difficult to get boats of a character suitable for this service. They are not very plentiful, and since we chartered the boat we have paid for it at the rate of $2,250 per month. I am assured that there are other boats in the government service which are paid for at an even higher rate. The boat will be used nine months this year and nine months next year, when the charter will expire.

Mr. STEVENS: Does the department pay $2,250 per month?

Mr. EULER: Yes. I might also add, for the information of the committee, that the policy of the department, is to dispense with all privately owned vessels.

Mr. GUTHRIE: Who owns the Vigilant?

Mr. EULER: Mr. J. T. Payette, of Penetang. I was merely going to add that parliament itself, and the country also, were very anxious that immediate steps be taken to cope with the smuggling which was going on; it was necessary to organize a preventive service more or less hurriedly and more or less imperfect, and in that service was included a number of vessels. It was absolutely necessary either to purchase or to charter vessels; we did purchase some and we are building others. We have a few under charter, and this is one of them. That is the whole story.

Mr. THOMPSON: The minister has said that this boat was sold by the Union government. It was sold on December 29, 1921, immediately after the Liberal government took office.

Mr. EULER: On what date?

Mr. THOMPSON: December 29, 1921.

Mr. EULER: I have not the facts before me, but I do not think it makes any difference who sold it.

Mr. GUTHRIE: Now that we are on the subject of a vote for the preventive service,

I would ask the minister a question. I understand that some boats are being built at Gravenhurst at the present time for the Customs department; is that correct?

Mr. EULER: They are finished and delivered.

Mr. GUTHRIE: And some were either built or overhauled at St. John, N.B.?

Mr. EULER: No.

Mr. GUTHRIE: Does the minister know of the boat Bay Hound?

Mr. EULER: Yes.

Mr. GUTHRIE: That is in the Customs service?

Mr. EULER: Yes.

Mr. GUTHRIE: Was she not overhauled at St. John?

Mr. EULER: I am informed that the boat was purchased at Montreal and a power plant was put in at St. John this winter.

Mr. GUTHRIE: What power plant was put in?

Mr. EULER: Diesel engines.

M. GUTHRIE: Where were they procured?

Mr. EULER: The Union Foundry & Machine Company.

Mr. GUTHRIE: Where is that?

Mr. EULER: This sounds like a pretty categorical examination by a lawyer.

Mr. GUTHRIE: It is information I desire.

Mr. EULER: The Union Foundry & Machine Company of St. John were the lowest tenderers, I am informed.

Mr. GUTHRIE: About the fifteenth or sixteenth of March it was stated in the house by the minister that no patrol boats were being built by the department outside of Canada, and the inference was that all parts of the boats would be of Canadian construction.

Mr. EULER: Diesel engines are not made in Canada.

Mr. GUTHRIE: No, but they are made in Great Britain and they can be procured there cheaper than from the United States.

Mr. EULER: I understand that the smaller sizes cannot be obtained in Great Britain. These were purchased from the Canadian Fairbanks Morse Company.

Mr. GUTHRIE: The minister informs the committee that the size used in these boats cannot be purchased in Great Britain. I am satisfied if that is the fact.

Mr. EULER: The chief of the preventive service so informs me.

Mr. CANTLEY: That is not correct.

Mr. GUTHRIE: May I ask the minister whether any effort was made to secure these engines in Great Britain? Were tenders asked for there?

Mr. EULER: No.

Mr. GUTHRIE: Were Diesel engines used in those built at Gravenhurst?

Mr. EULER: Those were small gasoline patrol boats.

Mr. GUTHRIE: And not Diesel engines?

Mr. EULER: No.

Mr. SHORT: I was speaking last night about the appointment of an assistant at the customs house in Digby, and the minister made the statement that serious charges had been made to the department against the young man recommended by the Civil Service Commission for that appointment. In justice to that young man, and in fairness to this house, when the minister makes a statement like that the information should be given. Was there anything against the morals of this young man? Was there any charge against his honesty? Or was he not of the right political faith? I should like an answer to that question, and then when I get that I have another matter to bring up. But I want an answer before we go any further.

An hon. MEMBER: The resolution is carried.

Mr. SHORT: It is not carried; don't be in such a hurry.

Mr. EULER: I am quite willing to give the hon. gentleman all the information he asks for if I have it at my disposal. I have some information regarding this matter. On the 6th of May of last year a requisition was made by the department to the commission for the appointment of a customs excise examiner at this point. On the 16th of May, 1927, the position was advertised by the Civil Service Commission. On the 4th of June examinations were held and the oral rating sheets were forwarded to the department by Inspector Lovett on the 5th of June. On the 22nd of June the oral ratings were forwarded to the Civil Service Commission,

and—observe there is a lapse of time here for which neither the department nor myself is responsible—on September 1, 1927, no appointment having been made by the Civil Service Commission and the summer season being almost over, the commission was requested that no assignment be made for the winter. Information then reached the department that the two candidates who were in first and second places at the examination would not make suitable officers for the department, in consequence of which the inspector for the district was requested to assign a relieving officer temporarily to duty at Digby. On the 10th of May directions were given to have a suitable officer make careful investigation into the charges preferred against the two candidates. As I said last night, if these charges are groundless I shall have nothing more to say.

Mr. SHORT: What is the nature of the charges? You have stated in this house that there were charges and you have done these two men a serious injury.

Mr. EULER: If they are innocent I would be doing them more serious injury by stating the charges in the house. If my hon. friend will come to me I will give him the nature of the charges.

Mr. SHORT: You can tell us who made the charges—that is public property.

Mr. EULER: I will give you the name at the same time.

Mr. SHORT: I have another matter I want to bring to the attention of the minister. Last evening when this matter was under discussion the minister stated that dismissals were made on a charge being laid by a member, and he was asked if it was not done on the advice of defeated candidates, and he said, absolutely no. In my constituency there is a subcollector of customs who was discharged, and an investigation was held. The minister says that he does not take the advice of defeated candidates, but this is what happened. A man by the name of P. A. Saulnier, subcollector of customs at Church Point, in Digby county, was dismissed after a small investigation held by and presided over by one of the most partisan Liberal lawyers in the province of Nova Scotia. The evidence was most flimsy, and I am going to read it to the house. The newspapers all over the country credit the minister with being absolutely nonpartisan; they say that he has tried to make the Department of Customs absolutely free of politics, that everything he has done has been in the public interest and that he is getting the very best officers he can. First we have a letter from the defeated candidate in my constituency, Doctor Lovett, who was a member of this house from 1921 until 1925. That is the only time he ever sat in the house. As I said last night, he has contested the constituency four times and he won it once when the solid sixteen came back. The advice of this man is taken by both the Department of National Revenue and the Post Office department. I have not come into contact with any other department, but if I do I will bring the matter up in the house. This is a letter which reads as follows:

Bear River, N.S., Aug. 8, 1927.

Hon. W. D. Euler,
Minister of National Revenue,
Ottawa.

Dear Sir:

I am asking that an investigation be held in the case of Philip Saulnier subcollector of customs at Little Brook, Digby Co., N.S.,—

The man lives in Little Brook but the customs house is at Church Point.

—on the ground that he is an active Tory partisan having attended Tory committee meetings during the campaigns of both 1925 and 1926.

Yours respectfully,

L. J. Lovett,
Ex-M.P., Digby-Annapolis.

The next letter is from C. B. Patten, for Commissioner of Customs, Ottawa, September 17, 1927, to J. F. Outhit, Esq., Barrister, Kentville, N.S.:

Sir,

I have the honour to refer to departmental letter of the 15th ultimo, on which you are requested to have the charges of political partisanship against Mr. Philip Saulnier, subcollector of customs and excise at Church Point, N.S. investigated, and your full report submitted to the department.

No reply appears to have been received in this connection, and it is requested that your report be furnished as soon as possible.

C. B. Patten,
For Commissioner of Customs.

Then comes a letter from Mr. J. Frank Outhit:

Kentville, N.S. Sept. 19, 1927.

Commissioner of Customs,
Ottawa.

Re Philip Saulnier. B. 1507-54-1

Dear Sir:

In reply to your letter of the 17th inst., I beg to say that the delay in this matter has been wholly due to the difficulty that I have experienced in getting names of witnesses and other information from Dr. Lovett, ex-M.P. and others interested in this matter.

It even became necessary for me, at the suggestion of the Honourable J. L. Ralston, Minister of National Defence, to make a special trip to Digby concerning this matter. I succeeded on Friday last in getting certain infor-

mation and on that day issued the necessary notices for the investigation to be held at Little Brook on Thursday, the 22nd instant.

As soon as I can complete the investigation my official report will be immediately made.

Yours very respectfully,

J. Frank Outhit,
Commissioner.

The next is a notice to Mr. Philip Saulnier as follows:

To Philip Saulnier of Little Brook in the county of Digby, Nova Scotia, sub-collector of customs and excise at Church Point, N.S.

Whereas a charge has been made before the Minister of National Revenue of Canada alleging against you a charge of political partisanship contrary to the Civil Service Act 1918 and amendments thereto.

And whereas I, the undersigned, have been duly appointed a commissioner under the great seal of Canada, and have been duly designated to hold an enquiry concerning said charge.

Therefore take notice that I hereby appoint Thursday, the 22nd day of September A.D., 1927 at the hour of four o'clock in the afternoon at the hall at Little Brook in the county of Digby, in the province of Nova Scotia, to be the time and place of such enquiry, at which said enquiry you will be allowed full opportunity to be heard.

Dated at Kentville, N.S., this 16th day of September A.D., 1927.

(Sgd) J. Frank Outhit.

Commissioner duly appointed under the provisions of the Inquiries Act of Canada.

Then comes the evidence and I want the committee to listen to this:

Enquiry opened at four o'clock p.m., pursuant to notice duly given, copy of which is hereunto annexed marked "A" "J.F.O."

Present: Philip Saulnier, subcollector of customs, the accused; William LeBlanc, sworn:

I live at Church Point. Know Philip Saulnier for forty years or more. He is subcollector of customs and excise at Church Point for last fifteen years. I know Peter Doucett, postmaster at Concession, and he Doucette told me in the presence of others that Philip Saulnier the accused came to him and told him that if he voted Liberal he would lose the post office of which he was postmaster. He did not tell me just when this was. Mr. Saulnier has the reputation of being a strong Tory. No Cross-examination.

Vincent Genette, sworn:

I live at Little Brook. Know Mr. Saulnier, have known him since I was a boy. I know of there being Conservative meetings held at John Fournier's at Little Brook. I know of Mr. Saulnier being there. Both at the 1925 local and Dominion and 1926 Dominion elections. I was there when they appointed delegates to go to the Conservative nominating convention. This was in 1925 when the local elections were on. They held meeting there at the Dominion elections 1925 and also 1926, at this same place. It was the general place to meet for such political purposes. At this election (local) 1925 I was working for Mr. Robicheau, Conservative candidate. After the polls closed on the night of election we were celebrating the Conservative victory at my house. Mr. Saulnier said "We have won" and he took part in the celebration with the rest of us.

No cross-examination.

Omar Comeau sworn:

Mr. Saulnier is my brother-in-law. I am not in good health. I have been at John Fournier's often. Philip Saulnier was there with me often. We often talked politics. Have heard him talk politics there, the same as in a private assembly. These were not meetings called especially for political purposes. Fournier's house was a general meeting place for the village. Fournier was a Conservative. Mr. Saulnier was also a Conservative. When Mr. Saulnier talked he talked on the side of the Conservatives.

No cross-examination.

Prosecution closed.

The commissioner stated to the accused Mr. Saulnier that he had the privilege of calling witnesses or of being sworn to give evidence on his own behalf.

Mr. Saulnier declined to be sworn but wished to make the statement that he admitted that he had said to Mr. Peter Doucett, postmaster at Concession, that he would lose his position as postmaster if he voted Liberal but that so far as he could remember this statement to Mr. Doucett was before he (Saulnier) was appointed to the office of subcollector.

Hon. J. W. Comeau, being present—

He was a member of the legislative council of Nova Scotia.

Hon. J. W. Comeau, being present, questioned Mr. Saulnier:

Question: Did you not say that at the last local election that Premier Armstrong had stated in Boston that a head tax would be put on persons going to the United States?

Answer: I do not remember of saying anything of the kind.

Question: Did you drive Mr. Robicheau, Conservative candidate, from Little Brock to the railway station and stop at Philip Doucett's and other places to canvass?

Answer: When I drove Mr. Robicheau to the station I do not remember of stopping at Doucett's. I stayed in my team, I do not remember of being in the store. I do not remember whether or not it was after the nomination of Mr. Robicheau as a candidate or whether it was before that. I have been to Mr. Robicheau's house since his election, have been there and stayed all night.

Mr. CAMPBELL: Does the record show that any witnesses were called?

Mr. SHORT: None whatever. Now I wish to read the report of the commissioner, James Francis Outhit, in connection with the investigation. His report reads:

In the matter of the Enquiries Act and amendments thereto.

In the matter of the Civil Service Act, 1918, and amendments thereto.

In the matter of an enquiry under said Acts into the conduct of Philip Saulnier of Little Brook, in the county of Digby, Nova Scotia, subcollector of customs and excise at Church Point, N.S.

Report of Commissioner

To His Excellency the Governor General in Council:

I, James Francis Outhit, K.C., of Kentville in the county of Kings, a commissioner duly appointed herein by commission under the great seal of Canada, dated March 3rd, A.D. 1927, and designated to hold an enquiry herein, beg to report as follows:

Under the powers vested in me under said commission and at the request of L. J. Lovett, Esq., Ex-M.P. for the county of Digby, and under instructions from the Honourable J. L. Ralston, Minister of National Defence of Canada, I proceeded on August 3rd, 1927, to Weymouth in the county of Digby to take instructions with regard to this matter and to confer with the Honourable J. W. Comeau and Dr. L. J. Lovett and Dr. Fred Hogan.

All three prominent Liberals.

I met these gentlemen at Weymouth and had a consultation with them regarding procedure—

Here is a lawyer, a member of the bar of Nova Scotia, who had to go and consult laymen regarding procedure:

—and other matters relative to the prosecution of Philip Saulnier and others in the district.

Consequent on said interview and consultation the information and complaint herein was laid and the necessary notice and supboenas issued herein as referred to in the evidence herein submitted, and at the time and place mentioned in the said notice, namely, on September 22, 1927, I proceeded to Little Brook for the purpose of this inquiry.

The accused Philip Saulnier appeared at the time and place mentioned in this notice and the evidence was taken in this matter in his presence, and I enclose a certified copy of the said evidence.

The evidence of Vincent Guenette, who was himself a Conservative worker, clearly establishes partizanship in behalf of Philip Saulnier as charged, in relation to the local election in 1925 and at other times while Mr. Saulnier held the office of subcollector at Church Point.

The evidence of Omar Comeau, who reluctantly gave evidence and who is a brother-in-law of the accused, establishes beyond doubt that the accused Philip Saulnier attended gatherings at the house of one John Fournier and openly talked politics in the interests of the Conservative party while holding office of subcollector at Church Point.

The evidence of William Leblanc as to the activities of Philip Saulnier is direct, and the only answer thereto is given by Mr. Saulnier in saying that so far as he can remember this instance took place before his appointment as subcollector.

It is worthy of notice that Philip Saulnier, subcollector, charged herein would not allow himself to be sworn but preferred to make his statements without the sanction of an oath; and that even under these circumstances his statement was evasive rather than direct.

From the evidence taken and the attitude of the accused and the whole circumstances surrounding the inquiry, I have no hesitation in finding the accused Philip Saulnier guilty of the offence of political partisanship as charged, and that he did engage in partisan work within the meaning of section 32 of the Civil Service Act of Canada.

Dated at Kentville, N.S., this 24th day of September A.D., 1927.

(Signed) JAMES FRANCIS CUTHIT.
Commissioner.

Here is the commissioner's bill. This inquiry has cost the country $124.75. Then follows a letter from Philip A. Saulnier to the Minister of National Revenue, Ottawa, reading:

Dear Sir:

In regard to a charge alleging against me, a charge of political partisanship before J. F. Outhit, commissioner by commission at Little Brook, Digby county, N.S., on September 22nd, 1927, I wish to ask you a fair chance to defend myself against the accusations made against me and of which I am not guilty.

The notice was given me on the evening of September 20th at the same time that the inspector of national revenue was inspecting my office.

So evidently they expected to discharge him, and they sent an inspector to inspect the office before the trial took place. The letter continues:

The following day the inspector was again at my office so that it left me a very short time to prepare myself to meet my accusers, and defend myself then.

I am therefore enclosing my contradictions and hope it will be considered.

Yours respectfully,
(Sgd) PHILIP A. SAULNIER,
Subcollector of Customs and Excise.

Mr. YOUNG (Saskatoon): Louder!

Mr. SHORT: Oh, take the cotton wool out of your ears.

Mr. YOUNG (Saskatoon): I think that on a matter of such supreme importance to the country, the hon. gentleman should speak loud enough for us to hear.

Mr. SHORT: Will the hon. member sit down? It does not become him to be funny, not a bit.

Then here is the declaration made by P. A. Saulnier before E. Stehelin, J.P.:

To the Commissioners of Civil Service,
Ottawa.

In the matter of inquiry held at the Hall at Little-Brook, in the County of Digby, N.S., alleging against me a charge of political partisanship, I hereby declare:

1st re Mr. Vincent Gennet's charge—that he saw me at Mr. John Fournier's place, the night that a political meeting was held there.

I do not deny that Mr. Gennet saw me there that night, I went in that night on my way home from the post office but after the meeting was closed.

2nd. re Mr. Omer Comeau's charge:—viz. that he heard me talk politics at Mr. Fournier's house.

I do also hereby declare that I did not wish at the time to contradict Mr. Comeau's statement on account of his very weak condition due to heart trouble, inasmuch the doctor told us that the least excitement would cause his sudden death, and Mr. Comeau is my brother in law, but I do solemnly declare that Mr. Comeau never heard me talk politics since the Civil Service Act and amendments thereto, 1919.

(Sgd) P. A. SAULNIER,

Sworn before me at Church Point, this 24th day of September, 1927.

(Sgd) E. STEHELIN.

J. P. in and for county of Digby.

An hon. MEMBER: Was my hon. friend at that meeting?

Mr. SHORT: When hon. gentlemen are through laughing, I will proceed. I have all the time in the world. It does not make any difference to me if I do not get home until July. I can stay here as long as you can.

An hon. MEMBER: Time!

Mr. SHORT: Mr. Chairman, have you any authority over this committee? If you have not any authority, get the Sergeant at Arms to work.

That, Mr. Chairman, is all the evidence they had against this man, that somebody told somebody else that he told a postmaster he would be discharged if he voted Tory in a local election. The next charge is that he attended a public meeting. He denies that in toto, that it was not a public meeting, but a gathering in a home in the village where everybody met and talked over matters of all kinds. Is a man who has held a little position as subcollector in an outport, drawing a salary of $200 a year, not to be allowed to open his mouth on questions of the day simply because he is an employee of this government? The thing is ridiculous. The most serious charge against him was in connection with the provincial election of 1925. I think we have come to a pretty pass if a collector of customs or a postmaster cannot go to the polls and vote without being pulled up before a most partisan commissioner, and on such flimsy evidence as that discharged. We are told by the minister that he is keeping politics out, that he does not take the advice of defeated candidates. There was no other advice could come to him than from the defeated candidate in my constituency. I say that this man has been most unfairly dealt with; he has been discharged on the most flimsy evidence. You can get evidence like that against every officer in your department if you are small enough to go and dig it up. It is about time this country knew what was taking place in the small offices occupied by these underpaid officials. This man was getting $200 a year. If he was getting $250 a year you could not touch him.

Mr. EULER: The salary paid to this man was $560 a year, I am informed.

Mr. SHORT: That makes it so much the worse. Some friend must have wanted a job. A friend of Doctor Lovett was afterwards promised the position, and I presume he has been appointed. I should like to know whether the minister read the evidence that was submitted to him, and if he is as fair as I think he is, does he believe this man was fairly dealt with?

Mr. BOYS: If the minister wishes to reply to my hon. friend from Digby-Annapolis (Mr. Short) I will wait.

Mr. EULER: I quite appreciate my hon. friend's assumption that I would not care to reply to what has been said.

Mr. BOYS: That is up to you.

Mr. EULER: It seems to me to be hardly necessary. I think the committee is in a position to judge from the evidence submitted by my hon. friend himself (Mr. Short) that the action of the government was justified in this case. I should not like the impression to go abroad, as apparently suggested by my hon. friend, that in this case there was any departure from the practice followed. No one is ever dismissed except on the statement of a member. Otherwise a commissioner may be appointed on the complaint of a defeated candidate, or any person, and when that commissioner finds the offence has been committed dismissal takes place.

Mr. BOYS: The minister stated that the Vigilant was sold to Mr. Manley Chew by the Union government. He did intimate he might be mistaken. I do not think the matter should rest there. I take it for granted the minister never made that statement without being told by the officer who sits beside him that that is the fact. I ask if the officer will tell the minister that it is the fact. I should also like to know whether tenders were advertised before the order in council was passed in connection with the sale to Mr. Manley Chew.

Mr. EULER: Is the hon. gentleman referring to tenders that were asked for at the time of the sale by the government in 1921?

Mr. BOYS: I am referring to any tenders whatsoever which led to the sale of the Vigilant to Mr. Manley Chew, as referred to a moment ago by the hon. member for East Simcoe (Mr. Thompson).

Mr. EULER: I should be very glad to give my hon. friend the information, but we were not particularly concerned with that. We were merely dealing with the boat last year. The sale took place away back in 1921. It is not at all material to the case whether the sale of that boat was made by the Union government or the Liberal government.

Mr. BOYS: The minister now is making a speech upon something else. My question was: whether an order in council was passed, and on what date; and were tenders asked for or not? When I get the minister's answer I wish to make another observation or two.

Mr. EULER: I do not know.

Mr. BOYS: Then the minister was not joking, I suppose. He seemed to think he was scoring a point, and his supporters all applauded him when he said the hon. member for East Simcoe was wrong, and the Vigilant was sold by the Union government to Manley Chew. Let us have that confirmed or taken back.

Mr. EULER: I still think I am entirely correct, but I am perfectly willing to verify my statement. My hon. friend speaks of his fairness. I credit him with a good deal of fairness, and surely he hardly expects a minister can be absolutely familiar with the thousand and one different matters that come before him in the course of his departmental duties. I am perfectly willing to look up the information if he thinks it is material. I tell him frankly I do not know. I am still of the opinion the sale was made as I said in the beginning, but I do not think it makes a particle of difference whether it was or not.

Mr. BOYS: Then I think the minister would be pretty sure of his ground before making such a statement.

Mr. EULER: If you have proof that I am wrong I wish you would produce it.

Mr. BOYS: I am asking the minister to substantiate his statement. He has wavered a little, but he does not yet take it back. I will give him a fact which I think will enable the house to judge whether this boat was sold by the Union government to Mr. Manley Chew. The parliamentary guide indicates that the government of the Right Hon. Mackenzie King took office on December 29, 1921. We are told by the hon. member for East Simcoe that the sale of this boat took place on that date. There is the further fact that the elections were on December 6, 1921, and upon December 29, 1921, Mr. Manley Chew was member-elect for the riding of East Simcoe. Does the minister think under those conditions the Union government sold the Vigilant to Mr. Manley Chew for the price named or any other price?

Mr. EULER: The boats were available for anybody.

Mr. BOYS: What surprises me is the rapidity with which this transaction was completed. Apparently the member for East Simcoe was right. On the very day the Liberal government took office, December 29, 1921, the sale took place to Mr. Manley Chew, the member-elect for East Simcoe. I do not think the matter should stop at that point. Let us get the facts. If the Union government made the sale to the newly elected Liberal member who had been elected four weeks before, let us know.

Mr. DUNNING: It was not the Union government, anyway.

Mr. EULER: I am willing to say I was in error; it was not the Union government. It was the Meighen government.

Mr. DUNNING: It was the National Liberal and Conservative government.

Mr. BOYS: If that will help either the Minister of Railways or the Minister of Customs I will read from the Parliamentary Guide—the National Liberal and Conservative party.

Mr. DUNNING: Where has it got to?

Mr. BOYS: Up to December 29, 1921, it had been in office. I should like to know whether the National Liberal and Conservative party on December 29, 1921, sold this boat to Mr. Manley Chew, member-elect on December 6, for the riding of East Simcoe. I think in view of what the minister said we should get that information. If we cannot get it now, I ask the minister to allow this or some other item to stand. After all, there is something in what the minister said, it is not so vital as to which government was in power. The point of the story is, the price at which the boat was sold to Mr. Manley Chew, and the price at which it was subsequently rented to Mr. J. T. Payette of Penetanguishene, just across from where Mr. Manley Chew lives.

Mr. EULER: I certainly have no objection to letting any item stand; I am not trying to suppress information. I must say however, that I cannot for the life of me see the bearing of this particular bit of information on this particular question.

Mr. BOYS: Why did you introduce it?

Mr. EULER: If the point is that we are paying too much for the charter of the boat, that is fairly debatable. But I may say, on that particular point, that this boat at the moment is insured for $75,000, which is only 70 per cent of her value. I submit in all commonsense that it does not make any difference what that boat was sold for five or six years ago. As I stated before, $30,000 was expended on her. To-day, under different conditions altogether, she is worth more than $75,000. We have chartered that boat at $2,250 a month. If the committee thinks that is too much to pay then there is fair ground for argument. But beyond that I cannot see why it should make any difference whether a government of Canada, headed by a Liberal or a Conservative, sold that boat to whoever purchased it.

Mr. BOYS: One of the reasons is that it was sold a little too cheap, and sold to a supporter of the government at the time, which in itself invites criticism. The hon. member for East Simcoe has gone so far as to suggest that the whole transaction savours of graft.

Mr. EULER: If the hon. gentleman desires to make a charge of that kind it would not rest with me; I had nothing to do with the boat six or eight years ago.

Mr. BOYS: I am not trying to make a charge of graft against the minister.

Mr. EULER: Why insinuate?

Mr. BOYS: I have not insinuated it.

Mr. EULER: The hon. gentleman also knows that immediately after the war, boats were a drug on the market. The United States government were willing to give theirs away and could not. The mere fact that this boat was sold for $18,000 at that time is no indication of its value at the present time, especially when you consider that large sums have been expended on the boat in the meantime.

Mr. BOYS: Will the minister give us the information so that we shall know who put through the sale, when the order in council was passed, and whether or not tenders were invited.

Mr. THOMPSON: How do you know $30,000 was expended on it?

Mr. EULER: Because the alterations were made under our supervision.

Mr. GUTHRIE: I think the matter is of sufficient consequence to entitle us to get the papers. The item might stand over until a subsequent occasion. My suggestion would be that if the present item has been sufficiently discussed we might pass it and allow the question of the Vigilant to be discussed when the papers are brought down later on; we could discuss it on another item in the supplementary estimates.

Mr. EULER: All right.

Mr. GUTHRIE: No. 516, if the minister is agreeable, and if he would bring all the papers, the order in council, and so forth, we could have a full discussion then. It looks rather a serious thing that on the very day when the King administration is sworn in a boat should be sold to a member of parliament. I am not sure that the law prohibits such a transaction when the member has not actually been sworn in, but it is a pretty narrow point and will require some examination. The minister will oblige the committee by bringing all the papers, the contract, the tenders, the order in council and so forth. I have a distinct recollection that a few days after the general election of 1921, the Right Hon. Mr. Meighen, who had been defeated on that occasion, announced his willingness to resign immediately and the request was made by the incoming prime minister that he continue to hold office until the cabinet had been officially named and arranged. I am satisfied —I was a member of the defeated government at that time—that little or no business was transacted by that government after the general election in question.

Mr. EULER: I do not desire for a moment to evade any responsibility in the matter, but this boat was not sold by the Department of Customs; it was sold by the Marine department.

Mr. GUTHRIE: It does not matter.

Mr. EULER: It was sold by the naval department, and it seems to me, while I do not wish to throw any unnecessary work on one of my colleagues, that this information should more properly be obtained from the department which made the sale, and not from the Department of National Revenue, which was not in any way concerned with the matter.

Mr. GUTHRIE: The Department of National Revenue is now concerned because it is renting the identical boat and is paying a handsome rental for it. In that way the question of the sale price and all the circumstances may now be inquired into.

Mr. EULER: In an emergency we have paid as much as $4,500 a month for similar boats. If the charge or the suspicion is that we are now paying too much, that is fairly debatable; otherwise it seems to me that something going back a matter of seven or eight years is hardly to be charged to this department at the present time. It does not seem to me to be fair.

Mr. MANION: Nothing is charged at all; the only thing is that the committee wants the information. Perhaps I might point out something that has escaped other hon. gentlemen. When a government takes charge on a certain day it usually does so in the morning; the other party goes out the night before. The party of my right hon. friend (Mr. Mackenzie King) took charge on the 29th December and without a doubt the previous government went out on the 28th. At any rate the question is of sufficient importance that the committee should have the information. No charges are made against anyone.

Mr. BLACK (Halifax): Did I understand the minister to say that that boat was sold for $18,000 and that she is now worth over $100,000?

Mr. EULER: I did not say over $100,000; I said she was insured for $75,000.

Mr. BLACK (Halifax): You said she was insured for $75,000 and I am perfectly satisfied that she was valued at $100,000, because she could not get full insurance. The minister also said that at that time boats were cheap. I want to tell him that boats are no more expensive now—they are just as cheap today—than they were when she was sold for $18,000.

Mr. EULER: We have not purchased the boat.

Mr. BLACK (Halifax): That transaction savours of graft and wrongdoing and someone has put money in his pocket. I do not hesitate to say it.

Mr. EULER: Do you suggest that we are paying too high a rental?

Mr. BLACK (Halifax): Yes, absolutely.

[Mr. Euler.]

Mr. EULER: Could you suggest where you could get boats at a lower figure? I will say frankly that I am not a seafaring man and I do not know what the prices should be I am entirely dependent on those who know, and I am assured that the price is low and reasonable. Some hon. gentleman on the opposite side could bear me out.

Mr. GUTHRIE: Some gentlemen on your own side can tell you otherwise.

Mr. CANTLEY: Will the minister give us the terms of the contract?

Mr. BLACK (Halifax): Let us see a copy of the charter.

Mr. CANTLEY: What does the department supply and what does the owner supply?

Mr. EULER: It was a three-year contract, seven months the first year and nine months each of the succeeding years. We supply whatever is needed on the boat.

Mr. CANTLEY: The rate per month?

Mr. EULER: $2,250.

Mr. CANTLEY: What do you supply and what does the owner supply?

Mr. EULER: The owner pays the ordinary insurance and we pay the extra rate of one per cent which is necessary in such cases; and we supply the boat otherwise.

Mr. CANTLEY: Do you supply fuel?

Mr. EULER: Yes.

Mr. BLACK (Halifax): Crew?

Mr. EULER: Yes.

Mr. CANTLEY: Keep?

Mr. EULER: Yes, everything.

Mr. CANTLEY: Port charges? Pilotage?

Mr. EULER: Yes, everything.

Mr. CANTLEY: Everything except the hire of the boat? What about repairs?

Mr. EULER: I am informed that we repair the ordinary wear and tear, and I suppose accidents are covered by insurance.

Mr. CANTLEY: Who pays the insurance?

Mr. EULER: I explained that a moment ago; the owners pay the ordinary insurance.

Mr. CANTLEY: I think you are paying a pretty stiff price.

Mr. EULER: Too high?

Mr. CANTLEY: Much too high. How old is the boat?

Mr. EULER: She was built in 1904.

Mr. CANTLEY: Then she is twenty-four years old. I understand the minister to say that she was sold for $18,000 and that $30,000 was spent for repairs, making a total of $48,000. Does he not think that is a pretty good return on the money invested, when the department pays for repairs?

Mr. EULER: As I said before, necessarily I am dependent upon the opinions of those who know more about these things than I do, but I am informed that high officials of the naval department stated that that was a very fair rental.

Mr. MANION: Does my hon. friend think the officials who chartered that boat know more about it than he does?

Mr. EULER: Certainly; with regard to the rentals I do not profess to have a technical knowledge, and I do not think my hon. friend would expect it.

Mr. BOYS: Would my hon. friend give us an idea, perhaps from his officers, of a fair rental for a boat sold for $18,000 and on which $30,000 has been spent for repairs? In one year alone the department pays over half that total cost. Does my hon. friend think that is a reasonable rental, and did he not go into that point before he approved of the transaction?

Mr. EULER: My hon. friend knows very well that he may buy a property cheaply, but he will not give the benefit of that fortunate purchase to anyone else; he will charge exactly what the market will allow and that is the case here.

Mr. BOYS: Then supposing it is worth $75,000, to take the figures given by the minister, what would be a fair rental to pay for the use of such a boat for nine months?

Mr. EULER: I am informed that very careful examination of the whole situation was made; we tried to get boats and we could not get anything like that. I am told that even to-day if any hon. members opposite have any suggestions to make, we would be glad to get similar boats at a similar figure. Some of our marine friends on the other side of the house may have something to offer.

Mr. GUTHRIE: We will allow this item to pass on condition that when the item in the supplementary estimates comes up we will have the papers in connection with the Vigilant, and the discussion will be re-opened then.

Mr. EULER: That is quite satisfactory to me with this provision, that I will obtain all the papers I possibly can.

Mr. GUTHRIE: Is there any doubt about our getting the papers?

Mr. EULER: I think not; I see no reason why there should be.

Mr. QUINN: Under this item I want to bring to the attention of the house the case of—

An hon. MEMBER: McConachie?

Mr. QUINN: No; I should think hon. gentlemen opposite would have heard enough of the McConachie case, because the treatment of that family is no credit to the Liberal government. This is the case of Charles F. Longley, with which the minister and his officials are well acquainted. I am forced to bring this matter to the attention of the house because Charles F. Longley is a gentleman who has been in my constituency all his lifetime; he is a man noted for his honesty and integrity. The case to which I refer is in connection with a schooner called the Admiral Beatty, which he leased to a native of France for the purpose of carrying a cargo of liquor from this country to the West Indies. Under my hand I have voluminous documents, and I think most of the members of this house have copies of them. They tell the whole story, which is rather lengthy; I am not going into detail, but perhaps I might give it in brief by a few extracts from these documents:

> This vessel left Halifax in July 1926 in perfect condition, a regular little yacht that was affectionately referred to by the waterfront fraternity as the Little Queen. I received her back in October, 1927, a complete wreck, her sides smashed in, her hull rotten and covered with the fungus of rot, her decks rotten, her foremast and main completely gone, her anchor chains eaten up with rust, and her big lot of stores eaten up and gone completely. . . .
>
> It absolutely ruined and wiped me out, my credit absolutely gone, my business wrecked, my home broken up and destroyed, and my mother killed at the hands of this dirtiest transaction that I know of. . . . .
>
> Had I been treated with such devilishness by a foreign state I would have expected my country to have demanded reparation for it. I can cite a particular case where Great Britain spent £8,000,000 in settling with an expedition a far lesser wrong done one of their subjects than has been done me by my own country. I have been so reduced in circumstances as to be compelled to get relief from my society, one of the worst humiliations an independent man can ever face.

This ship was purchased by Longley at Chatham, New Brunswick, being a pilot boat used by the Miramichi pilots. She was entirely

arranged for the accommodation of a number of men, and was therefore an ideal craft for a cruising or scientific party. This man goes on to say:

> . . . . in fact I purchased her for the express purpose of reselling her to a party of American scientists who were going on a professional expedition to Greenland. She arrived in Halifax from Chatham May 24th after having been on fire at sea and badly damaged. It took a few weeks to repair the damage and by the time she was again in commission the prospective purchasers had proceeded on another ship.
>
> I then tried advertising her for sale, and this brought a French citizen, Camille de la Combe, into the foreground, who wanted to charter her with the privilege of purchasing.

To make a long story short, Mr. Longley chartered this vessel to Mr. de la Combe for the purpose of carrying a cargo of liquor to the West Indies. He points out that this is a perfectly legitimate business, notwithstanding the opinions of the Prime Minister or the Minister of National Revenue; that the Canadian National Railways are carrying liquor every day, so it must be a legitimate business. Longley chartered his boat for the same purpose, and a series of accidents happened to it. She then sailed away and a few miles from Halifax overtook a small schooner Lacombe which had proved unseaworthy, and some 1,100 cases of liquor were taken on board. She then proceeded on her voyage but sprung a leak and had to return to Halifax. She went on the marine slip, was repaired and sailed again, but did not get very far when the leak began again. She had to put back to Halifax and it turned out that the rudder post had been broken. They had not discovered this on the first visit to the slip, but on the second visit they had the repairs made. She then sailed away on her voyage and after proceeding 150 miles or so her engines became disabled, and she made for the nearest port, which happened to be Shelburne, to which he refers as a good port to keep away from. Shelburne is in the constituency of the Minister of National Defence (Mr. Ralston). She put into Shelburne but the repairs could not be effected and the defective parts of the engine had to be shipped to Liverpool, some fifty miles away. Overtime work was carried on at the foundry in order to rush the vessel away, time being a prime factor of this trip. The parts arrived back at Shelburne early Friday morning, and the engineer wanted to start at once and he would set up the engine as they went along. There was, however, a local holiday that day, and the offending members of the crew persuaded the captain to stay for a day to see the show. They were for the first time striking the high lights of civilization. Being off a liquor laden ship they became the lions of the village with a certain class. Among the latter were two of Yarmouth's worst characters, one taken from gaol for the purpose and brought to Shelburne as a stool pigeon by the local officials. They induced those three men to go back aboard the vessel to bring some liquor ashore, which they promised to buy. The appointment was made and the trap carefully laid. The customs and local dry officials carefully hid themselves and waited, filled with the hopeful joy of the expected spoils, which would be divided between them if they got the ship. Captain Nickerson's report to Ottawa, making a proud boast of the scheme, is interesting reading.

The next morning they were haled into court and the mate was charged with having liquor in his possession and fined $200 and costs or six months in gaol, and the other two men were fined $400 and costs each, for having liquor in their possession and offering it for sale—a total of nearly $1,100, and the goods involved consisted of five flasks of liqour, about thirty ounces.

They seized the ship on the grounds that there were eleven cases short in the cargo. This can be easily explained, for in transferring the cargo to the Admiral Beatty, which was done during very heavy weather lying some fifty or sixty miles from shore, it would be very easy for some of the cargo to slip overboard or be broken. The supercargo was making his first trip to sea on a sailing ship, and he was very sick and could not check up the cargo.

This vessel was seized in July, 1926, and was handed back to her owner in October, 1927. The case was brought to trial before Mr. Justice A. K. Maclean of the Exchequer Court of Canada, and this was his decision:

> I am therefore of the opinion that the seizure of the Admiral Beatty and her cargo had not been justified, and they should be discharged from the custody of the crown, and delivered to their owners, and free of any charges or expense incident to the detention.

Thus, after seizing and holding the vessel at Shelburne from July 30, 1926, against the reiterated protests of her owner, made continually from the moment she was detained, and of her absolute innocence of all wrongdoing, it was finally upheld as one of the most extraordinary and astounding cases that has occurred in Canada.

In justice to the minister I would say that in the few dealings I have had with him I have always found him to be very fair. He told me quite frankly that there was no fund out of which restitution could be made to Charles F. Longley, and that is why I am

bringing it before this committee. If a man's property is seized by the government, and after being held for fourteen months is returned to him in a disgraceful condition, there should be some restitution made. He suffered the loss, during that detention for fourteen months, of the thing to which he had looked as a means to pay off some of his liabilities, such as the fitting up of the vessel, supplies bought from different merchants in Halifax, the money borrowed for those purchases, and so on. The vessel was finally returned and she is lying there simply a wreck in the harbour of Halifax. He cannot realize a dollar on her and his creditors are looking to him for payment for their goods supplied to this ship.

As a result of this action by the government Mr. Longley is to-day reduced to the position of a pauper, and in view of the judgment handed down by Mr. Justice Maclean, in which he says he is of the opinion that the seizure of the Admiral Beatty and her cargo was not justified and that they should be discharged from the custoday of the crown, dellivered to their owners, and free of any charges or expense incident to the detention, I would ask the minister if this is not a case where he should extend himself to see that fairness and justice is done. I believe an appeal should be made to the treasury board of the Dominion of Canada, or the matter placed before the Prime Minister. The minister is a fair minded man, and I ask him if, in all fairness, restitution should not be made to Charles F. Longley.

Mr. EULER: Mr. Chairman, the hon. gentleman has me somewhat at a disadvantage, as I did not know he was going to bring up this matter, and I have not a very clear recollection of it. This seizure took place prior to my coming into the department, in the summer of 1926. The boat was engaged in the rum business, and it was seized by our officers because the crew were suspected of having sold liquor to Canadians in Canada; I think that was the charge. They were prosecuted, and finally the case went to the exchequer court under Justice Maclean and a decision was given out that the boat should be returned to the owner, but costs were not assessed against either party, each side paying their own.

Mr. QUINN: The judgment handed down by Justice Maclean, which I read, was to the effect that the cargo and boat were to be delivered free of any charges or expense incident to the detention. I am not a lawyer and so I cannot interpret that decision.

Mr. EULER: I have not the judgment before me, so my hon. friend has that advantage over me. He could perhaps tell me this, whether the judge expressed the opinion that there was sufficient reason for the officers making the seizure.

Mr. QUINN: He used the word "probable."

Mr. EULER: I suppose that was the reason he did not assess cost against the department. The boat, after all, was engaged in that business, and its crew were suspected of doing an illegal business in Canada. Because of that, we were justified in seizing the boat. although the decision says that the property should be returned.

Mr. QUINN: This boat was engaged in a legal business just as the Canadian National Railways are engaged in a legal business in transporting liquor from one end of Canada to the other.

Mr. EULER: If the crew of that boat were engaged in an illegal business while they were members of the crew, that would put a little different complexion on the matter.

Mr. HANSON: That would have nothing to do with the owner at all. There must have been a separate charge against the ship or it would not have been in the exchequer court. The gravamen of the charge is not only the detention of the ship but the return of the ship in a dilapidated condition. What has the minister to say about that?

Mr. EULER: The minister has really nothing to say about that. It may be an unfortunate situation, but so far as the minister is concerned there is no provision anywhere for making a refund on a score of that kind. My lawyer friends know very well that many instances occur where supposedly in the interest of the general public the crown brings a man to trial. I am giving this by way of example. A man spends probably all his money in defending himself and he is declared not guilty, but he has no recourse for the money he lost. It does not seem quite fair to me, I admit.

Mr. BLACK (Yukon): I should like to call the minister's attention to what seems to be an unnecessary limitation of the authority of local steamboat inspectors. They can make no alterations—

Mr. EULER: That does not come under this department.

Mr. BLACK (Yukon): I think this item includes the salaries of steamboat inspectors.

Mr. EULER: That is under the Marine and Fisheries department.

Mr. BLACK (Yukon): Notwithstanding the assurance of the minister I am sure that the inspection of hulls and boilers of steamers comes under the Department of National Revenue, formerly the Department of Customs—

Mr. EULER: Not at all.

Mr. BLACK (Yukon): —and that the inspectors are in that department.

Mr. EULER: I am assured by my officials that they are not. I can say no more. There is nothing in this item for that.

Mr. BLACK (Yukon): Salaries of inspectors of ports and of other officers on inspection, and in connection with the board of customs, are included in this item. The minister can convey the information to the government that inspectors of hulls, boilers and machinery on steamboats have not the slightest authority of themselves. If it is necessary to make even a trivial alteration in the arrangement of a steamer, the matter has to be referred to the department at Ottawa. Notwithstanding the fact that ultimately the local inspector's recommendation is accepted, a great deal of time has to be taken up in correspondence concerning an unimportant transaction. There is no necessity for this. The local inspectors are probably better qualified in regard to the matter than the authorities at Ottawa.

Mr. EULER: I do not like to interrupt the hon. gentleman and I would be willing to do almost anything to oblige him, but after all what he is speaking of is entirely within the estimates of the Department of Marine and Fisheries and I do not think the debate should take place on this item.

Mr. GEARY: May I give the minister a little more information in regard to the matter which the hon. junior member for Halifax (Mr. Quinn) has just brought to the attention of the committee? The case came before the exchequer court and it was finally disposed of in this way. The last paragraph of the judgment reads:

> While perhaps not altogether free from doubt, I certify there was probable cause for the seizure. There will be no order as to the costs of this proceeding.

It was with a good deal of doubt that his lordship determined that there was probable cause for the seizure. There was no order made as to the costs of the proceeding, but the order that was made is as follows. I think I am reading correctly from the judgment, but the minister will see it:

> The decision of the court was that the vessel was to be returned to her owner free of all charges and expense incident to the detention.

That order still stands. The claim for damages is dismissed because there was reasonable cause for the seizure and no costs of the proceeding in the court are awarded. But the order as to payment of charges and expenses incident to the detention, I take it, still stands. If that be the case, would the minister listen to what the owner has to say in regard to the matter? I do not know the man, but his letters have been sent to me and they all have the ring of truth and sincerity in them. I do not think this is a misplaced claim, a matter that is not without some justification at least in the mind of the man who makes it. It is not a trumped-up thing. He states:

> This vessel left Halifax in July 1926 in perfect condition, a regular little yacht that was affectionately referred to by the waterfront fraternity as the Little Queen. I received her back in October 1927, a complete wreck, her sides smashed in, her hull rotten and covered with the fungus of rot, her decks rotten, her foremast and main completely gone, her anchor chains eaten up with rust and her big lot of stores eaten up and gone completely.

Those are damages that attach to the detention and if the department will consider the matter from that standpoint, I think it will find it is justified in paying under the judgment something on that account. It seems a case of hardship and I know the minister will interest himself in the matter and get the file and the correspondence. I am sure the hon. junior member for Halifax will assist him in any of the matters that he has under his advisement, and what I have are, I expect, copies of what my hon. friend has. This communication from the man sounds right and if all that damage were incurred between the date of the seizure and the date the ship was returned to its owner some eighteen months afterwards, then under the judgment I have read I think the department is responsible for the cost of the detention.

Mr. EULER: I agree with a good deal of what my hon. friend has said. I have not an absolutely clear recollection of the matter, but I seem to recall that following the receipt of a letter similar to the one in the hands of my hon. friend, I ordered an investigation with a view of discovering whether during the detention the damage was caused by reason of any negligence on the part of our

own officials. If that could be established, I am quite free to say to the committee I think the man has a moral claim for some recompense. I am going to make some inquiries with regard to the matter.

Mr. GEARY: Will the minister consider whether he is right in that interpretation? It would not necessarily be negligence; if the department took and kept the ship and the damage arose during that time, it would seem prima facie that the department was responsible for what occurred to the ship.

Mr. EULER: There might be deterioration or depreciation of which I would not feel like taking so much cognizance as I would of damage resulting from negligence, not looking after the vessel properly. Perhaps persons would go on the boat and destroy the property in one way or another. If we were in charge of that boat, as I suppose we would be during seizure, then I think we should have some sort of duty to see that it was not unnecessarily damaged. If the damage took place in that way, then I admit we would have some responsibility.

Mr. GEARY: I know from the correspondence the minister will be satisfied after careful investigation.

Mr. CANTLEY: This is the situation. You seize the vessel. You allege that the crew have been in correspondence with the shore and have been smuggling. The case goes to trial. You are defeated. You are not able to prove your claim. You have kept the vessel for a year and a half. You have deprived the owner of her services. Is it not incumbent upon you to protect the property that you have seized, particularly when you are proven by your own court to have had no case?

Mr. EULER: The judge said our officers had sufficient reason for making a seizure.

Mr. CANTLEY: No.

Mr. EULER: I regret if I am wrong, but I think that is what he stated.

Mr. CANTLEY: Then why was the case dismissed?

Mr. GEARY: The court held that you had probable cause for making the seizure.

Mr. CANTLEY: That does not relieve the department of taking proper care of the property after it is seized. You keep the vessel for nearly a year and a half. There is no question as to the facts of the case. The facts are that you acted in a very high-handed way. You suspected parties of doing what you were not able to prove they did do, and now you say that the man will obtain no redress whatever. That is not fair. That is not British justice. That is not what we expect from any government in this country.

Mr. EULER: The hon. member knows very well that the crown is in a peculiar position, in an entirely different position from that of a private individual.

Mr. CANTLEY: I understand that it is said that the crown can do no wrong, but we expect to get justice from the crown, and always have done so hitherto.

Mr. BLACK (Halifax): The officials of your department took that vessel from a safe mooring and put her at a wharf that was unfit to moor anything alongside of. A breeze came up and the wharf was knocked to pieces, and the vessel very, very badly damaged. That was done by your officials. The owner had nothing whatever to do with it, and then you return the vessel to the owners and say, "There she is. You can take her." If there is justice in that, I want to know where it is. I feel that this man has been most wrongfully treated by the department, and the department will make no recompense and refuses to consider the case at all.

Mr. EULER: I can add nothing further. I shall make inquiries, and if I find that the officials of the department did not exercise due and ordinary care, I think the man would have a claim against the government, a moral claim that could not be enforced, but I think in that case there should be some compensation given. As for a storm, that is an act of Providence for which we cannot be held responsible.

Mr. CANTLEY: That is not a fair answer. The vessel was taken from her owner, and she was moored, as the hon. member for Halifax has said, at a wharf that was in no condition of repair at all, a place where it was not possible for any vessel to lie safely, and when there was any bit of sea running at all she was damaged. This case was disposed of by the judge a year ago or more.

Mr. EULER: No, last October, I am informed.

Mr. QUINN: In August, 1927.

Mr. CANTLEY: That is nine months ago. Has the minister made any inquiry or made

any effort to obtain the facts and see that justice is done to the man? Because injustice has been done and some recompense ought to be made.

Mr. EULER: I stated some months ago—I am speaking from memory—that I was under the impression that I had some sort of inquiry made, and I will inquire further when I get back to the office in the morning. There must be something on file in regard to it. I can say no more at the moment.

Mr. CANTLEY: I do not think the minister disposes of the matter simply by saying that he will make some sort of inquiry. Injustice has been done, and it becomes the government to see that it is rectified.

Mr. EULER: That has not yet been admitted.

Mr. CANTLEY: I am saying that injustice was done, ad I say that the government must make some recompense.

Mr. EULER: "Must" is a strong word.

Mr. CANTLEY: Must is not one bit too strong a word to use when injustice is perpetrated by any officer of this government

Mr. EULER: Once you have established the injustice, I quite admit that, but it has not yet been established to my satisfaction.

Mr. CANTLEY: You failed to establish your charge, and it is incumbent upon you to put the man back in as good a position as he was in before you made the charge.

Mr. EULER: I made no charge.

Mr. CANTLEY: Your officers made a charge. What is the use of quibbling?

Mr. EULER: This boat was seized before I came into the department.

Mr. CANTLEY: That does not make any difference. The office is hereditary. I am not holding the minister personally, but the government, responsible.

Mr. EULER: Be reasonable.

Mr. FRASER: I would like to ask the minister what he is doing in the matter of carrying out the recommendations of the several committees and other bodies that were appointed to investigate the customs department a year or so ago, and which recommended reducing the number of customs offices throughout the Dominion. What line can the minister give us on the policy that he proposes to follow in closing up a number of the ports throughout Canada?

[Mr. Cantley.]

Mr. EULER: There were some four or five different reports made by various organizations and committees with regard to customs, and I think almost all of them recommended the closing of some of the ports in Canada. We have nominally something over seven hundred ports, that is including outports and preventive stations. The word "port" is a misnomer in connection with some of these offices. In seventy-three of them no revenue whatever is collected, absolutely none, and in something like two hundred and sixty of them less than $500 is collected. Some capital was made out of the fact that in comparison with the United States we were away out of proportion in the number of ports throughout the country. We are; that is perfectly true, but the conditions are not exactly parallel. In the United States they have a number of stations, as they call them, in which they do make collection of revenue, but which are not classified as ports at all.

The reasons given for closing the ports are two: One is in order to save expense; the other is in order to obtain proper appraisals. It is represented, and quite rightly so, I think, that in the smaller ports it is quite impossible to have appraisers who are sufficiently skilled to make proper appraisals. The answer to that is that the frauds that were exposed during the various investigations invariably occurred in the larger ports, ports which we would not close in any case, and the remedy there is that we should have a better system of appraisals and a better staff of appraisers in these large ports. That is one of the difficulties with which we have to contend now, and that was one of the reasons why the bill was passed in the House of Commons this session, which I think will enable the department to get a better appraisal system and a better appraisal service. As a matter of fact, in about one hundred ports in this country about 96 per cent of the total customs revenue is collected. In the other six hundred ports appraisals are not much of a factor because the importations are very small. It seems to me, then, that it becomes a matter for consideration whether these small ports should be closed in order to save a very moderate expenditure, or whether they should be maintained for the convenience of the public. It seems to me that it comes down to a decision on that point. I also think, Mr. Chairman, that the convenience of the public is a factor that should be considered.

Some hon. MEMBERS: Hear, hear.

Mr. EULER: Now, various suggestions have been made. One, made I think by

Messrs. Clarkson, Gordon and Dilworth, was that the amount of revenue should be taken into consideration, and ports with a revenue of less than fifty thousand dollars a year should be closed. If that were done it would create a somewhat serious situation. I have here a list of ports with the revenues attaching to them. If we closed all ports with a revenue of less than fifty thousand dollars, we would have to close such places as Amherst, Glace Bay, Sorel, St. Mary's, Georgetown, Hanover, Kincardine, Perth, Listowel, Barrie—my hon. friend from Barrie is not in his seat—Newmarket, Swift Current, Yorktown, Carleton Place, Renfrew, Bracebridge, Grimsby, Orangeville, Banff,—to which my hon. friend the leader of the oposition (Mr. Bennett) objected the other day—Sydney Mines, Clinton, Wingham, Kamloops, Arnprior, and a host of others which I need not mention here. It might be advisable to close some of these ports. It might also be thought advisable to close for importation purposes some of the smaller ports, leaving them open for such services as might be rendered in the clearing of vessels or for preventive purposes. As a matter of fact, many of the ports, especially in Nova Scotia and New Brunswick, are really preventive stations rather than ports for the receipt of customs duties. Most of these ports are on the border. Now I think it is the desire of parliament that we keep the most careful supervision of importations from the United States. Then we have a great many ports, as I have stated, in the maritime provinces—a tremendously long coast line, a good deal more extensive than that of the United States itself. In fact, in the maritime provinces we have one hundred ports or more with revenues less than the expenditures involved in their maintenance. That would seem to be, as the lawyers say, a prima facie case for their closing; but it does not necessarily follow, because for the convenience of the public vessels have to be entered and cleared, and, as I have said, these ports do a great deal of preventive work, and they are also necessary for the promotion of the fishing industry. In western Canada we have great distances in sparsely settled country. In some instances our people are living very close to the international line but far from a customs port. On the American side there may be a town just across the border, and quite naturally and legitimately our people go over there, and it is hardly reasonable to expect them to go forty or fifty miles to reach a port of entry.

It is not easy to decide which ports should remain open and which should be closed. We did gather our inspectors together some months ago in order to canvas the whole situation and try to arrive at some tentative decision as to what ports might be closed. The tentative list comprises some two hundred or more ports that we think might be closed, but we have not made a final decision. As a matter of fact, while the house is in session it has been very difficult to deal with matters of this kind, but this question will be taken up again as soon as parliament prorogues. Hon. members are familiar with the situation in their own constituencies, and I credit them with a desire to help put the Department of National Revenue on a proper basis. I invite them—not only those on this side, but on the other side as well—to suggest to me right now if they like, or by letter or otherwise, the ports in their own ridings—not in the other fellow's—which they would like to see closed.

Mr. SHORT: Will you take our advice?

Mr. EULER: In conclusion I may say that when the matter is receiving consideration all these factors will have to be very carefully gone into before a definite decision is made.

Mr. CAMPBELL: Perhaps the minister can now give us some particulars of the regulation put into effect last fall under which magazines then on the free list became dutiable.

Mr. EULER: The ruling was made by the customs board—over which, by the way, the minister has no control whatever—on an appeal by certain parties whose names I do not recall. The board ruled that certain publications, which the ordinary layman would call magazines, were really only works of fiction. I think that ruling was quite correct. They were of the opinion that a magazine to come strictly within that designation should have a series of articles, varied in their nature, comprising current literature, reviews, essays, perhaps some poetry and illustrations, and usually a certain amount of advertising. The board of customs therefore ruled that those so-called magazines which contained absolutely nothing but fiction, and much of it not very valuable as literature, were not strictly within the technical meaning of the word, "magazines" and were rather novels. An appeal was taken to the governor in council, and the ruling was sustained.

Mr. CAMPBELL: I am glad to have the minister's explanation, because my information is that many magazines which would not come under the class stated by him are being subjected to duty.

Mr. EULER: No.

Mr. CAMPBELL: Tariff item 184, under which these magazines previously came in, reads:

Newspapers and quarterly, monthly, and semi-monthly magazines, and weekly literature, papers unbound, tailors', milliners' and mantle makers' fashion plates, when imported in single copies, in sheet form, with magazines or trade journals—free.

Until August 18 last all these came in free, but then by this ruling of the customs board they were classified under tariff item 169, which reads:

Books, viz.; novels, or works of fiction or literature of a similar character, unbound or paper-bound or in sheets, but not to include Christmas annuals commonly known as juvenile or toy books: 15, 22½ and 25 per cent.

I may say that Good Housekeeping, the Ladies Home Journal, Needlecraft, the Woman's Home Companion and the American and other very excellent magazines are now dutiable. That is my information. I have received a complaint from my constituency signed by a considerable number of people who find themselves affected by this ruling. It is pointed out to me that some of these magazines now cost them a dollar a year more than before, making the price unduly high.

Mr. EULER: The Ladies' Home Journal and simlar magazines are not subject to duty. The magazines which come under the ruling are those published in the interests of some particular concern, which is really advertising its own product in the form of a magazine.

Mr. CAMPBELL: Am I to understand that the duty should not apply to those magazines?

Mr. EULER: Not to some mentioned by my hon. friend, but I am not quite sure which. I have not a list of those magazines before me. If I had known the matter would come up I would have had the information at hand. Generally speaking, the magazines subject to duty are those the contents of which are designed for the purpose of advertising the product of some particular concern. I might suggest to my hon. friend that if he would come to the department he could get the information much more readily than he can here, unless he desires to make a protest.

Mr. CAMPBELL: I wish to make a protest if these magazines are classified under item 169. The former item 184 is rather ambiguous.

Mr. EULER: I am informed that they are not so classified

[Mr. Euler.]

Mr. CAMPBELL: If the duty has been levied in some of these cases and if we can prove that to the officers it will be adjusted?

Mr. EULER: If any mistakes have been made they will be adjusted.

Mr. CANTLEY: Will the minister tell us who the present collector of customs is in New Glasgow?

Mr. EULER: There has been no change. The collector is Stanley MacCurdy.

Mr. CANTLEY: Is it not intended to make any change? I understand the gentleman is over seventy, and has been retired; at least it was proposed to retire him a year ago. Will the minister give us the facts?

Mr. EULER: I understand he is seventy and a report has been called for as to whether he should be continued. I am sorry I have not the information but I will get it.

Mr. CANTLEY: What is the custom in regard to the age limit?

Mr. EULER: Ordinarily officers are retired at the age of seventy. In many cases however, if the men are peculiarly fitted to continue in work, we extend the time from year to year. There is no absolute rule in the matter but they must retire at seventy-five.

Mr. CANTLEY: I do not know any reason why he is not fitted to continue.

Mr. EULER: I do not know that I should convey to the hon. gentleman mere impressions held by the commissioner, but the commissioner tells me it is his impression, that steps have already been taken to continue his services another year. That is not absolute; it is merely an impression.

Mr. CANTLEY: I understand locally, judging from reports I see in the press, that the opinion is that Mr. MacCurdy would have been retired normally in July last year but his term was extended six months and then extended another six months.

Mr. EULER: It was extended a year.

Mr. CANTLEY: Well that is a little different. What is the intention of the minister when the year is up?

Mr. EULER: I cannot say; I have no information before me.

Mr. CANTLEY: I suppose the minister or his department has a policy?

Mr. EULER: We get a report on the capabilities of the man, and if we think he is physically and mentally still fit to go on we probably extend the term another year. If not he will be retired

Mr. CANTLEY: If you will take my opinion I will give it. I think he is fit.

Item agreed to.

Mr. EULER: There is another item of mine, in the supplementaries, which I should like to have carried.

Mr. GUTHRIE: There is only one item in the supplementaries.

Mr. EULER: There are two; one on the first page, and one on the last.

Mr. GUTHRIE: I have no objection to 415 being carried.

National Revenue—contingencies—to provide for the installation of calculating machines in the statistical branch, $10,000.

Mr. EULER: It is understood that this item is agreed to while 516 stands.

Item agreed to.

DEPARTMENT OF MARINE AND FISHERIES

Ocean and river service—maintenance and repairs to Dominion steamers and icebreakers, $1,650,000.

Mr. GUTHRIE: This is the same amount as voted last year. It is the ordinary annual vote?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): Absolutely the same.

Mr. CANTLEY: Where is the Stanley, what is her condition, and what is proposed to be done with her?

Mr. CARDIN: The Stanley is at Quebec. Certain repairs were made in the winter.

Mr. CANTLEY: They have been made?

Mr. CARDIN: Yes, during the winter.

Item agreed to.

Examination of masters and mates, $20,000.

Mr. CANTLEY: How many navigation schools are maintained in the maritime provinces?

Mr. CARDIN: There is one in each of the following places: Halifax, Yarmouth, North Sydney, St. John and Charlottetown.

Item agreed to.

Inspection of live stock shipping, $4,500.

Mr. CANTLEY: Will the minister tell us how much was spent under this vote last year?

Mr. CARDIN: We spent $3,709.

Mr. CANTLEY: I thought the shipment of cattle was almost a thing of the past.

Mr. CARDIN: There are no shipments of cattle at present, but we are maintaining two inspectors in Montreal because we do not know whether or not there will be any shipments in future, we have to keep the officers there in case of need. I am also informed that we are using them as night men in the pilot office at Montreal; we are keeping them busy although there are no inspections made.

Mr. CANTLEY: That is a very comfortable position for them; I hope they will be able to keep it, but only about three-fifths of the vote was spent last year while the same amount is being asked this year. I do not think there is very much likelihood of that trade being resumed in the near future.

Item agreed to.

Miscellaneous and unforeseen expenses, $5,000.

Mr. SIMPSON: I suppose I should have asked this question under item 201, but I would like to inquire of the minister if the Dominion steamers, the light tenders and so on, are now equipped with wireless?

Mr. CARDIN: They are not all equipped with wireless but twelve are so equipped. Does my hon. friend desire the names of those vessels?

Mr. SIMPSON: I think not. Are the steamers operating on the great lakes equipped with wireless?

Mr. CARDIN: No, they are not.

Mr. SIMPSON: I think they should be.

Mr. CARDIN: I am inclined to agree.

Item agreed to.

Life saving service, including rewards for saving life, $80,000.

Mr. ROSS (Kingston): Will the minister give us the details of this item?

Mr. CARDIN: This proposed appropriation is for the maintenance of stations on the Pacific and Atlantic coasts and on the great lakes for rendering aid to vessels in distress, for saving lives endangered by marine casualties and for rewards for saving lives on the

high seas under conditions of difficulty and great danger, requiring a display of exceptional bravery. No change is made this year. For example, in the province of Ontario there are stations at Cobourg, Goderich, Long Point, Point Pelee, Port Stanley and Southampton.

Mr. ROSS (Kingston): What stations are located on lake Ontario?

Mr. CARDIN: There is the station at Cobourg, where last year the expenditure was $300; that is a volunteer station. The same amount, $300, was expended at Goderich; Long Point is a seasonal station and the expenditure amounted to $5,000, the same amount being spent at Point Pelee. The expenditure at Port Stanley and at Southampton was $300 in each case.

Mr. GEARY: Are there no stations on Georgian bay?

Mr. CARDIN: There is Southampton.

Mr. GEARY: No, that is lake Huron. Southampton and Goderich are both on lake Huron, but I am talking about the upper part of the lakes.

Mr. CARDIN: I think those are all.

Mr. GEARY: Then I am sure the minister would like to know that towards the end of the last navigation season there was a good deal of dissatisfaction over the lack of facilities for life saving on the upper lakes. There was a bad storm; the ice came on, and as the minister probably saw in the press there was some loss of life and a large destruction of shipping property. Would it not be advisable to consider the situation along the north shores of Georgian bay, lake Huron and lake Superior? One would think there would be need for these stations.

Mr. CARDIN: I shall be glad to look into the situation, but representations have been made to us that we should dispense with most of these stations. However, I am quite prepared to look into the particular case mentioned by my hon. friend.

Mr. ROSS (Kingston): It does look in some cases as though this money has not been expended where it is most necessary. Cobourg is on a coal route, but at the end of the lake we have had wrecks of these coal boats running from Oswego every year, and it looks as though something further might be done. If a station were put on the islands or somewhere towards the head of the lakes it would be more in proximity to a great many wrecks. I think that should be kept in mind, as at certain points there are always wrecks. Most of the wrecks at the head of the lake occur during the fall, and I think one is more necessary there than even at Cobourg. Around the Thousand Islands a number of wrecks are always occurring among the coal running boats.

Mr. ROBINSON: What expenditures have been made during the last two or three years at the Point Pelee life saving station? I was down there two or three years ago and I understand that recommendations had been made that the track should be extended to the inside of the bay so that the lifeboats could be launched on the calmer side of the point in case of storm. There have been times when it has been very difficult to launch the boats during a storm.

Mr. GOTT: I should like to add just a word here. There are very poor facilities for getting to the shore and back to the light house station. I think application was made to the department for better equipment, and I should like to ask the minister if he would not give serious consideration to providing better equipment for that crew. There should be some kind of launch provided rather than a rowboat. They have some distance to go, and sometimes the storms are very severe.

Mr. CARDIN: These representations have been considered, and I will be prepared to look into the situation in that particular place.

Mr. MACDONALD (Richmond): Is it the intention of the government to place anything in the estimates this session for the life saving station at Scatarie island?

Mr. CARDIN: According to the information which I can obtain, this station is adequately equipped. We have provided practically everything we can provide, but in view of the interest my hon. friend is taking in this matter I shall be pleased to consider the suggestion that he has made.

Mr. MACDONALD (Richmond): I am pleased to note that the minister is interesting himself in the condition of the life saving station at Scatarie island. I visited Scatarie island in 1926, a short time after the ship Ringhorn grounded off that coast and five lives were lost. I had a conversation with the captain and he told me that he remained on the ship all night. He could see the people on the shore as they built fires, and he waited all night for some method of bringing his people ashore. I claim that we should at least

have a gun on this island in order that a line might be fired on board ship. Had such provision been provided for the island at that time, these five lives would have been saved. I also visited the life saving station at that time. I understand that the members of this station are volunteers, only receiving pay when they go out on a life saving trip. I looked over the boat, and it was not seaworthy. It had been in the quarters for years, and I know that no man would risk his life in ordinary weather in the lifeboat that was provided for Scatarie island, let alone go out in a storm to take a crew off a ship. I am bringing this matter to the attention of the department because more lives have been lost on Scatarie island during the last ten years than on any other part of the Atlantic coast. It is known to-day, like Sable island, as one of the graveyards of the Atlantic. I bring this matter forcibly to the attention of the government, that human lives could have been saved if the proper equipment had been installed at that point.

I also wish to bring to the attention of the government the question, and inquire whether they have any additional information regarding it, as to the fog whistle or signal on the western coast of Scatarie island. I brought this question up some time ago.

Mr. CARDIN: I am informed that inquiries were made regarding this matter, and our information is that everything is in good order, and that the fog alarm is functioning regularly. That is the information we have in the department, having made inquiries.

Mr. MACDONALD (Richmond): We know that the fog alarm is functioning regularly, but the point is that ships sailing in a westerly direction cannot hear that fog horn two miles from the light. The fog whistle is at the lighthouse at Scatarie island. I have an article here from the Halifax Chronicle, the Liberal organ of my friends from the province of Nova Scotia I will read a paragraph:

> Scatarie has been the graveyard of many a staunch ship, and according to seamen of Main-a-Dieu, this barren coast will claim many another victim, unless a new system of signals is inaugurated.

The fishermen claim that when approaching that island in a westerly direction, sailing from Louisburg to Scatarie island, they cannot hear that fog whistle two miles from the station. On the eastern side they can hear it for ten or twelve miles, but every wreck that has occurred on that coast during the last ten years has occurred on the western side of the island, as a result of thick fog, and not being able to hear the fog whistle. In view of what has happened during the last few years I think the minister should make a very thorough investigation, and should at least inquire of the fishermen on that coast, who are the people concerned.

Mr. CARDIN: I will do so.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, May 31, 1928.

The house met at three o'clock.

REPORT OF COMMITTEE

Twelfth report of the select standing committee on miscellaneous private bills.—Mr. Parent.

INDUSTRIAL AND INTERNATIONAL RELATIONS

MOTION TO REFER BACK REPORT OF COMMITTEE

Mr. C. R. McINTOSH (North Battleford): I beg to move the following motion, which is practically the same both in form and content as the one I moved yesterday:

> That the third report of the select standing committee on industrial and international relations, presented to the house on May 16th instant, be referred back to the said committee with instructions that they have power to amend the same by substituting the following for paragraph 8 thereof:
>
> Your committee further recommend that 750 copies in English and 250 copies in French of this report, and the evidence upon which it is based, be printed in blue book form, and that standing order No. 64 be suspended in relation thereto.

Motion agreed to.

PRIVATE BILLS

REFUND OF FEES

Mr. J. L. BROWN (Lisgar) moved:

> That in accordance with the recommendation contained in the twelfth report of the select standing committee on miscellaneous private bills, and with the usual practice in such cases, the additional charge paid on the following private bills from the Senate be refunded, namely:
>
> Bill No. 342, for the relief of Frank Deering.
>
> Bill No. 343, for the relief of Mary Mabel Jenny Potten Impey.
>
> Bill No. 345, for the relief of Myrtle Adelia Baker Knauff.

Bill No. 347, for the relief of Hilda Evelyn McDowell.

Bill No. 348, for the relief of Catherine Ellen Mobbs.

Bill No. 350, for the relief of Henry Frederick White.

Bill No. 356, for the relief of Florence Anne Salmon.

Bill No. 358, for the relief of Mary Walton Smith.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BRITISH COLUMBIA RAILWAY BELT

Mr. TOLMIE:

1. How much money has been received by the Dominion government from sale of: (a) lands; (b) timber; (c) minerals; (d) grazing; (e) water-power; (f) foreshores, and any other sources of revenue in the railway belt in British Columbia during the last thirty years?

2. What amount has been received by the Dominion government in connection with or arising out of taxes, licenses, ground or other rentals, forestry, rebates or any other sources of revenue in the railway belt in British Columbia during the last thirty years?

3. What has been the cost to the government of Canada of the administration of these lands and resources during the above period?

Mr. STEWART (Edmonton):

Answers as far as the Interior department is concerned:

1.

Lands	$ 555,536 05	
Forests	4,979,673 42	
Mines	305,150 56	
Parks	46,443 37	
Water power and reclamation	5,838 22	
		$5,892,641 62
Less refunds to March 31, 1927		309,615 29
		$5,583,026 33

2. Answered in No. 1.

3.

	Approximate
Dominion lands salaries and contingencies	$ 970,414 39
Dominion lands surveys	1,877,179 50
Protection of timber	2,986,722 04
Canadian National parks	2,309,001 26
Water power and reclamation	996,814 06
Cost of litigation	13,713 91
Civil government salaries and contingencies, etc.	2,843,790 87
	$ 11,997,636 03

CANADIAN NATIONAL RAILWAYS—MONCTON OFFICE

Mr. SHORT:

1. Has Sir Henry Thornton an office in Moncton?

2. Where is it located?

3. When was it assigned to Sir Henry Thornton?

4. How often has Sir Henry Thornton occupied this office, and for what length of time?

Mr. DUNNING:

1. There is at Moncton an office marked for the use of the president and executive officers of Canadian National railways. There are similar offices at other points on the system and they are intended for the general use of the president, vice-presidents, and other officers when visiting the respective regional or other offices. When not so used, such offices are employed for local purposes as and when required.

2. In the regional headquarters of the railway.

3. In the autumn of 1926.

4. October 1926, April 1927, and October 1927; for not more than one day in each instance.

ROYAL COMMISSION ON FISHERIES

Mr. SHORT:

1. How many commissioners were appointed to act on the royal commission to investigate the fisheries of the maritime provinces?

2. What are their names?

3. How much has been paid, or is to be paid, each commissioner for salary and how much for expenses?

4. How many lawyers were employed?

5. What are their names?

6. How much has been paid, or is to be paid, each lawyer for services and how much for expenses?

7. How many secretaries and other employees were there in connection with the commission?

8. How much has been paid, or is to be paid, to the secretaries and other employees for salaries and how much for expenses?

9. What has been, or is to be, the total cost of the commission?

Mr. CARDIN:

1, 2 and 3.

Commissioner	Salary	Expenses
1. Hon. A. K. Maclean	Nil	$ 2,772 78
2. J. G. Mombourquette	$ 3,725 00	1,940 75
3. J. G. Robichaud	4,025 00	2,170 15
4. H. R. L. Bill	4,000 00	2,097 40
5. Dr. C. Macmillan	3,600 00	1,325 00

Questions

4, 5 and 6.		
G. Fred Pearson, counsel	$ 16,300 00	$ 2,416 72
W. P. Potter, assistant counsel	2,400 00	688 75
7 and 8.		
1 Secretary	$ 3,340 00	$ 2,107 92
10 different stenographers employed at various times	1,165 14	446 08
Reporters—Butcher & Co	7,200 00	1,532 70
1 Machine operator	427 59	389 05
4 Departmental officers	Nil	3,782 43
	$ 12,132 73	$ 8,258 18

In addition to the above there were unclassified railway and other transportation charges, which amounted to $5,934.37.

9. $85,427.42 paid.

SOLDIER SETTLER FARMS—FORECLOSED OR SURRENDERED

Mr. CAMPBELL:

1. How many soldier settler farms have reverted to the board since January 1, 1926?
2. How many of these have been (a) foreclosed on by the board; (b) voluntarily surrendered?
3. How many of these farms have been sold or leased to (a) settlers under the empire settlement scheme; (b) to any other farmers or settlers?

Mr. CAMPBELL: The officials of the board, Mr. Speaker, have pointed out to me some practical difficulties in the way of securing an answer to this question, but they have given me information which will suffice, and therefore I ask that this question be dropped.

Question dropped.

QUESTION PASSED AS ORDER FOR RETURN

SUPPLIES FOR HUDSON BAY

Mr. BLACK (Halifax):

1. How much was paid A. S. MacMillan or MacMillan Construction Company by all departments of the government for all material supplied by them on account of Hudson bay or Hudson straits during the year 1927?
2. How much was paid to Halifax firms by all departments of the government during the year 1927 for all supplies to Hudson bay or Hudson straits?
3. Were supplies by tender?
4. If so, give details of tenders?

PRIVILEGE—SIR GEORGE PERLEY

On the orders of the day:

Sir GEORGE PERLEY (Argenteuil): Mr. Speaker, I rise to a question of privilege. Yesterday I made a few remarks in reference to the important financial questions which the High Commissioner's office in London had to deal with during the war. Among other things I said, as appears in the first column of Hansard, at page 3563.

The High Commissioner attended to these questions throughout the war, with the assistance of his office staff, without having to call in any expert assistance.

I find that in a press despatch which received general circulation this morning, I am stated to have said:

The High Commissioner had attended to them—

Referring to these financial questions:

—without the assistance of an office staff throughout the war.

The difference between these two versions is a very real one, and while that would not matter much so far as the people here in Canada are concerned, I do not want any of the High Commissioner's staff to think that I am unmindful of the splendid work which they did during the years when I was in London. No body of men and women ever gave more loyal service. I certainly could not have carried on without their united support and I again take this opportunity to express my appreciation of the same. The representatives of the press, Mr. Speaker, have always been so fair to me that I regret having to call attention to this error, which I am sure they will be glad to rectify.

FISHING LICENSES IN BRITISH COLUMBIA

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Will the Minister of Justice (Mr. Lapointe) kindly give the house the actual situation which now prevails with regard to the powers of the Dominion government in granting fishing licenses on the west coast?

Hon. ERNEST LAPOINTE (Minister of Justice): I take that as a notice of the question. May I refer the hon. member to paragraph 350 of Beauchesne's Parliamentary Rules and Forms where May is quoted as follows:

The expression of a legal opinion cannot be sought by a question, nor the solution of an abstract legal case or of a hypothetical proposition.

Mr. WOODSWORTH: Mr. Speaker, I was not trying to secure a legal statement, but merely an answer with regard to the practical situation that now exists as to the expiry of certain fishing licenses on the west coast.

Mr. LAPOINTE: That would be for the Minister of Marine and Fisheries (Mr. Cardin), if my hon. friend does not seek a legal opinion.

HON. VINCENT MASSEY

REPORTED ATTENDANCE AT REPUBLICAN NATIONAL CONVENTION

On the orders of the day:

Mr. T. L. CHURCH (Northwest Toronto): Mr. Speaker, I desire to call the attention of the government to a despatch from Kansas City which appears in this morning's issue of the Montreal Gazette. It reads:

Kansas City, Mo., May 30.—Two representatives of foreign governments, Hon. Vincent Massey, minister for Canada to the United States, and Jan Ciechanowski, Polish minister, will attend the Republican national convention here, beginning June 2, Lafayette B. Gleason, secretary of the convention, said to-day.

I desire to ask if the government will make some inquiries as to the right of our minister at Washington to attend a convention of the Republican party.

Some hon. MEMBERS: Oh, oh.

Mr. CHURCH: Am I to have an answer from the government to a perfectly proper question?

Mr. MACKENZIE KING: With pleasure.

IMMIGRATION PERMITS

On the orders of the day:

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, in yesterday's Journal appears a list of the names of members of parliament and of the Senate, and of other individuals who, according to that paper, received special permits to admit ineligible foreigners into Canada. I do not accuse the Journal of wishing to misrepresent but I think the word "ineligible" is badly chosen—

Some hon. MEMBERS: Hear, hear.

[Mr. Woodsworth.]

Mr. EDWARDS (Frontenac): —and its ambiguity might leave a wrong impression. I desire to say that the Journal is not correct in using that word; no ineligible foreigners were admitted into Canada by so-called "permits." These permits would be more properly termed "letters of admission." The letters of admission were to bring in the relatives of persons already in Canada, and their entry was subject entirely to the approval of the department.

The second point that I think I should call to the attention of the house relates to the number of so-called permits credited to each person. More properly the return should have been divided into the number of permits and the number of persons included in those permits. For instance, an individual who obtained three letters of admission might bring in eleven persons. He is credited with obtaining eleven permits, when as a matter of fact he obtained only three. Several hon. members have spoken to me about this, and I think it is only fair that the public at least should have a correct impression of what the return means.

STEAMER VIGILANT

On the orders of the day:

Hon. HUGH GUTHRIE (Acting Leader of the Opposition): Mr. Speaker, last night during the discussion of the estimates of the Department of National Revenue, the minister (Mr. Euler), intimated that he would lay on the table to-day, if possible, all the papers in connection with the sale or purchase of the steamship Vigilant and its subsequent chartering to the government, and the correspondence connected therewith. Will the minister be able to lay those papers on the table to-day?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I understand that in the discussion of the estimates yesterday one item was held over in order to consider the matter to which my hon. friend refers—the Vigilant, is it not?

Mr. GUTHRIE: Yes.

Mr. MACKENZIE KING: If it would be agreeable to hon. gentlemen opposite we might continue with the estimates of the Department of National Revenue as soon as we go into supply, and so give the minister an opportunity to make a statement.

Mr. GUTHRIE: I understand there is a considerable file of papers. We do not know what they contain. I should like to have a day at least before we discuss them.

Some hon. MEMBERS: Oh, oh.

Mr. GUTHRIE: I am aware of some of the circumstances. I think it is a matter of sufficient importance to give us an opportunity to look through the file before we are called upon to form an opinion.

Hon. W. D. EULER (Minister of National Revenue): Mr. Speaker, in reply to my hon. friend the acting leader of the opposition (Mr. Guthrie), I may say that last night it was understood that upon a resumption of a consideration of the supplementary estimates the matter of the Vigilant should be discussed. The item was held for that one purpose. There were two reasons in particular, as I recall them; they were these—

Mr. GUTHRIE: Mr. Speaker, I rise to a point of order. I am asking for papers, not for a speech. This is on the orders of the day, and I submit the hon. minister is out of order. We have a right to the papers.

Mr. SPEAKER: According to Bourinot:

> No discussion should be allowed when a minister has replied to a question, nor after a member has made his personal explanation.

It is well understood that all questions on the orders of the day should be brief, and that the answers thereto should also be brief.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, the question asked by the hon. acting leader of the opposition is that we should have these papers laid on the table. This is the privilege of any hon. member. It is a question of pure routine, and we are simply asking—

Hon. LUCIEN CANNON (Solicitor General): Mr. Speaker, I rise to a point of order. The hon. gentleman is out of order altogether. He did not put the question; he has no reply to make.

Mr. SPEAKER: A point of order is always debatable. The hon. member for South Wellington (Mr. Guthrie) has asked a question, and I presume the hon. Minister of National Revenue is answering it. This may be done very briefly.

Hon. ERNEST LAPOINTE (Minister of Justice): I suppose, Mr. Speaker, my colleague has the right to say what is the nature of the documents he intends to table.

Some hon. MEMBERS: Order.

Mr. STEVENS: Mr. Speaker, I am rising, if I may so state, to assert a right of hon. members—the right to request the government in matters pertaining to items of the estimates or otherwise to lay on the table of the house certain documents.

Mr. MACKENZIE KING: That is what the Minister of National Revenue is trying to do.

Mr. STEVENS: We have asked for certain documents to be laid on the table of the house. The Prime Minister intimated a moment ago that the intention of the government was to discuss the matter when the item was again called. This is not in accordance with the request of members on this side of the house.

Mr. EULER: Mr. Speaker, it is merely my intention to say that I propose now to lay on the table for future discussion, if the opposition prefer to postpone the discussion, the papers asked for to show that the Vigilant was sold by the Conservative government, not by the Liberal government.

Mr. GUTHRIE: Mr. Speaker—

Mr. SPEAKER: Order.

Mr. STEVENS: Those tricks do not work.

Mr. EULER: Mr. Speaker, may I request leave to lay the papers on the table?

IMMIGRATION ACT AMENDMENT BILL

DESIGNATION, "CANADIAN CITIZEN" IN SENATE AMENDMENT

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): Yesterday Your Honour read a message from the House of Lords—I mean the Senate—in regard to Bill No. 187, which was amended in the other chamber. I wish to read one of the paragraphs of the amendment, and to ask the Minister of Justice a question thereon:

> Whenever any person other than a Canadian citizen advocates in Canada the overthrow by force or violence of the government of Great Britain or Canada, or other British dominion, colony, possession or dependency,

and so forth. I desire to ask the Minister of Justice where the senate gets the term "Canadian citizen".

Hon. ERNEST LAPOINTE (Minister of Justice): I beg my hon. friend's pardon.

Mr. BEAUBIEN: What is a "Canadian citizen"? I thought the proper term was "British subject".

Mr. LAPOINTE: I have just told my hon. friend from Winnipeg North Centre (Mr. Woodsworth) that on the orders of the day he cannot ask the Minister of Justice or any other minister to express a legal opinion on an abstract legal case or a hypothetical proposition.

APPLICATION OF DUMPING DUTY

On the orders of the day:

Mr. E. J. GOTT (South Essex): I have a very brief question that will require but a brief answer. I do not know whether to make inquiries of the Minister of Agriculture, the Minister of National Revenue, the Minister of Justice or the Prime Minister. I have under my hand a telegram from Leamington, Ontario, dated May 30:

Government permitting United States products to nullify our best efforts by glutting and swamping our market. This condition did not exist last year—

Some hon. MEMBERS: Order.

Mr. SPEAKER: I have already ruled that according to Bourinot telegrams should not be read to the house because, first, the signatures cannot be ascertained and, secondly, no outsider may give his opinion to influence the house.

Mr. GOTT: I would ask the Prime Minister (Mr. Mackenzie King) whether it is the intention of the government to give any assistance to the early vegetable and fruit growers of western Ontario or of the Dominion at large?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am not in a position to make a statement at the present moment

Hon. J. W. EDWARDS (Frontenac-Addington): I wish to ask the Prime Minister a question. Yesterday the Prime Minister said in answer to a question asked by the hon. member for West Kootenay (Mr. Esling) that he could not say whether there were reasonable grounds for passing an order in council until he had consulted his colleagues, who might differ on the matter. That was his answer. May I ask the right hon. gentleman whether in the meantime he has obtained the views of his colleagues on this question, and what is the result of their collective wisdom?

Mr. MACKENZIE KING: I think what I said was that I might have one view as to what was a reasonable ground while some of my colleagues might entertain a different view; but that what the collective opinion would be as the result of an exchange of views I could not say until there had been an opportunity to exchange them. Up to the present time there has been no occasion to exchange views on the matter.

Mr. GOTT: I should like to ask—

Mr. SPEAKER: Order.

[Mr. Lapointe.]

SUPPLY

DEPARTMENT OF MARINE AND FISHERIES

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

Marine—life saving service, including rewards for saving life, $80,000.

Mr. CHURCH: I wish to direct the attention of the house to a disaster that overtook shipping on the great lakes last fall, and to another disaster that occurred on lake Erie a month ago. Only a miserable $8,000 out of this vote is provided for the great lakes to safeguard the interests of 5,000 seamen, who are exposed to very grave danger during the months of October, November, December and January. These men are engaged in carrying the grain crop of Canada on the great lakes and although operating Canadian vessels, they have to trust to the mercy of an American life saving station in the event of accident. This is not creditable to Canada. On the great lakes we have a life saving system which is nothing but a relic of the days before confederation. That is all it is. You can spend millions of dollars on railways and canals but only $80,000 in life saving, and only a miserable proportion of that on the great lakes. I wish to protest on behalf of these brave seamen who are left to the mercy of Americans when they are in danger. There is not an icebreaker to help these men or a decent life-saving station on the great lakes except the one at Toronto maintained by the local taxpayers.

There are ten Liberals in this house representing Ontario and maritime seats; only two or three of them are present to-day to speak for their constituencies. Where are these gentlemen who represent maritime cities around lake Superior, Georgian bay, lake Huron and lake Erie? Canada is proud to call herself a nation and yet in time of disaster these brave seamen are left, I repeat, without any help at all. We are thinking more of trade than we are of human life. Something should be done by this government to safeguard the lives of these men, but instead of that all the government is voting for their protection on the great lakes is a miserly $8,000. The government can afford millions of dollars for breakwaters and wharves and other material things, but not a dollar to protect these men, blood brothers of the men who fought at St. Julien, and scaled the heights of Passchendale. The hon. member for Labelle (Mr. Bourassa) talks a lot of nonsense about equality of status. I do not see the hon. gentleman in his place this afternoon, but if

he would spend more of his time in an endeavour to solve economic problems and to promote the welfare of these brave men it would be far better than all the academic talk we hear from him in season and out of season. What does he care about these sailors? He talks about nationalism. It is a sham nationalism; that is all it is. If we had a proper spirit of nationalism we would do something to protect these brave men who night and day are doing their utmost to advance the prosperity of the country. Many of these men who serve as seamen on the great lakes, transporting our grain, have applied to the government for consideration, and in this regard I have a huge pile of papers brought down as a return to an order regarding this question and asking for relief. In addition to this I myself appeared before the minister with a deputation of lake mariners and the Masters and Mates Association, the year before last and the year before that asking that something be done for these men. This country is following a penny-wise-pound-foolish policy—spending millions of dollars on breakwaters, wharves and the like and absolutely neglecting these poor men.

It is the duty of the government to protect the lives of its citizens whether on the great lakes or on the ocean, but what is this government doing? All they have is a little bit of a life-saving boat on the great lakes. There are no stations at Port Dalhousie or at Hamilton; the city of Toronto spends $60,000 of the taxpayers' money to protect the shipping on lake Ontario, and that life-saving crew has been called to Muskoka, to Georgian bay, to lake Huron, to lake Erie and to the Niagara river. On behalf of the taxpayers of the city of Toronto I wish to protest against this added responsibility to their already heavy burden. If there is a disaster on these lakes what does the department do? A wreck commissioner is sent for, a man who knows something about salt water but who knows little or nothing about the great lakes, and he holds an inquiry. The wreck may have been the fault of the owners of the ship; it may have been caused by the fact that the captain did not have proper assistance, but the wreck commissioner comes along and takes away the captain's license, putting him out of a position and preventing him from earning his living. Canada has a government at Ottawa which chatters about our new status but which does nothing to help the poor sailors. Some years ago a parliamentary inquiry was held in England, and it was determined among other things that each ship must have a Plimsoll mark on the hull, but so far as shipping is concerned Canada is still a colony. There are ten members in this house whose constituencies border on these great inland waters; I refer to the hon. member for East Lambton (Mr. Fansher), the hon. member for West Lambton (Mr. Goodison), the hon. member for North Huron (Mr. Spotton), the hon. member for South Huron (Mr. McMillan), the hon. member for East Essex (Mr. Odette), the hon. member for North Bruce (Mr. Malcolm), the hon. member for South Bruce (Mr. Hall), the hon. member for North Grey (Mr. Telford), the hon. member for South-east Grey (Miss Macphail) and the hon. member for East Algoma (Mr. Bowman). With the exception of one, these ten members support the Liberal government, yet we do nothing in this regard.

The government should vote a large sum of money for this work; we should have proper ice crushers and other equipment. They have this equipment on the St. Lawrence river and in the gulf, and modern aids to navigation, but apparently these upper lakes are to be left unprotected during the early winter and fall storms. The canals are open until early in December, yet our sailors on the great lakes are left to the kindness of the Americans if life-saving assistance is needed. The Department of Marine and Fisheries should be up and doing something, instead of spending all this money in the lower St. Lawrence. In one particular disaster which took place on the great lakes more lives were lost than in the battle of Queenston Heights in 1812, yet all this parliament does is to spend a large part of its time discussing academic questions. I am surprised that my hon. friends to the left, who have done a great deal of good work in connection with questions respecting public rights, do not take some action in this regard, since these sailors play an important part in advancing one of our great basic industries and in keeping trade in Canadian channels.

What is the situation in the United States? The War department has a life-saving station at the port of Buffalo consisting of 250 men, who go out over lake Erie in that district to protect the millions of people travelling up and down in the large steamers. They have other stations at Erie, at Cleveland, at Toledo and at Detroit; all along the lakes they have companies of naval reservists, some of them composed of as many as 300 and 400 men and assisted also by volunteer reserves. They are on the lookout all the time; they have a wireless system, aids to navigation, they have up-to-date fast boats, and in many cases they have on the upper lakes large ice crushers with which to assist these brave men

instead of leaving them at the mercy of the waves and fall storms.

I wish to protest against this condition on behalf of the lake sailors' associations, and the Masters' and Mates' Association; ever since I have been in parliament these men have been coming to Ottawa with memoranda in connection with this matter, only to have their data filed away in cold storage. It is all very well to say that $80,000 is being spent in this service, but nothing has been done on the great lakes; large numbers of Canadian boats are lying idle in Canadian ports while American hulls are carrying the grain of this country. In addition to that, these captains have many other grievances arising out of the lack of aids to navigation such as lighthouses, beacon lights, wireless apparatus, and many other things of that kind. All the money has been spent in the lower St. Lawrence, and I protest on behalf of the taxpayers of Ontario, who pay 42 per cent of the taxes of Canada.

I have brought up this question for four or five sessions of parliament without being able to accomplish anything. There should be one or two large life-saving stations on lake Superior; one should be located at Port Arthur, Fort William and the Soo. The hon. member for Fort William (Mr. Manion) is not afraid or too proud to fight for his constituents or for the people in other parts of the country; some day he will have a great port at the head of the lakes, but there is no sign of a proper life-saving station being located there, with ice crushers, wireless equipment and the other necessary aids to navigation. If there are to be no life-saving stations let the minister declare that after November 15 or to December 10 no more grain shall be carried, but if the men are to be sent out on the great lakes in the storms which prevail during late fall, they are entitled to all the protection and assistance it is possible to give.

No doubt the minister will get up and say that nothing can be done, that we are spending all we can or as much as the previous government did. This is an example of the way these estimates are considered. We only hold post mortems on the estimates; a great deal of the money has been spent by the time we come to consider them. I venture to say that if we held a parliamentary inquiry into this question many members would be horrified to find the true state of affairs on the great lakes. The man who has some freight to be carried will charter an American hull rather than a Canadian boat because he knows he can get a better insurance rate when the insurance company learns that the boat will have the life-saving protection afforded by the United States government in the bad weather of November and December. In the dangerous waters of lake Superior, Georgian bay and lake Huron there is no life-saving equipment.

There is a large sand shoal off the Niagara river, and the attention of the minister has been called to it many times. What is the government going to do about it? Are they going to wait until one of these large boats founder with two or three thousand people aboard and have the disasters of the upper lakes occurring also in lake Ontario? I wish the Minister of Labour (Mr. Heenan) were here to tell us something about deep-sea diving, and what it feels like to go down to the bottom of the sea. But he is over in Europe now trying to pacify that country, and I see he is riding around in aeroplanes. He represents one of these maritime constituencies on the upper lakes, adjacent to the scene of one of these disasters and he could tell of the necessity of getting something done.

Petitions have been sent to the government but they are doing nothing, and they will do nothing as long as there is an opposition to put up with it. I am going to move, as a censure of the government, that the item be reduced. It is the only weapon I have in committee. I do not wish to delay the house by moving an amendment to the motion to go into supply, but will simply move that this vote be reduced in committee although I would like to see the vote half a million.

If we had a great lake disaster it would wake up the whole country, and as a member of the opposition, representing a maritime constituency, I wish to protest against the continuance of the present indifference and neglect. I protest against the taxpayers of the city of Toronto having to expend about $60,000 to maintain a life-saving department for the whole lake when the government fails. They are called to Port Dalhousie, Hamilton, Georgian bay, the Muskoka lakes; they went to the Moon river to drag for five or six boys who were drowned there. They go all over the lakes, simply because we have a so-called Liberal government that will not make the expenditure to protect these brave men on the lakes.

As I say, I do not wish to take up the time of the house, but I am going to move that this item be reduced by $15,000, as a censure of the government for the lax way it has treated these brave men on the lakes. I, therefore, move as follows:

That item No. 211 be reduced from $80,000 to $65,000.

Mr. SPOTTON: As one of the Liberal-Conservative members from a maritime constituency bordering on lake Huron, where many a home is mourning for the loved ones who have found a watery grave in lake Huron and the other lakes, I wish to say "amen" to everything the hon. member for Toronto Northwest (Mr. Church) has said. Mr. Chairman, I am utterly amazed that the Prime Minister of Canada and his colleagues in the cabinet not only lend an unsympathetic ear, but entirely disregard, the pleadings we have heard this afternoon. Only one member of the government, the Minister of Trade and Commerce (Mr. Malcolm), who comes from a neighbouring county, has given any attention whatever to these remarks. We are accustomed to read and hear the Prime Minister's speeches where he says in almost every paragraph that he wants this house and "the country" to understand so-and-so. His efforts and remarks are all to the country. I have never known of such a self-centred and self-satisfied bunch of men in my life as the present administration. They have drunk deep of all kinds of knowledge and they apparently cannot learn anything from any private member who may rise in his seat.

It is only a short time ago that they showed great concern for the people residing in the vicinity of these lakes. I am not going to take up the time of the house further than just to say "amen" to everything the hon. member for Toronto Northwest has said, regarding some effort being made to protect the lives of the brave boys from my county and neighbouring counties who traverse the lakes and keep open these great arteries of trade and commerce. I would like the house and the country, and the men who have shed and will shed tears again, when addressing citizens of Canada to understand that these pleadings have been entirely disregarded by the members of the government, with the exception of the Minister of Trade and Commerce. I want the people in my county and the neighbouring counties to understand that it has been practically a joke, so far as the present administration is concerned, and if they want any relief I suppose the only thing to do is to change the complexion of the administration.

Mr. CARDIN: I have no hesitation in saying that I sympathize most heartily with the representations which have been made by the two previous speakers. If we are not doing more than we are doing at the present time, it is not on account of a lack of sympathy or consideration for these navigators on the great lakes. This vote is put through year after year. It started long ago when the boats navigating the great lakes were not what they are to-day, and the life-saving service was established to cope with that situation. But with the great developments which have taken place regarding navigation on the great lakes, it is impossible to cope with the situation with the very limited amount which is voted year by year. With the sum we are asking for this year, we could not prevent such accidents as the hon. member has just referred to.

It must be remembered that the majority of the accidents which do occur on the great lakes happen towards the close of the navigation season, and the navigators themselves and the proprietors of the ship take a certain amount of risk in running their boats at this late period of the year. It would help very materially if some sort of an understanding were arrived at between the shipping interests whereby navigation would cease when it was not considered to be safe on the lakes. It would be impossible to stop all the accidents which occur on the lakes. We are doing the best we can with the votes we are getting, but I am free to admit that we could do more if we had a little more money. But even if we spent double the amount we are asking for this year, we could not cope with the situation.

Reference has been made to the United States, it being claimed that they have a more adequate system. As far as the number of accidents is concerned, I think we compare very favourably with the United States. They have had as many accidents as we have had in Canada on the great lakes or anywhere else, and to say that we should provide life-saving stations and life-saving apparatus at every point where there is navigation, or where there is danger, would mean that we would have to come to parliament and ask for several millions of dollars. We would need that amount to cope with all the representations made by certain gentlemen. We are in sympathy with those who sail the lakes, and we sympathize with the families who have lost loved ones, but we must admit that with the best system possible we will never be in a position to prevent all accidents and casualties in navigation.

I cannot agree with my hon. friend when he asks us to reduce the item. If we are not doing enough with the appropriation of $80,000 that we have at present, we shall certainly do much less if we reduce this small appropriation. Good service has been rendered by the small stations that we have, with their limited means and apparatus, and it would be a mistake to do away with them even if they are not as effective as they would be if we were spending millions instead of thousands of dollars as we are doing now. I might express the view of the officers of the department, after

having studied the matter. They are of opinion that it is almost impossible to cope entirely with the situation which has been revealed and the prevention of accidents. The technical men of the department are of the view that the best safeguards in regard to navigation and shipping are those which they have enumerated in a short memorandum which has been given to me, as follows:

1. By the provision and maintenance of modern aids to navigation, including accurate and reliable charts and sailing directions.
2. By providing that all vessels shall be properly equipped with lifesaving apparatus.
3. By providing that only certified and fully qualified officers shall be employed in the navigation of vessels.
4. By the dissemination by radio broadcast and by the display of land signals of information relating to conditions of navigation, weather conditions generally and particularly of impending storms.

I may add to that that the regulations in regard to seaworthiness of vessels are applied most strictly. If we could apply in practice all these suggestions, we would help to solve the problem and give valuable assistance to the shipping interests. Indeed, if all these suggestions were put into practice and accepted with good will on the part of the shipping interests, we would do more than we could ever do by maintaining or developing the life-saving system that we have at the present time. Personally I would not object to spending a larger amount of money on a bigger scheme for life-saving; I admit it is worth the money that we might spend on it; but we are not quite sure whether we would be in a position even then to cope with the situation as it exists. My sentiments in the matter are just as good and strong as those of the hon. member for Toronto Northwest (Mr. Church) and the hon. member for North Huron (Mr. Spotton) who has just taken his seat. We are ready to do everything we can for the safety of the mariners and up to the present time with the limited means and appropriation granted to us we have done pretty well even in comparison with what has been done in the United States. We ought to retain this appropriation. If we do little, let us do what we are doing at present and do not let us do away with the existing services which have proved, generally speaking, their efficiency and benefit to navigators.

Mr. CHURCH: This amendment is the only weapon I have. I would be willing to withdraw the amendment if the minister would increase the appropriation to half a million dollars, but I object to the minister telling the committee that his system compares favourably with that of the United States. The department have not enough life-saving stations on the great lakes. They have only small lifeboats at Cobourg, Goderich, Pelee Point, Port Stanley and so forth. These boats cannot go out to a ship at all owing to the waves raised by the storms. I have seen these small boats at the stations on the lakes and they are little lifeboats, that cannot get out of the port in a storm. How are they going to get out in the month of December? I am sorry I have not with me a couple of hundred pictures that I have of disasters on the upper lakes. I have one here which shows the ice on the great lakes when our brave sailors were out there battling with the storm. The minister has not an up-to-date life-saving station on the entire great lakes; he has to protect these men who are carrying our grain on the great lakes, only a few lifeboats like those that are found on the top of a big vessel. I have here a picture of a tug at Owen Sound. It could not get out at all. This is a picture of a freighter covered up to the third deck with ice. A little rowboat cannot deal with a situation like that. It is almost comparable with the government's contemptible little navy in time of war. I have visited the life-saving stations at Detroit and Buffalo. They have a company of 250 naval reservists stationed at Buffalo, Detroit, and up the lakes, and in the summer time they have a volunteer company ready to go round the lakes when called upon and to give help if necessary. It was due to these United States men alone that our men were rescued. Just last month a disaster happened at Port Dover and they had to wait for a week to get a life-saving tug from Bessemer or Erie, Pennsylvania, to come to the rescue. Hon. Forbes Godfrey wired Hon. J. S. Martin, Minister of Agriculture, congratulating him on having got the United States life tug; and in seven days the men were brought into Port Dover.

I contend that this item ought to be increased to more than a million dollars for proper lifesaving stations to help the grain trade on the great lakes and to protect the travelling public and sailors. Are we to be at the mercy of American life-saving stations for our protection on the great lakes? More than 5,000 sailors are left at the mercy of the few small boats and there is not a modern, up-to-date station except the one at Toronto which is maintained by the taxpayers of that city at a cost of $60,000 a year. The government should have ice-breaking tugs, modern marine equipment, wireless, fast tugs, lighthouses, sirens and other modern aids to navigation on the great lakes, the same as they have on the St. Lawrence and down in the gulf. A sum of $80,000 is not sufficient to

establish one station. The department could not secure a proper tug for that amount. Such boats would cost as much as $100,000. Why does the Department of Marine and Fisheries not borrow some of the ships of the merchant marine which cost from a million to a million and a half dollars and which were sold for $50,000? They could have been converted into proper tugs to handle the situation on the great lakes. To-day it cannot be handled at all, and nothing will be done by the department. I do not really intend that $15,000 should be struck off this item, but an amendment of this kind is the only weapon I have in committee of supply. I could have brought up the subject on the motion to go into supply but I did not wish to delay the business of the house. I think it would be a good thing for the taxpayers if the session were closed up to-night before the government bring down any more supplementary estimates running into eight or ten million dollars. The Department of Marine and Fisheries is incapable of doing anything in regard to taking care of the situation on the great lakes. Until some members of parliament and government officials happen to be on some of these boats in a storm on the great lakes nothing will be done and the department will continue having little bits of rowboats at Cobourg, Goderich and other places and such contemptible small boats to rescue lives.

An hon. member from one of the Essex constituencies called attention to this matter a year ago in the house when there was a debate on this very item. The week after, at Pelee island, three or four men were drowned owing to the fact that there was no life-saving station there. Since then a station has been installed, but what is the use of a station and of a small life-boat on a stormy December night, with high seas running? I had a report—I am sorry I have not got it here—showing what the United States government is doing in the matter of life-saving in its various harbours and ports. They have organized a permanent life-saving corps. At the city of Detroit, for instance, there is a corps of over two hundred men, and a life-saving station at the Detroit Boat Club. They have also naval ships right at the port and and all along the river ready to go out on the lakes to the rescue of any large passenger boats that may be in distress. All we have is a life-saving boat about the length of a row boat and about as long as this table. Talk about $80,000! That is not nearly enough to spend on this vitally important work of life-saving. I have been down to Ottawa with the marine association representatives and with lake captains, and I know that they are left at the mercy of the politicians. Talk about Liberalism! There is no Liberalism at all in this country to-day. We have on the government benches the most moss-backed form of Toryism that there ever was in the history of the world. We have a government that lets these men drown in the lake storms. I withdrew my amendment, but I shall consult with the leader of our party with a view to moving an amendment on the motion to go into supply, because I should like a vote taken on the principle whether or not these men working on the lakes are entitled to protection.

Mr. GUTHRIE: I think there is much to be said in favour of the position that has been taken by my hon. friend who has moved the amendment, but I think that under all the circumstances he will be wise in withdrawing the amendment on the present occasion. An amendment to reduce the amount which has been placed in the main estimates for the purpose of life-saving would, I think, be probably misunderstood in the country, because the real object of the hon. member is to increase that amount, not to reduce it.

I must say, having regard to the situation on the great lakes, that the sum of $80,000 appearing in the estimates for the purpose of life-saving throughout the whole Dominion of Canada seems exceedingly small. I understand that at places like Goderich and Southampton on lake Huron, there is only an allotment of some $300, and that for the Georgian bay waters there is no allotment whatever. We all know that scarcely a season passes without some serious misfortune occurring, involving loss of life in the waters which comprise our great lakes system. The amounts which we now vote are entirely inadequate for the purpose for which we are voting them. When one looks at the estimates and finds that we can afford to vote annually for topographical surveys, $400,000 odd, for geodetic surveys, $265,000, for geological surveys, $205,000, and so on, surely we should be able to afford in this country a very much larger sum than $80,000 for the purpose of life-saving, and I think the minister would do well before this house meets again to reconsider this whole question. The money which he spends now in many of these places is practically wasted money; it is of no avail in case of accident. The $300 at Goderich, the $300 at Southampton, the $300 at Cobourg, is practically a worthless expenditure. I do not advocate any tremendous or unwarranted expenditure in this respect, but I think that the minister and the government

would do well before the house meets again next year to see that there is appropriated an amount that will be commensurate with the difficulties which we have always to face in the autumn on these waters.

Mr. GOTT: I do not seek a reduction in this vote. What I do seek is more efficient service and dispatch from some of the life-saving stations that we have. I refer particularly to the Point Pelee life-saving station. When the committee rose last evening, the hon. member for West Essex (Mr. Robinson) had spoken of the life-saving station at Point Pelee, and my reference was to the southeast shoal lighthouse. I think the minister misunderstood my question at the time, I hope to have an opportunity to deal with the matter which I started to take up last night under these estimates, and I propose now to bring to the attention of the minister the most deplorable conditions that exist at Point Pelee life-saving station.

During the last session of the house I put a number of questions on the order paper, some twenty-five in number, in connection with the operation of the Point Pelee life-saving station. One was:

What was the total cost for maintaining the station for the year 1926?

The answer to that question was:

$7,378.76. (Up to date for fiscal year 1926-27) (Covers wages, board, repairs and labour supplies, clothing, and so forth.)

Another question I asked was:

When was the station first established?

I also asked:

14. What has been the cost of maintenance: (a) total cost; (b) each year since it was established?

15. What training or practice is participated in by the crew under the present coxswain?

The answer to question 15 was:

Drills performed twice a week. (Include managing the lifeboat and other duties connected with the station and an exercise of four or five miles in the boat.)

The cost of maintaining this life-saving station has risen each year. In 1903 the cost was $730; in 1911, $1,838.25; 1912, $4,125.97; 1916, $10,626.26; which included $5,500 for the erection of a boathouse; 1918, $5,252.54; 1924, $7,670.55; 1926, $11,412.87. I also asked this question:

Did the government receive the following resolution passed by the Pelee park patrons on July 21, 1926:

"That we call the attention of the Department of Marine and Fisheries to the fact that though the tug Peter Pan 2nd was in distress and blowing continuously on the morning of January 21st, a short distance from the Point Pelee life-saving station, no effort was made by the crew stationed there to reach her until after six in the morning, and then owing to inefficiency they were unable to do so in weather so moderate that all the fishermen were attending their nets as usual; and we ask that this matter be investigated at once to prevent another such accident as the Pelee Island mishap of a year ago."

The answer that was given to question No. 18 that I asked was this:

No. (Extract from a letter received from clerk of the peace, Windsor, Ont.) "Although this took place within three miles of the life-saving station no one there knew of it, although the boat could be seen floating bottom up quite clearly from the shore and the whistle was blown hard before the boat turned turtle."

The answer I received to question No. 19 was as follows:

The coxswain in his report of the accident states: "When the man on the beach reported ship aground made ready to go out. Saw fishing vessel Flossie G. which had been lifting nets close by proceeding to assistance, so waited their report. Survivors landed by fishing boat and taken care of at station. Survivors stated no danger whistle blown—engine room whistle blown by Captain—two short blasts."

Captain Demers in summing up his evidence of investigation states: "Even if the lifeboat had been manned it could not have rendered any help as the turning over of the vessel was so sudden that the crew was trapped and perished within a few minutes. The distance from the station to the place of casualty is estimated to be three miles, and when the crew searched the place on the following morning, Sunday, May 3rd, when the weather and wind had subsided, this distance was covered in one hour and ten minutes. In view of this, I am of the opinion that the life-saving crew would not have rendered help and saved other lives."

Then, Mr. Chairman, I asked:

Did the government receive the resolution dated July 21, 1926?

The answer given me was:

The department contemplates a complete reorganization of this station.

I want to know from the minister:—what steps have been taken to reorganize the Point Pelee life-saving station; who is going to be put in charge of it; and what kind of service does the minister propose this station shall render to shipping in general?

Mr. CARDIN: Mr. Chairman, according to the information in the department from our officers, this station is operated properly and satisfactorily. As to having a reorganization towards efficiency, I need not say that we are always striving to get the best results obtainable on the part of our employees. If necessary, I am quite ready to make further inquiries and to remedy any evil which an investigation might disclose.

Mr. GOTT: I think the minister and his officials agree that this station was not properly operated a year ago, otherwise they would never have given me the answer that the department contemplated a complete reorganization of the station. What did they mean by that? They simply meant that the station was not properly operated and that they proposed to reorganize it from the ground up. I desire to know if the station is going to be operated properly and properly manned. It is not at the present time, and was not a year ago.

Mr. CARDIN: I think the word "reorganization" which has been applied to the Point Pelee station applies to all our life-saving stations. We contemplate improving the conditions everywhere. We are trying to get the best results obtainable from this and all our other life-saving stations.

Mr. GOTT: Who is the coxswain at the Point Pelee life-saving station?

Mr. CARDIN: Unforunately I have not the name.

Mr. GOTT: I do not expect the minister to have all these details in his mind, but I should like to know what was meant by "reorganization". I believe this life-saving station should be completely reorganized and re-manned.

Mr. CARDIN: That may be the case.

Mr. GOTT: Then will the minister in the near future take steps to inquire thoroughly into the operation of this life-saving station?

Mr. CARDIN: Certainly.

Mr. GOTT: Thank you.

Mr. MALCOLM: Mr. Chairman, I should not like this discussion to close with the implication of the hon. member for Toronto Northwest (Mr. Church) that those of us representing constituencies on the great lakes have not taken an interest in navigation. I do not think there is any member in the house more familiar with navigation conditions on the upper lakes than I am. The acting leader of the opposition (Mr. Guthrie) observed that he did not believe in any unwarranted expenditure. That is where he is entirely wrong. This expenditure for life-saving stations must remain as it is, or it must be extremely large. There is no use in the member for Toronto Northwest criticizing the government for what he thinks is the inadequacy of this vote. The vote has been drifting along at about the same amount under several governments, but every government has been increasing the appropriation each year for aids to navigation. Every man who knows the class of boats engaged in the grain trade—and my hon. friend from Toronto Northwest professes a great interest in the grain trade—knows that these boats follow each other down the centre of lake Huron, and could not be quickly reached by any life-saving station located on the shores of the lake. True, we have bad storms, but no man can say at what point on the shore, either Canadian or American, a big vessel will land if she loses her rudder or propeller and gets off her course. To thoroughly patrol the Canadian side of the great lakes would mean a tremendous expenditure on life-saving stations and powerful tugs standing by the whole season long ready to respond to any emergency.

Now, when do the accidents occur to the grain boats? Never in the summer. Not until late in the fall when the navigators are anxious to make the last trip against the storm signals set by the Marine department and against the advice of more cautious men. I have known sea captains to pay high insurance rates and take chances against the storm signals put up by the Marine department. Under those conditions there is no possibility of a life-saving crew reaching a boat in the night in zero weather and in a blinding snowstorm. No patrolling boat could give relief under those conditions. Personally I feel that the small life-saving stations on lake Huron are doing good work. I have seen volunteer crews in action from my home town and from Goderich and Southampton, and they have performed very fine services in life-saving. These small stations do very valuable work, but once a large grain boat gets adrift in bad weather, not even a large life-saving station could help her.

With regard to the marine men in the various ports, I think almost without exception the captains of fishing and towing tugs at Midland, Owen Sound, Southampton, Kincardine and Goderich have always stood by ready to render all the service they could in case of a wreck. I do not speak of lake Erie as I am not so familiar with it. But the committee has to consider not an increase of, say, one hundred thousand dollars. It has to consider one of two things: whether to continue the small life-saving stations and leave to the installation of wireless on all the boats, storm signals, and so forth, the protection of the large vessels; or whether to install sufficient stations with the necessary equipment and boats, which expenditure will

run into millions of dollars. It is absolutely unfair for the member for Toronto Northwest to say that this government is doing nothing to protect the lives of the sailors on the great lakes. The government is doing what the past three or four governments have done—it is spending more money every year to protect those men.

Mr. MANION: Mr. Chairman, I desire to express my entire sympathy with the object aimed at by the member for Toronto Northwest (Mr. Church) to improve our means for life-saving on the great lakes. I agree with some of the remarks made by the Minister of Trade and Commerce (Mr. Malcolm) that a good deal of the loss of life occurs after the ordinary navigation period closes in the fall. I suggest to the Minister of Marine and Fisheries (Mr. Cardin) that he might well consider calling a conference between the ship owners, the Lake Carriers Association and the lake captains to formulate a plan for lessening the loss of life in the last few weeks of navigation between, say, the 1st and 15th of December, and sometimes later in the month. I do not wish to make the statement frequently heard on the street, that there is too much hazard taken with the lives of these men. I do not wish to condemn the steamship companies; I have no desire to be put in that position. But I do believe that something should be done in co-operation with all these different bodies, the steamship owners, the insurance people, the Lake Carriers' Association, the captains and the men. After all it is the captains and the men who lose their lives. The insurance companies may lose a little insurance, but it is the men and the captains who suffer the loss of life. They suffer as the result of chances taken, whether under orders from headquarters or not, I do not know. At any rate I suggest that a conference might be held. The minister might consider the question of holding such a conference with the object of either shortening by law the number of days or seeing whether some other method might not be worked out whereby the loss of life could be lessened. I do not wish to suggest what should be done, because I am not an expert. But having lived all my life at the head of the lakes, where a large proportion of the shipping is carried on, I know that there is a feeling that something should be done to lessen this hazard to the lives of the seamen.

Mr. CARDIN: The very suggestion my hon. friend makes is contemplated by the technical men of the department, and in the notes they have handed to me cognizance is taken of it.

[Mr. Malcolm.]

The CHAIRMAN: Shall the hon. member have leave to withdraw his amendment? Carried.

Amendment (Mr. Church) withdrawn.

Mr. NEILL: I wish to transfer the debate now to the Pacific coast, but before proceeding to what I have to say I desire to acknowledge gratefully the fact that the department expended a good deal of money last year in certain very much needed repairs to the two life saving stations on the west coast. This will undoubtedly lead to a greater efficiency in the service.

I wish to put in a plea for better pay for these men who man the small lifeboats. In my opinon they have both a moral and a legal claim. As regards the moral claim—or, if you will, the claim of necessity—I would suggest that these men are not being paid a sufficient salary. Their salary is $65 a month, and $65 a month in British Columbia, especially in the remote parts, bulks very small as compared with the same sum in Quebec; not that we have higher standards of living, but our expenses are higher. It is true they also receive a board allowance of $25 a month, but that and more than that goes in their living expenses, because of course they must live at the station. For a single man this may not appear so unreasonable because he gets board, lodging and $65 a month. In the case of a married man, however, it is very inadequate. We presume that it is the desire of the government to stimulate immigration, and you cannot get better immigration than that which comes by way of the stork. I contend therefore that we should not discriminate against married men in the employ of the government, but should rather encourage them. Lest I be accused of putting forward a merely hypothetical case, I desire to cite two actual cases within my knowledge; one is that of a man with a wife and five children and the other a man who has a wife and a family of four. These men must maintain private homes, pay rent, and provide fuel, clothing and all other expenses involved in the upkeep of a family; the only exception is that their own actual food is provided. These places are remote. Suppose one of these men with a family of four or five—is expecting an addition to his family. He lives in a remote district and by the time the woman goes to the hospital, 100 or 150 miles away, the expenses will run up considerably. Some help has to be hired to look after the children while she is away because the husband is away at work day and night. When the bills for the hospital, the doctor and so forth are also paid that means very nearly $500; one is quite safe, at any rate, in putting

it at $400. I want to ask hon. members this question: By what method can a man receiving $65 a month pay house rent and provide clothing, fuel, food and so forth for a wife and four children and lay aside a sum of approximately $40 a month against future arrivals? Sixty-five dollars a month does not provide very much in the way of savings for that or any other unforeseen contingency.

It has been suggested that if the pay cannot be increased the department might at least encourage these married men by building small houses for them; that would represent in some measure an increase in their remuneration. I might quote one sentence from a letter I have received on this subject—not from one of these men, because it is not they only who are complaining. This letter comes from an outsider with no interest in the matter other than that of a good citizen. He concludes his letter thus:

> Canada requires good citizens and in my opinion the best will be those born in Canada of healthy parents who have passed the acid test of Canada citizenship.

He might have said Canadian pioneering as well.

> The foregoing is an example and there must be thousands more and they cannot exist on a cup of rice per diem.

So much for the moral side of the question. Now I turn to the legal phase of it. Perhaps it is not legal, but it is very nearly so. I suggest that these men should have received the $10 increase voted by the House of Commons last year. In the supplementary estimates of last year vote 535 read:

> To provide for flat increases to the civil service both inside and outside.

And the sum voted was $2,700,000. I understand that the increase was determined this way. The government asked the Civil Service Commission to submit an estimate of the amount required to provide a $10 a month flat increase to government employees with certain named exceptions. There were one or two grades to whom, in council, it was decided not to give the increase, and those grades were named. Apart from those, however, the government asked the Civil Service Commission to state how much would be required to give the whole outside and inside civil service $10 a month flat increase. The Civil Service Commision went into the matter thoroughly and finally named $2,700,000, and the money was voted by parliament.

Now to anticipate the answers which I know will be given to this argument. It will be suggested that these men do not come under the Civil Service Commission. I am aware that they do not. But there are a great many other people who got the $10 raise who did not come under the Civil Service Commission. And it never was intended either by the government, by parliament or by the Civil Service Commission that the increase should be limited to those under the commission. If it was to be limited to those under the commission why was it that the Department of Soldiers' Civil Re-establishment, and many others I could name, all received the $10 increase? They all got it. The fact is that the money was voted for the whole civil service, inside and outside. Let me take another argument. How was the money spent? How did it reach the office holder? In the case of ordinary men coming under the commission, the civil service, at the end of the following month, after the money had been voted, made out the pay checks for $10 a month more, and that was the end of it. I inquired as to the method that was adopted with regard to those entire departments that were not under the Civil Service Commission and I was informed that what was done was this. The heads of the departments were notified that the money was available, they put in a requisition, got an order in council passed and then they paid the money out to their respective employees, those who came under that particular branch. That was all they did. There is no doubt about it; that has been done, and that is the procedure by which it was done. In cases where they came under the Civil Service Commission the commission did it; where the employees did not come under the Civil Service Commission the head of the department did it, and as far as I can see the only thing necessary in this particular case is for the head of the department concerned to put this into effect. The money is there; parliament voted it, and surely they must have intended the money to be used. It was not a lump sum voted blindly, because the Civil Service Commission presented a detailed report to the cabinet earmarking every dollar of that sum, within reasonable limits, for each department and for each branch of the different departments. There is no doubt that sufficient money was put aside to take care of these particular employees.

Then I have another bit of evidence. On the basis of the general raise which took place at that time the Civl Service Commission, either instructed by the government or on their own initiative, thought it was necessary to prepare a new classification. As everyone is aware, all employees of the gov-

ernment are classified. I have seen this classification and it specifically allows to this class of employees wages based on the $10 increase last year. The civil service schedule in force prior to April 1, 1927, before the $10 raise was given, gave the coxswain of a power boat from $100 to $120; that is, he began at $100 and went up to $120 by increases of $5 per month per annum. Under the new schedule prepared after April 1, 1927, and in consequence of that increase voted by parliament, this same class received from $110 to $130. So we have this anomaly, since these men have not received this increase; a new man coming into the service would start off at $110, while the man who joined up previously would only start at $100. It may be said that those who enter the service now do not get this increase, but I say they should get it, because the Civil Service Commission has so classified them. When the government is asked why this man or some other man does not get an increase we are always told that he is paid according to the schedule prepared by the Civil Service Commission, so I repeat that this is the schedule prepared by the Civil Service Commission, and I only ask that these men be paid accordingly.

Here is the matter stated concisely by the Civil Service Commission:

> The amount voted by parliament last year towards salary revision is sufficiently large to cover the increases to employees not coming under the Civil Service Commission, and all that is necessary is an order in council on the recommendation of the head of the department to put the increase into effect.

That is the case in a nut shell, and all I ask is that this money be paid to these men both on the ground of necessity and justice and because it was the intention of the government that they should receive it.

I will anticipate the reply of the minister; he will say they do not come under the Civil Service Commission, because they are in the same category as the men working on Dominion government boats, who are specifically excluded from the control of the Civil Service Commission. That is quite so, but that applies equally to the employees of the Department of Soldiers' Civil Re-establishment and several other branches of the government, and I know they received the increase. Why should not these men get it also? Surely if an increase can be justified at all it should be given to a man getting only $65 a month, and all I ask is that the increase be granted or that some plausible reason be given why it is not granted, in order that I may tell these men why they are not getting it.

[Mr. Neill.]

Mr. GOTT: The hon. member for North Bruce (Mr. Malcolm) has given a very fine synopsis of the difference between a volunteer service and a service under the control of the government. I am sorry he is not in his seat, because I want him to know that I substantially agree with his remarks.

Mr. ROSS (Kingston): I have just a word to say in addition to what I said last night; perhaps I will be repeating what I said then, but a remark made by the minister compels me to do so. He said that a review of these stations would be made. I do not know whether I interpreted his meaning correctly, but I was led to believe that he was only going to deal with the stations already in existence. Last night I pointed out to him that consideration should be given to strategic points along the lakes, such as the end of lake Ontario. Just as an example, because I do not wish to say this is more important than other points, let me recommend to his consideration a point such as the Main Ducks, where a great deal of trouble has arisen and where a great deal of volunteer assistance has been given in the past.

Mr. CARDIN: I think my hon. friend may be assured that it is not my intention to confine the study of the matter to the stations already established. We are quite ready to examine any other points where a station might be of some use.

In reply to the hon. member for Comox-Alberni (Mr. Neill) I may say that if any injustice has been done these men and if there is any possibility of giving them the increase which he has mentioned, I am quite prepared to do so.

Mr. GOTT: I think the minister will agree that the sum voted is not too large.

Mr. CARDIN: No, it is not. Next year I may come with a larger request, if I am here.

Mr. COWAN: May I direct the attention of the minister to the necessity of establishing one of these stations at the head of the lakes, at either Port Arthur or Fort William? I know the records of the department will show that a great many of the serious marine disasters occur at the northern end of lake Superior; that was brought to my attention again within the last few days by reason of the finding of the bodies of some of the sailors who were lost with the steamer Kamloops last fall. Apparently that boat went down at Isle Royale, within about thirty miles of the head of the lakes, and if a station of any kind had been in existence

there I think something could have been done at least to save the lives of those sailors. It might not have been possible to save the boat itself, but some of the sailors might have been rescued.

May I further suggest that I think all boats plying the great lakes should be equipped with wireless. It was unfortunate that this particular boat possessed no wireless, and I think one of the conditions of operation should be that wireless must be installed on every lake-travelling boat, and there should be a wireless station at the head of the lakes in order to ensure rapid communication. Moreover, I think there should be at the head of the lakes a fast salvage boat. Thirty miles is not a great distance to cover, and most of the disasters take place among the islands at the head of the lakes. If a wireless station existed there such boats could be reached within two or three hours; that would largely help in the saving of lives, and so I think the minister should give special attention to the conditions which exist at the head of the lakes.

Item agreed to.

Hydrographic and tidal and current surveys, and to provide for the maintenance and repair of hydrographic steamers, $530,000.

Mr. NEILL: I have one other small grievance to bring up; perhaps this may not be quite the appropriate item, but I think it will do. It appears that some thirteen years ago, I think in 1914, regulations were adopted by the department providing for the issuing of uniforms to the captains and some of the men on board government steamers. The custom adopted was, in the case of boats only working for a short time each year, that they would get one suit, and, in the case of the boats working the whole year round, they would get two suits. This went on for thirteen or fourteen years, and when a man has been getting two suits a year for fourteen years he might consider, or at least anicipate, that it would continue. Apparently without any notice—I am speaking subject to correction—last October the rations, so to speak in the shape of clothing, were discontinued. This practice was started by an order in council, and I asked the other day what order in council it was which had discontinued it, and I was told that it had been done by departmental authority. I asked the question why the remuneration of these men should be reduced in this way, and the reply I received was that the supplying of uniforms had never been regarded as remuneration. I submit that it is a very substantial part of a remuneration, the supplying of two uniforms per year. Some years ago I had occasion to write the department asking what the pay of these captains and officers was, and in the reply I received it was stated as being so much money, so much board, and uniforms, it being clearly indicated that the uniform was part of their remuneration. I think this would apply both in the opinion of him who gives and him who receives. A uniform furnished twice a year is certainly a considerable item in a man's remuneration. It may be argued that this is not direct pecuniary payment, but certainly it is an inducement to the man to go into the service and stay there.

Perhaps I did not word my question properly, but I have not received the explanation I would like to get. It seems to me that this is a small matter with which to discontent a number of people. These men work very hard and under very trying conditions, especially during the winter time. If they had been given six months' notice, they would have had time to adjust themselves, and if they were not satisfied they could have quit the service. But it was done without any notice, and so far as the men know, and so far as I know, without any justification. I would like the minister to give us an explanation as to why this was done.

Mr. CARDIN: I am not in position to say positively, but I believe the regulations to which he referred are themselves confirmed by order in council, and it may be that the order in council to which he referred is one giving authority to make certain regulations. I am not in a position to state exactly what the fact is regarding that.

As far as the discontinuancy of the practice of supplying uniforms is concerned, I may say that the decision was arrived at as a result of comparing our practice with what is being done by private companies. Neither the Canadian Pacific nor the Canadian National, nor any other private shipping company, supply uniforms to their men at the present time.

Mr. NEILL: None at all?

Mr. CARDIN: None at all. I understand that they only supply the braid which goes on the sleeves, and something to place in front of their caps. We were the only people giving uniforms to employees, and we thought we would practise economy by reducing the number of uniforms given out. I would say to my hon. friend that requests are always being received to supply uniforms to men on government ships. For example, the lightship employees have requested that they be

supplied with uniforms. These ships do not move from place to place, but the men ask that uniforms be supplied so that will be well dressed when they receive visits from inspectors of the department, or when other boats are passing. Requests of this kind are numerous, and we thought we would economize, always keeping in mind that we were doing more than the private companies in regard to that.

Mr. GOTT: As this vote is six and a half times larger than the previous vote, it is only natural to expect that it will be passed much quicker, but I would like to have the minister explain the reasons for the increase of $190,000 over the vote of last year.

Mr. CARDIN: I expected that question, and I proposed to give the explanation. It is stated that this proposed appropriation is to provide for the continuation of hydrographic surveys and tidal and current surveys; the maintenance of automatic gauges for the determination of water levels in the St. Lawrence and on the great lakes; the operation and maintenance of permanent tidal stations and equipment of temporary stations during the summer months; the preparation and publication of hydrographic charts and tide tables.

Provision is made additional to that of the last fiscal year for reconditioning the steamer Lillooet at a cost of $35,000, and for new equipment and launches for the steamers Acadia and Cartier, at a cost of $10,000; all made necesary by wear and tear. Also for the maintenance and operation of the steamer Bayfield at a cost of $35,000; for work to be done in lake St. Clair, at a cost of $15,000, and for operations in Great Slave lake. Provision is also included for surveys to be made of the approaches to Fort Churchill as far east as Cape Churchill in the Hudson bay, at a cost of $75,000. The inshore work around the Magdalen islands, under way for several years, has been completed, and it is proposed to proceed with the offshore work immediately, necessitating the use of a steamer and the consequent recommissioning of the Bayfield. Operations in lake St. Clair were started last season, and it is necessary to complete them with the least possible delay. Great Slave lake is the connecting link between the Slave and Mackenzie rivers on the mainline of communication with the Northwest Territories. This lake is 110 miles long and 50 miles wide. Necessarily, through communication is by shallow river steamers, and these steamers are always in danger when passing through the lake in time of storm. The proposal is to make a chart of the lake and to indicate where these vessels may find safe refuge in such case.

[Mr Cardin.]

Mr. GOTT: What is the nature of the work in lake St. Clair?

Mr. CARDIN: It is to ascertain the depth of water at different places.

Mr. GOTT: With a view to deepening?

Mr. CARDIN: Not necessarily, but with a view to supplying accurate information to the navigation companies.

Mr. NEILL: I can heartily support this vote, although I may have wished that the minister would not practise the somewhat petty economy in connection with the matter I spoke of a minute ago, because I do not think discontented men will give very good service. This vote is very badly needed. The east does not appreciate how the west is growing in the necessity for work of this character. It is practically all new territory, and while charting was done many years ago by Vancouver, the work he did was done on a very large scale. That is to say, he would sound in a certain place, and then might not take another sounding until he reached another point five miles away. That is impossible for the present day use of navigators. On the west coast of Vancouver island alone in a very small area there has been a big development in the last few years owing to the establishment of twenty-three or twenty-five plants in connection with the reduction of pilchards. That is an entirely new industry with an output running into millions of dollars every year. It has been in existence for some eighteen months only; but the point I want to make is that every one of those plants is established in a new and unknown portion of the coast where no captain dares go in with his boat and it is essential that it be charted in order to let the boats go in or otherwise they cannot get the product out. I am not blaming the department because it is impossible for this work all to be done at once, but in one case the inability of the department to chart a certain place at the time the charting was asked for resulted in a loss of $1,000 to the man who owned the plant, because he had to lighter his product to somewhere else and it cost him $1,000.

While I am on my feet I should like to say a word of commendation of the gentleman who is in charge of the work on the coast. I refer to Mr. Parizeau, who is doing good work, who is entirely devoted to it, and who makes every dollar bring forth a dollar's worth of efficiency. The only trouble is that he has not the equipment to do what he would like to. He hopes, and I hope the department will be able perhaps out of the extra money provided for in this item, to provide an aux-

iliary steamer on the coast. There are portions of the coast in enclosed waters such as Nootka sound, Esperanza inlet and Kyuquot sound, where important works are going on and much charting is needed. That can be done by a small auxiliary steamer and it is not good economy to take the Lillooet out of the rougher waters into a small confined piece of water like that. The smaller boat could do good work there and the Lillooet could go into the rougher waters. I heartily endorse this appropriation and I do not think it is a nickel too much.

Item agreed to.

To provide for the establishment of a patrol service to investigate the conditions of navigation in Hudson strait and Hudson bay, $500,000.

Mr. GARDINER: Would the minister give some explanation of this appropriation and also state what the experience of last year was in regard to investigation?

Mr. CARDIN: This is necessary to complete the work that we undertook last year to make a survey of Hudson strait with a view to ascertaining the possibilities of navigating it, how long it can be navigated and what aids to navigation will be required for this particular place. The amount voted last year was $850,000, and this year we are asking for $500,000 which we think will be sufficient to complete the work that we have already undertaken. As has been stated in the report which has already been tabled, we have established in Hudson strait three points of observation and from those points officers are surveying the condition of the strait in regard to ice and storms. We have at each of those points a flying machine which is used in surveying the strait.

As regards the operations of last year, it is apparent from the report which has already been tabled that conditions are satisfactory, and that the ice was not very abundant during the course of the year. In fact the ice appeared only in the month of November. To give a proper resume of the work which has been done there, it would be necessary to read the report which has already been tabled. Generally speaking I may say that the observations that we made during the course of last year are very satisfactory and encouraging.

Mr. ADSHEAD: The minister mentioned an aeroplane service. Are the aeroplanes under his department, or are they acting in conjunction with the Department of National Defence?

Mr. CARDIN: The machines were bought with the money which was voted last year, but they are operated by men of the Department of National Defence.

Mr. ADSHEAD: Has the minister any idea of bringing the civil aviation branch under the Department of Marine and Fisheries?

Mr. CARDIN: I have no information on that.

Mr. GARDINER: I presume these men are under the instructions of the minister's department?

Mr. CARDIN: Yes.

Mr. FRASER: What was the total expenditure under this item last year?

Mr. CARDIN: Last year we spent the entire amount of $850,000, plus a certain amount which was voted in the supplementaries at the opening of the session.

Mr. KELLNER: How many months was the strait open for navigation last year?

Mr. CARDIN: According to the report, if I am not mistaken, the ice appeared only in the early part of November.

Mr. KELLNER: There is ice now, I suppose?

Mr. CARDIN: Yes.

Item agreed to.

Radio telegraph service and to provide for the construction and maintenance of radio telegraph ship to shore stations and the general administration of the provisions of the Radio Act and regulations throughout the Dominion, $560,865.

Mr. STEVENS: This is the item under which we should have some declaration from the minister regarding the policy directing the control of radio throughout the Dominion.

Mr. CARDIN: That is the next item. This particular item refers to navigation.

Mr. GOTT: Is this appropriation being substantially increased year by year?

Mr. CARDIN: The present appropriation is increased by $61,000, and in view of the importance of the system as an aid to navigation, the increase is not very large.

Mr. GOTT: What was the appropriation in 1926-27?

Mr. CARDIN: $448,000.

Mr. GOTT: Will the minister go back one year more?

Mr. CARDIN: In 1925-26, the amount was $500,000.

Mr. WOODSWORTH: According to the statement provided us, this vote covers the administration of the provisions of the Radio Act.

Mr. CARDIN: Yes, generally speaking, but since last year or two years ago we have divided this vote into two. The next item provides for the broadcasting and it will cover the point which my hon. friend has in mind.

Mr. GARDINER: Is the minister extending the service under the item under discussion?

Mr. CARDIN: Certainly.

Item agreed to.

Radio service—to provide for the general improvement of reception conditions to licensed broadcast listeners, $190,000.

Mr. STEVENS: This is the vote we desire to discuss. I have but little to say on this subject, but I shall, however, raise a point which to my mind is important. I am not for the moment prepared to criticize the action of the minister in any given case, that is, from any knowledge I have of the fairness or otherwise of his action, but what I do criticize is the assumption by the minister—I do not say that offensively, but I cannot think of another word at the moment that will convey my meaning—of authority to determine whether this man or that man or this company or that company shall be granted a license. What I do suggest to the minister is that before taking any such action as was taken against the International Bible Students' Association in the cancellation of their license, there ought to have been formulated definite regulations controlling or directing the whole system of broadcasting. I submit to the minister that his action in cancelling that license appears to have offended a very large number of people. I am not in a position, without having before me all of the facts, to express any definite opinion whether the action taken was fair or unfair, but I do say that it has the appearance of unfairness; it has the appearances of being an arbitrary decision against this association. As far as their religious views are concerned, I am not interested in that phase of the matter at all, but I do submit that whatever their views may be, they are entitled to the right to disseminate their views unless there is some general regulations which simply takes them in along with all other persons holding various views on religious and other subjects.

My whole point, therefore, is that the action taken by the minister has the appearance of being arbitrary, and should not have been taken in the absence of some well defined policy and fixed regulations governing the issuance of licenses to all these broadcasting companies or associations.

Mr. WOODSWORTH: I should like to protest against what seems to me to have been the very arbitrary action on the part of the department with regard to the cancellation of these licenses. It seems to me that there are two matters that ought to be sharply distinguished. First of all, there was the cancellation of the license of the Universal Radio of Canada, Limited. That organization secured on January 18, 1926, a license from the Department of Marine and Fisheries, radio branch, to erect a radio broadcasting station, and it was assigned the call letters CJYC. This organization may have been, and I think is, closely associated with the International Bible Students' Association, but it is a distinct organization, a commercial organization. As their memorandum states:

The Universal Radio of Canada, Limited, believing that the phantom license issued to the International Bible Students Association under call letters CKCX permitted the said association to broadcast religious lectures, and in view of this permission, contracted with them. Outside of this, the activities of CJYC have always been confined to purely commercial programs.

Having received a license from the department, Universal Radio of Canada, Limited, invested in a complete broadcasting station and equipment costing upwards of $50,000. This organization takes the ground that it is unjust to hold them responsible for any of the complaints that the Department of Marine and Fisheries may have received from radio listeners in reference to the programs broadcast by the International Bible Students' Association. That is the first matter on which I think the minister ought to give us very full information. Supposing for the moment that there is a legitimate complaint against the Bible Students' Association. I ask why this other organization, a commercial organization, should be penalized in this way? That seems to be a very arbitrary action.

Now I come to the second organization, that of the International Bible Students' Association. We asked some weeks ago that there should be laid upon the table the correspondence which formed the ground for the action of the department. That correspondence has been tabled. I have gone through it, and let me point out, first of all, that a very considerable proportion of what was tabled consisted of newspaper clippings containing comments after the cancellation had been made. We had asked that the letters and other documents that led to the cancellation should be

tabled, but the minister put in a number of letters and newspaper comments concerning the cancellation, and these statements were sent broadcast across the country as the ground upon which the department had taken action —an absolutely unfair thing to do.

So far as the complaints themselves are concerned, most of them came from Toronto. One of them was from the Rev. W. A. Cameron, the minister of Bloor street Baptist Church. He complained that this organization cut in on his service. The International Bible Students' Association have made a statement with regard to this complaint, in which they say:

> The International Bible Students were not at all to blame for the cutting short of the Reverend Cameron's sermons as the arrangement then existing allotted to station CJYC the time from 8.15 p.m. until midnight on Sunday evenings, which time in turn was given by agreement to Station CKCX. Mr. Cameron's sermons, which usually concluded at 8.30 instead of 8.15 were, therefore, cut short by the operator of the station over which he broadcast, CKCX coming on the air immediately thereafter. As a consequence, the impression gathered by the radio listeners was that the cutting off of Mr. Cameron's sermons was done by station CKCX, and considerable unjust criticism was directed against the bible students —of which they were quite unaware—and which later resulted in a petition being sent to Ottawa.

So much for the complaint of Rev. W. A. Cameron.

Another correspondent claimed that the Bible Students' broadcast interfered with the Dempsey-Sharkey fight. I leave that complaint, but undoubtedly it weighed very heavily with the department.

Another correspondent complained that the programs of the Bible Students' Association were too American, and then he went on to say in the very same letter that they prevented the receiver getting American stations, which again is rather a curious statement—the Bible Students' programs were too American, and in the very same letter he says they prevented the receiver getting large American stations.

There is another complaint, that on account of the change in the wave length there was considerable confusion. It does seem that in all fairness to the Bible Students they should not be saddled with the confusion arising out of a change made by the department itself. Again, quoting the statement furnished by the Bible Students' Association:

> With reference to the wave length, it is a well-known fact that when the Universal Radio of Canada Limited was placed, at the suggestion of the department, on a wave length of 475 metres, their broadcasts interfered with those of certain high-powered American stations, and there were consequently many complaints, relating especially to Sundays, on the part of Toronto fans who had hitherto been able to get these American stations without the interference that then resulted.

It would seem as if these people were not primarily responsible for that confusion. There were other complaints. One from Saskatoon stated that the Bible Students took too much time on the air and interfered with dance programs. There again, Mr. Chairman, I submit it is a question for adjustment as between the various people who are anxious to use the air, and that one particular group should not have its license cancelled. Other complaints came from the city of Edmonton. One of the correspondents stated that the Bible Students had interfered with the Dempsey-Tunney fight. It was also stated that the public health officer complained that some lecture had been broadcast in which there was opposition to vaccination.

Mr. KENNEDY: Was there not a complaint that the Bible Students' Association had interfered with the advertising of Gooderham and Worts whisky?

Mr. WOODSWORTH: I think the hon. gentleman is correct. With regard to vaccination, unless I am mistaken, I have seen certain editorials in the Ottawa Citizen objecting to that particular treatment. I do not know that the Ottawa Citizen ought to be suppressed because of its peculiar ideas in that respect; and I do not quite see why that should be a ground for cancelling the license of the Bible Students. From Vancouver came a complaint, this time from the radio association, that there were too many stations. I would consider it strange if the complaint of rival organizations should be listened to, and should form the ground for this action by the department.

Classifying these complaints, some had to do with religious teaching. Now, I am not a member of the Bible Students' Association. It does seem to me that a great deal of their theology is positively grotesque. But I should like to ask, when did we appoint a minister of this government as censor of religious opinions? All down through history religious bodies have criticized other religious bodies. I think the great Roman Catholic church has sometimes spoken very harshly concerning heretics; I think the Anglican church in its Athanasian creed utters some very strong things against those who do not believe in that creed; I think the Westminster Confession contains some very strong words against people who do not accept that particular creed; and I have heard evangelists telling the people generally where they will

go unless they believe the doctrines then being preached to them. But when did we say that any of these bodies were to be silenced because other citizens did not agree with them? It is stated that the Bible Students condemn other religious bodies. Of course, that is true of nearly all religious bodies. Why should we penalize the Bible Students simply because they follow in the footsteps of other bodies? The Catholics have condemned the Protestants. Sometimes I read the Orange Sentinel which is sent to me. It bitterly criticizes Roman Catholics, yet I do not see that the Orange Sentinel is being suppressed because of its views. If the Bible Students are to be put out of business because they condemn alike Catholics and Protestants, I do not see why the Sentinel and the Catholic Register should not be suppressed.

Seriously, Mr. Chairman, I think we are on very dangerous ground. It has been stated that the Bible Students declared there was one law for the rich and another for the poor. Well, some of us have been trying to say that as loudly as we could for some years past, and if we can have any assistance from the Bible Students in saying that, some of us feel we ought to have it. Some hon. members may take the ground that the law is equal. The leader of the opposition (Mr. Bennett) declared recently that our laws in Canada apply equally to rich and to poor. I recall a statement by the late Anatole France, which I would commend to the hon. gentleman if he were in his seat. Anatole France said:

> The law in its majestic equality forbids the rich, as well as the poor, to sleep under bridges, to beg in the streets and to steal bread.

I think perhaps those who take the abstract academic position, that the law applies equally to rich and poor, may very well ponder these very incisive words. We have also been told that the Bible Students have broadcast tirades against capitalism.

Mr. GEARY: According to what we hear.

Mr. WOODSWORTH: Well, I am inclined to think there have been some very great teachers who pronounced woe upon those who were rich. If you are going to exclude all who have inveighed against the rich and the oppressors of the poor, you will have to exclude not only a good deal of Christian teaching, but a great deal of teaching that has come down from the great sages throughout the history of the world.

Mr. KAISER: Including some members of parliament.

[Mr Woodsworth.]

Mr. WOODSWORTH: Yes, including some members of parliament. Another complaint was that the Bible Students were opposed to military service. Remember, Mr. Chairman, these are the grounds on which the Bible Students had their license cancelled. The minister himself said so when he tabled these letters. It is true that the Bible Students were opposed to military service. Well, let me say there are a great many people outside the Bible Students Association who are opposed to military service. Permit me to read this paragraph from a front-page article which appeared a few years ago in one of our recognized church papers. It was headed, War and The Future, and proceeded:

> There is surely not an intelligent, civilized man left in all the world who thinks that there is any virtue or goodness or saving grace in war. And most of us have been driven far beyond that negative position to the very positive and inescapable belief that war is, for our day and time, a hideous, utterly unchristian, unforgivable crime. And in so far as we did not quite feel that way about it just a few short years ago, some of us—many of us—are ready to acknowledge our fault in truest humility, and seek pardon for our ignorance and our lack of the spirit of our Master. And for the future many of us are ready to say that, if God will grant us grace to live up to our present determination and ideal, never again, under any condition, will war have our sanction or our blessing. And we have come to that place knowing full well that a time might come when very subtle temptations would come to us to feel otherwise about it, or when to announce and live up to our faith might bring its cross and suffering. But very humbly, yet very determinedly, we have made up our minds that in this matter we must try to be Christians, whatever else we are, for if we are not ready now at long last to put our seal to our Christian faith in this way, then we surely are not worthy to bear the Christian name at all. In the name of Christ we would set our face for ever against war.

That was published in the Christian Guardian, February 20, 1924. This paper is now called The New Outlook and is the recognized organ of the United Church of Canada.

It seems to me, in view of the growing sentiment of opposition to war, that it is absolutely preposterous that the license of the Bible Students should have been cancelled on the ground, among others, that the Bible Students were during the war opposed to military service.

Another complaint was that these Bible Students "hogged the air," and I am inclined to think that this is the strongest reason that has been adduced. Yet the radio inspector in Saskatoon bears this testimony:

> They are a friendly lot to deal with and never give the slightest trouble whatever so

far as keeping strictly to regulations is concerned. But they have an insane desire to be continually broadcasting religious matter and the public get thoroughly fed up with this class of material when handed out in large doses.

I sympathize with the public, but I submit that the action the department ought to have taken was to regulate the length of time these people should have been on the air, and not to have undertaken to cancel their license. Further than that, the minister makes the statement for the department that only on one occasion was there a complaint from Saskatoon with regard to trouble of this kind, and that the difficulty was adjusted. It seems most extraordinary that months and months should have gone by without the department intimating in the slightest way to the Bible Students that they were doing anything not in the general interests, and then suddenly, out of a clear sky, they should take drastic action of this kind. It is most arbitrary and unfair.

We are facing large questions in connection with this matter. Our forefathers won to a considerable extent freedom of speech, freedom of the press, freedom of assembly; surely it is strange that a Liberal government should seek to deny people freedom of the air. Strange indeed. A new element has come into practical politics—the air. The use of the air is now so important in a variety of ways, it would seem as if we would be compelled to fight over again the old battles in regard to this new matter. We must have freedom, not merely along the old lines, but in the use of the air whether in flying or in broadcasting. I would urge that since this matter has come so prominently before the public it is high time that we should adopt what the minister himself has barely suggested to the house, that is, some scheme whereby the government itself should own and operate broadcasting stations in this country.

May I quote a paragraph from the Manchester Guardian in which the new policy of the British government is commended. As most hon. members are no doubt aware, in Great Britain the control of radio is in the hands of the government—a Conservative government, as an hon. member suggests. The Conservative governments in England are in some ways a great deal more progressive than Liberal governments in Canada. However—

Mr. DUNNING: Does my hon. friend know that both the Liberal and the Labour parties in England are to-day complaining about the discrimination shown by the Conservative government in the allotment of time for political addresses?

Mr. WOODSWORTH: Yes, I have heard that and for a time there was real ground for that complaint. But recently there has been, I understand, a change in the regulations with regard to such matters, and it is concerning this that I wish to read the following paragraph from the Manchester Guardian:

> The danger of propaganda always lies in one-sided information, in suggestion and in anonymity. As long as facts are freely disclosed there is nothing to be apprehended in open discussion of any topic. If the public always knows what individuals are speaking and proper opportunity is given to various opinions, the more controversial the subject matter of discussion the better. It is the business of the British Broadcasting Company to be impartial as between rival views, and not to heed the objections of those who think all opinions they do not like "dangerous". No subject of public importance and interest should be banned because its discussion annoys some people. If the orthodox may state their case, so may the unorthodox. If there are to be political debates, socialists should be given a hearing side by side with Liberals, and communists allowed to state their case as well as Conservatives. Many sedulously guarded myths may be dispelled by open discussion, and intelligent opinions take the place of hoary superstitions. There is no way of arriving at truth or of cultivating sound judgment except through the clash of opinion.

I fancy the Minister of Railways (Mr. Dunning) will agree with that article. I know there are dangers associated with the control of radio by the government. I know there would be great danger with radio in the hands of the Baldwin government, and I imagine there would be dangers with radio in the hands even of a Canadian Liberal government.

Mr. DUNNING: Or in my hon. friend's own hands.

Mr. WOODSWORTH: Possibly, although I had hardly stretched my imagination to believe that our little group would ever have power. However, I thank the minister for the suggestion. There are always admittedly dangers in any one group controlling such an agency, but there are even greater dangers in allowing things to drift along as they are at the present time in Canada. In practice under present conditions the minister cannot help taking the responsibility for censorship. He says, "I am no censor"; but he must exercise the most extreme censorship when he cancels licences on the ground of certain opinions having been expressed.

I am inclined to think that before very long we shall be faced in Canada with a serious situation in relation to broadcasting south of the line. That is perhaps the most dangerous feature of all. It is only a comparatively short time before these small broadcasting stations will be bought up by big American companies. I may be afraid of handing power to any one government, but I would rather trust our own Canadian government with the control of broadcasting than trust these highly organized private commercial companies in the United States. For that reason I would do my utmost to urge upon the government the adoption of a new policy with regard to radio in this country. The government itself, having gone so far in equipping stations for certain departmental purposes, should take the next step and equip stations for general use throughout Canada. I notice that in the supplementary estimates provision is made for the appointment of a commission to make certain investigations regarding this matter. Personally I do not see why we should have another commission. It seems to me the government is already in possession of the main facts and that the government itself should take the responsibility and decide upon a comprehensive national policy. The present difficulty would not be without its value if it would lead to public ownership and control of this new industry.

Mr. GUTHRIE: I agree with the concluding remarks of the hon. member for Winnipeg North Centre, that it is time the government brought forward something in the nature of a policy in regard to this very important question of radiotelegraphy. The only policy which we have to-day is one of absolute autocracy and dictatorship in regard to the use of the air for radio services. It used to be said in this country that such and such a thing was as free as the air, but in the Dominion of Canada the air is no longer free; to a very large extent it is under the direct and positive control of the Minister of Marine and Fisheries. He is an autocrat in regard to air service, and he is given that autocratic position or power under an act of this parliament known as the Radiotelegraph Act.

Mr. DUNNING: Would my hon. friend give the reference?

Mr. GUTHRIE: It is chapter 195 of the revised statutes. Under that act, by section 4, the minister is empowered to make regulations, of which I will only read two:

[Mr. Woodsworth.]

(c) defining the different kinds of licenses that may be issued, their respective forms and the several periods for which they shall continue in force;

(d) prescribing the conditions and restrictions to which the several licenses shall respectively be subject.

Under these two subsections practically the whole control of the air of this Dominion is placed in the custody of the Minister of Marine and Fisheries. I think, for his own good and for the good of the country, at the very first opportunity he should endeavour to lay before parliament and the country some definite policy which will considerably broaden out this matter and allow all classes in this somewhat spread-out country of ours to receive something like fair and even treatment in regard to that air which was formerly so free to everyone in this country. It is not free now, and I think in many respects the actions of the minister and of the government have been exceedingly harsh, arbitrary and autocratic, and not at all in the interests of the general body politic.

I refer, as did the last speaker, to the manner in which the Universal Radio of Canada, Limited, was dealt with by the minister or by officials of his department. This company was duly organized and incorporated with a heavy subscribed capital; it complied with all the formalities of our law and obtained from the Department of Marine and Fisheries, under the Radiotelegraph Act, a license known as a physical license for the purpose of erecting a plant and broadcasting in the Dominion of Canada. I agree that a license is only a permission, and that a man who obtains a license for a year does not have exactly a vested right in the license, although he may have a reasonable expectation that the license will be continued from year to year as long as he complies with all the requirements of the law. This Universal Radio Company subscribed its capital, erected its plant, obtained its license, complied with all the regulations of the department and started as a commercial concern in the business of radiotelegraphy. During the month of March last a most peremptory letter or notice was sent to this company, notifying them that at the end of the then current year the license would not be renewed, and giving no reasons for the refusal to renew that license. Perhaps I might read to the committee the actual letter, which is dated at Ottawa, March 8, 1928:

Sir:

You are hereby advised that private commercial broadcasting license No. 63 for the

year 1927-28, issued in favour of Universal Radio of Canada, Limited, will expire on the 31st March, 1928, and the department does not propose to renew the same after that date.

To my mind that notice constitutes a most arbitrary and autocratic act on the part of the Department of Marine and Fisheries.

Mr. ADSHEAD: Was there nothing before that warning?

Mr. GUTHRIE: That is the first warning. The department knew that this company had invested a very large amount of money and that they were complying with all the requirements of their license. There may have been something in the mind of the minister or of some of the officials in his department adverse to the Universal Radio Company, but the company knew nothing of it and the public knew nothing of it. The peremptory notice was sent out, saying "notwithstanding your license and your investment I, through the autocratic powers given me by a statute of Canada, refuse to renew your license on the 1st April next". I submit, Mr. Chairman, that such a proceeding is more than improper; courtesy demands that reasons be given under conditions of this kind.

Had the government a policy, a considered policy, nothing of this kind could arise, but here a very large amount of capital is jeopardized. This company is threatened with the loss of its whole investment, and now it transpires, since the House of Commons met, that the reason for the cancellation of this license was that through some subarrangement the International Bible Students' Association occupied some of the time at the disposal of the Universal Radio Company, and the matter broadcast by the International Bible Students' Association did not suit the opinions of the Minister of Marine and Fisheries or of someone in his department.

Mr. CARDIN: I desire to deny this statement the hon. gentleman is making now, and I will not permit him to make any capital out of it. All the facts and the documents are there; let him analayze those documents.

Mr. GUTHRIE: I am giving my own view and my own opinion; the minister may differ from that view and that opinion as he may see fit. Something that was being broadcast by this association did not meet with the approval of the powers that be, whether those powers were the minister himself or someone in his department. So far that is the only reason which I have been able to gather as the real cause of the difficulty, and so far as I know it is the only reason that has been ever advanced for the refusal to renew the license of the Universal Radio Company for the current year.

I hold no brief for the International Bible Students' Association, but I have received a number of communications from residents of my consitiuency protesting against the action of the government. From what has transpired in this house during the present session, I realize that many hundreds of thousands of Canadians have signed petitions, if not to this parliament, informally addressed to the Prime Minister of Canada, protesting against the action of the government and the minister in refusing to renew that license. It is a matter not of small or petty concern but of very general concern, and it looks to one who has no interest in the matter, financially or otherwise, as if the government and the minister had acted in a thoroughly autocratic and unnecessarily harsh manner in dealing with this corporation.

But the whole subject will bear some investigation. The minister or someone under him, seems to have disarranged the whole air service in and about the city of Toronto and the province of Ontario. In this disorganization and disarrangement which have taken place they seem to have been playing into the hands of their own friends. They seem to have been playing into the hands of a radio equipment in the city of Toronto which is the poorest operating in that city to-day, to the exclusion of the up-to-date installations.

Now, what was the situation prior to the 1st of April? There are certain technical aspects to this question which I do not thoroughly understand, but no doubt the minister understands them. The old wave lengths were as follows: 517 metres, CJYC, one-half time, and CFRB, one-half time; 357 metres, CFCA, one-third time—note that—CKCL, one-third time, and CKNC, one-third-time; 312 metres, CKGW, full time. These were the old wave lengths which pertained in the city of Toronto prior to the 1st of April last. The new wave lengths are as follows: 517 metres, CKCL, one-half time and CKNC, one-half time; 357 metres, CFCA—note this one—full time; 312 metres, CKGW, full time formerly but now half time, and CFRB half time. I am informed by men who say they know, that the cheapest and most antiquated installation in the city of Toronto to-day, doing public broadcasting, is that known as CFCA.

An hon. MEMBER: Who is that?

Mr. GUTHRIE: This station is supposed to operate in connection with the Toronto Star newspaper, and has been given full time whereas it enjoyed only one-third time up to the 1st of April last. The statements I make in regard to these installations are based on facts supplied to me by others, as I am not very familiar with the technicalities. My information is, and the minister or the department can correct me if I am wrong, that the whole Toronto Star installation is worth less than $3,000. They claim to be the pioneers in broadcasting, and that claim is probably well founded; I believe their station was the first in that city. That claim has some merit, as we always honour our pioneers, but it is not sufficiently meritorious to entitle that indifferent installation to full time at the expense of many costly and up-to-date installations which have been sidetracked. If mere pioneering is the degree of merit which is necessary to get full time, that station probably would be able to maintain its claim. But there are installations in the city of Toronto running into a cash value of $150,000 in equipment, broadcasting throughout half the world, and they are sidetracked under the present arrangement while preference is given to the system run in connection with the Toronto Star newspaper, a newspaper which has always been very strong in its support of the present government.

Mr. ROBB: They should not be penalized for that.

Mr. GUTHRIE: They are not being penalized for that; they are being patronized.

An hon. MEMBER: What is wrong with that?

Mr. GUTHRIE: The Toronto Star installation is what they call a 500-watt installation, while the CKGW is what they call a 5,000-watt installation.

Mr. DUNNING: To whom does it belong?

Mr. GUTHRIE: I could not tell you; I really do not know. I am informed that the capital of the CKGW station is $150,000 paid up. This station is heard in parts of Canada where only United States broadcasting was heard before, and has been showing clear and consistent reception of its programs from London to Wellington, New Zealand. This installation has been sidetracked.

Mr. DUNNING: What does my hon. friend mean by sidetracked—cut out altogether?

Mr. GUTHRIE: No, not cut out altogether, but reduced in its time. This large commercial installation which could operate, as a commercial venture, at a profit under the time it formely enjoyed, must face a loss of from $50,000 to $60,000 if it continues to operate upon the present basis.

I mention these things, Mr. Chairman, not because I have any direct interest in them at all, but because of the tremendous body of people in this country who are very much interested in radio. The number of listeners-in, so called, is increasing every day, and it is a serious blow to the tens of thousands of listeners-in in the province of Ontario that the most poorly equipped station, and the one which can give the poorest service, is the one that will practically control the air for full time on its circuit. Complaints are heard on every hand, and I am told that some people are obtaining special radio receiving sets of a kind that will exclude the Toronto Star's broadcast, for no other reason than that the broadcasting system of the Toronto Star is so inferior as to be practically useless in comparison with the other stations in the city of Toronto.

Surely the government will see the necessity of broadening out its policy in this matter. Surely it should take into consultation some of more representative bodies throughout the Dominion of Canada. Radio has become a commercial matter to a very large extent; boards of trade, chambers of commerce, large manufacturers, large wholesalers, they are all interested in this venture, and they are entitled to be consulted, as well as the tremendous public body which comes under the heading of listeners-in. Surely a conference of those most interested could be called, and I should think that the minister, for his own protection, would have such a conference, and a broadening out policy could be laid immediately before the parliament of Canada. If we are going to continue as we are now, we are continuing under a system which is nothing but hypocrisy pure and simple. I will grant you that parliament, when it passed the act, gave that autocratic power to the minister. We regret it now; we see the difficulty in which we have placed ourselves; but that is no reason why we should leave the act as it is or why the government should simply rest on its oars and use that arbitrary power with which parliament at one time clothed it. Radiotelegraphy is but in its infancy. It is growing every year; it is growing, one may say, every month. Next year it will be far more extensive than it is this year. It is a matter that has come to stay and to increase, and it will be worse than folly if parliament

allows the act to remain unaltered and all the powers of the air, the property of every subject in Canada, are under the thumb of a single minister of the crown as the situation is to-day.

Mr. LADNER: I have a few observations to make in connection with this matter, but as it is nearly six o'clock perhaps I might continue after recess.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

DEPARTMENT OF NATIONAL REVENUE

Supplementary estimates, 1928-29—National Revenue—to provide for remission of excise tax paid on automobiles remaining in the hands of dealers and unsold at the time when such tax was repealed by order in council, December 18, 1920, P.C. 1/3163, $165,000.

Mr. ADSHEAD: With regard to the last item in vote 516, is $500 the whole amount that was awarded to the widow because of the death of her husband while on duty?

Mr. EULER: I would like to ask first, Mr. Chairman, whether if the items as they stand here are carried, I shall have an opportunity of making a statement on the subject that was under discussion last night.

Mr. STEVENS: Go on now. This item was held for the purpose.

Mr. EULER: This vote was held up last night in order that we might discuss the matter of chartering the vesel Vigilant by the National Revenue department, and also to discuss the matter of the purchase of that vessel in the year 1921 by Mr. Manley Chew from the Dominion government.

In the discussion last night two phases of that subject were developed, to which I would like to make reference. The first was that the steamer Vigilant was chartered at so high a price that it savoured of graft. That statement was made by the hon. member for East Simcoe, was a little more than hinted at by his colleague from the same county, and I may say was resented by myself, as the head of the department which chartered that boat, and I think ought to be resented by every member of the house unless better evidence is offered than was offered last night of the truth of that charge.

The second phase of the question was the claim that was made also by the hon. member for East Simcoe that the Liberal government had sold this boat to a Liberal member of parliament on the very day that the Liberals had taken office in 1921. The senior member for Halifax stated that the price of $18,000 which was paid for that boat by Mr. Chew to the government was so low that it savoured of graft. He borrowed the phrase from his colleague from East Simcoe, and he added to it, for good measure, I suppose, that someone had put money into his pocket, and then, to make it still stronger, he said that he had no hesitation whatever in saying so. I may say in passing that I should think he might possibly have hesitated in making a statement of that kind if he had thrown his mind back to an incident not so long ago when a colleague of his in a former parliament made a statement about my hon. friend the Minister of Justice also with regard to a boat in the preventive service, which statement, I think, had about as much to do with the defeat of my hon. friends opposite as any other one thing. Both those charges, and they are charges I submit, Mr. Chairman, are very serious charges. The senior member for Halifax and the hon. member for East Simcoe are both men of maturity, men of standing who ought to realize that they have a responsibility in this parliament in making charges of this kind, and that responsibility is not lessened in any way by the fact that the senior member for Halifax was a member of the former government.

I wil deal first and very briefly with the matter of the charter itself, the charter given by Mr. Payette to the Department of National Revenue. The hon. member for East Simcoe, speaking on this particular subject last night, made this statement, as reported in Hansard:

> I find that the steamship Vigilant formerly belonged to the government. Almost their first official act after coming into power in December, 1921—

He was referring to the King government:

> —was to sell this boat to a then Liberal member of parliament for $18,000.

The hon. member also said:

> That up around Georgian bay, where this boat was formerly kept, the marine men, who know what they are talking about, regard this (the leasing of the boat) as a gross example of political favoritism.

He intimated that the charter price was altogether too high. I would submit that the price at which the boat is chartered is almost directly dependent upon the value of the boat itself, and in making his reference to the people of the Georgian bay district, whom he should know better than I, I was reminded of the fact that I had been rather careful at the time we entered into negotiations for the chartering of this boat. I am free to say that I felt at the time—and perhaps this

explains the expression of my hon. friend that I was perhaps reluctant to sign that charter —I remembered that the boat had been sold by the government to a former member of parliament, and I thought possibly there might be room for criticism if we were not satisfied that the transaction was in every way a sound one from a business standpoint. I took the precaution not only to get the opinion of the officials of the naval department, but I had some of them sent there to examine the boat. The head of the preventive service, Mr. Cowan, also went up there. In addition to that I secured letters and opinions from some of these very marine men in that neighbourhood of whom my hon. friend speaks. I will read a few of them, because they bear directly on the value of the boat, which I think is pertinent to the question. Here is a letter addressed to myself from Barrie, Ontario—and I am sorry that the hon. member (Mr. Boys) coming from that town is not present, for he was very active in the discussion last night. This letter is written by Mr. Hugh Calderwood, Barrie, whose business it is to give expert evidence on all matters relating to design and construction of vessels and who makes damage surveys, reports and valuations. He was the valuator of the Playfair boats when they were taken over by the Canada Steamships. He says:

Dear Sir,—

Twin Screw Steamer Vigilant

Referring to your enquiry through Mr. J. T. Payette as to the present-day value of above vessel.

Would say that after taking into consideration the replacement cost of a vessel of this type, and on making due allowance for depreciation, etc., I would place her present-day value, as of this date, at One Hundred and Thirty-six Thousand Dollars ($136,000).

The second letter is from Midland, probably the home town of my hon. friend from East Simcoe (Mr. Thompson).

Mr. MANION: Who is Mr. Calderwood?

Mr. EULER: A naval valuator. I am informed he was employed by the Canada Steamships when they took over the Playfair boats. This Midland letter was written by Mr. R. S. McLaughlin, in charge of costs and estimates for the Midland Shipbuilding Company, Limited, which company, I am informed, is of good standing in that town. He says:

Dear Sir,—

S.S. Vigilant

Confirming what I indicated to you in our recent conversation, a vessel of the dimensions and speed of the above, with the machinery installation similar and with accommodations for twenty-two persons, would cost, under present conditions, $210,000 to build and equip for service.

The present value of the vessel to-day would be about $140,000, and it should easily be worth that figure to anyone requiring the particular type of service of which this vessel is capable, equipped as she is with machinery installation capable of driving her at a sustained speed of around twenty knots.

I have been aboard this vessel several times while afloat and have inspected it since being docked and can affirm that the hull and machinery are in excellent condition, in fact much better than the average in a vessel of its age. With thorough brushing and chipping and a good coat of proper paint this vessel would remain in a good state of preservation for many years.

Then I have a letter from the Midland Shipbuilding Company, Limited, written by Mr. J. Wilkinson, the manager. It is as follows:

Dear Sir,—

In regard to your inquiry as to what we would consider replacement value of the S.S. Vigilant, would say that to the best of our knowledge a duplicate would cost, to-day, $200,000, ship to be fitted in every respect same as Vigilant, and built under government supervision. As to the present value of the Vigilant think that to anyone who has need of a ship of her class the ship is worth $130,000.

Trusting this is the information you require.

So much for opinions from the neighbourhood of Georgian bay, to which my hon. friend referred, with regard to the value of the vessel. The cost of the boat to Mr. Chew when sold by the government was, as I stated last night, $18,000. Mr. Chew himself informed me—and I have no reason to doubt what he says—that he spent some ten or twelve thousand dollars after he purchased her. Mr. Payette, before we would take the boat over, expended another $30,000. As a further indication of value, she is insured now for $70,000. Last night I stated, from information given to me by the chief of the preventive service, that she was insured for $75,000. I made a slight error; the figure is $70,000. As my hon. friend from Halifax remarked last night, that indicates a probable value of at least $100,000.

Now, to get some idea of whether or not we are paying too much for the boat, it is fair to consider just what advantage the lessor can obtain. He pays an insurance premium on the boat of $3,850 a year. I am informed there is depreciation—perhaps my friend from Pictou (Mr. Cantley) knows more about this than I do—of ten per cent per annum. That, I suppose, would indicate a

depreciation of eight or ten thousand dollars a year. The boat was constructed for lake patrol service. She cannot carry cargo to any extent, and she is not equipped for passengers.

Mr .ARTHURS: Will the minister say why she was sold in the first instance?

Mr. EULER: I stated that last night. Probably my explanation will give my hon. friend entire satisfaction as I go on, if he will allow me to proceed. In the opinion of those who know, the owner will have very little opportunity of getting the money that he expended on this boat after the charter with us expires. We obtained the opinions of various gentlemen with regard to the proper price to pay. Commander Phillips, of the naval department, and others expressed the opinion that $2,250 a month was a very fair price. In some quarters I am informed it is a low price. I say frankly that we have ourselves for a very short period paid in excess of that for a boat which is not worth any more than the Vigilant. For the steamer Hochelaga, when it was very urgent that we should have a boat on the Nova Scotia coast, where rum-runners were particularly busy, we paid at the rate of $4,500 a month for the limited period of six weeks.

I come now to the second part of this matter, as to which government, Liberal or Conservative, sold the boat to Mr. Chew. That was the question.

Mr. KAISER: You said last night it did not matter anyway.

Mr. EULER: It mattered to my friends last night, because this very vote was held up at the instance of the acting leader of the opposition in order that that information might be obtained.

An hon. MEMBER: That is what the minister said.

Some hon. MEMBERS: Why make so much noise about it now?

Mr. EULER: I think my hon. friends should be glad to get the information that they were so anxious to get last night. On page 3580 of yesterday's Hansard the member for East Simcoe said—I have read this before, but I will repeat it now:

I find that the steamship Vigilant formerly belonged to the government;—

That is true.

—almost their first official act after coming into power in December, 1921,—

That is, the first King government.

—was to sell this boat to a then Liberal member of parliament for $18,000.

Hon. members will recall that I contradicted that statement, and I said that the boat had been sold by the Union government to Mr. Chew. Later I corrected my own statement and said that it was not the Union government, but the Meighen government which followed the Union government. I think that is not very material, for certainly hon. gentlemen opposite will admit that they were practically one and the same thing.

Mr. ARTHURS: Mr. Chairman, is it true that this boat was offered for sale many times, month after month and year after year?

Mr. EULER: I will come to that.

Mr. ARTHURS: I happen to know something of this boat. She lay in the harbour of Parry Sound for years waiting for a buyer—

Mr. LAPOINTE: Why didn't you say that last night?

Mr. ARTHURS: —and the department—

Some hon. MEMBERS: Order.

Mr. ARTHURS: I asked the minister the question, whether it is true or untrue—

Some hon. MEMBERS: Order.

Mr. ARTHURS: If he does not want to answer it, all right.

Mr. EULER: If my hon. friend will have patience I will give him exactly the information he is trying to give the committee.

Mr. ARTHURS: You are a long time getting around to it.

Mr. EULER: No. But my hon. friend will have an opportunity to give the information, if I do not. Perhaps he will let me continue. In the course of the debate, following that, the senior member for Halifax (Mr. Black) then made the charge that the whole thing savoured of graft and that someone had received money out of it. I will give his exact words:

Mr. Black (Halifax): That transaction savours of graft and wrongdoing and someone has put money in his pocket. I do not hesitate to say it.

The committee adjourned in order that the facts might be obtained, that the order in council bearing on the transaction might be produced, and the correspondence, the charter and other documents laid on the table or submitted to my hon. friends opposite. I have these facts. The sale of the vessel was of course authorized by order in council, and I have under my hand certified copies of the order in council. I have also the recommendation made for the order in council. This recommendation, I might say for the informa-

tion of my hon. friends who do not know, is signed by the then Minister of Marine in the Meighen government, the Hon. Mr. Ballantyne. I shall not read the recommendation because the order itself is in the exact words of the recommendation. I shall read the order:

P.C. 4695:

At a meeting of the privy council held on the 28th day of December—

Mr. DUNNING: What date?

Mr. EULER: The 28th December. I should like hon. members to note that.

—1921, the following minute of council was passed and was approved by His Excellency the Governor General on the 29th day of December, 1921.

His Excellency approved it on the following day. Then this follows:

The committee of the privy council have had before them a report, dated 25th November, 1921, from the Minister of the Naval Service, submitting that the steamer Vigilant is no longer required by the crown. Endeavour was made to transfer this vessel to one of the several departments of the government, but owing to her type and the cost of maintenance she is not required.

The minister states that tenders for the sale of this vessel were advertised for in March, 1920, to be received up to noon of the 14th day of April, and in response the following offers were received:

Messrs. Keenan Bros., Owen Sound, Ont., $5,000.

Mr. Frank W. Callaghan, Toronto, Ont., $6,600.

The Anglo Coal Co., Ltd., New Campbellton, N.S., $10,500.

Captain W. L. Curry, Toronto, Ont., $12,000.

As these offers did not represent fair value they were rejected.

Since that time every endeavour has been made to effect disposal of the Vigilant by the distribution of particulars regarding her in all the maritime centres of Canada, as well as by direct solicitation. In November, 1920, Mr. Thomas M. Kirkwood, Montreal, offered $25,000 for this vessel payable 10 per cent cash, 15 per cent at the end of 6 months, 25 per cent at the end of 12 months, and 25 per cent at the end of 18 months, with interest accruing annually at 6 per cent to be guaranteed by mortgage and insurance made payable to the department, which offer was approved by order in council of the 19th November, 1920, (P.C. 2789). Mr. Kirkwood, however, did not complete the purchase.

Thereafter the department made further endeavour to effect sale and advised all parties interested that offers would be received up to 1st March, 1921, and in response, the following offers were received:

Mr. M. J. Shaw, Toronto, Ont., $4,100.

The Anglo Coal Company, Ltd., New Campbellton, N.S., $10,500.

Lt. Col. Joseph M. Syer, D.S.O., Midland, Ont., $24,200.

The highest offer as submitted by Lt. Col. Joseph M. Syer, D.S.O., was recommended for acceptance and approved by order in council of the 11th March, 1921 (P.C. 767). On the 24th March, Lt. Col. Joseph M. Syer, D.S.O., informed the department that owing to circumstances beyond his control, he was unable to complete the purchase of this vessel. Further endeavours were again made by the department to effect sale and as a result Mr. Thomas Mulvey Kirkwood on the 13th June submitted an offer of $18,000 payable $100 in cash, the balance to be spread over a period of 14 months with interest at 6 per cent per annum, to be guaranteed by mortgage and insurance made payable to the department. This offer was rejected as the terms of the payment were not considered satisfactory.

On the 9th July, Mr. Kirkwood submitted another offer of $18,000, payable $300 in cash and the balance in equal instalments every 6 months, to be spread over a period of 5 years, with interest at 6 per cent per annum, to be guaranteed by mortgage and insurance made payable to the department. This offer was likewise rejected.

On the 1st September, Mr. Kirkwood submitted an offer of $18,000 cash for the Vigilant, subject to inspection, which offer was recommended for acceptance, and approved by order in council of the 16th September, 1921, (P.C. 3429). Mr. Kirkwood, however, did not complete the purchase.

Now Mr. Manley Chew, Midland, Ontario, has submitted an offer of $18,000 for the vessel, payable $5,000 cash and the balance on or before the 1st July, 1922, without interest, to be covered by his promissory note and an insurance policy made payable to the department.

The technical officers of the department consider that in view of all circumstances, the government would be well advised in accepting Mr. Chew's offer, and they recommend its acceptance accordingly.

The minister, concurring, recommends that authority be granted for the sale of the steamer Vigilant to Mr. Manley Chew, Midland, Ontario, for the sum of $18,000.

The committee concur in the foregoing recommendation and submit the same for approval.

(Signed) JAMES A. LOUGHEED.

I am almost through, but I want the committee to remember one or two points. First, the Liberal government took office on December 29, 1921. Secondly, the Meighen government had passed three orders in council to sell the boat some months prior to the Liberals coming into power. Thirdly, the recommendation made by the Hon. Mr. Ballantyne, minister in the Meighen administration, to sell to Mr. Chew, was on November 25, 1921, at least a month before the Liberal government came into power. Fourthly, the order to sell to Mr. Chew passed council on December 28, 1921, the day before the Liberals came into power, and it is signed by Sir James Lougheed, president of council in the Meighen government, as I have already indicated. It was signed the next day, December 29, 1921, by the Governor General, the very day that the King government came into power.

The senior member for Halifax, whom I have already quoted, made this statement—I repeat it:

That transaction savours of graft and wrongdoing and someone has put money in his pocket. I do not hesitate to say it.

In view of the order in council which I have just read, and in view of those who passed it, I should like to ask the house whether it wishes to accept the accusation of graft against the government then in power which was made by the hon. member for Halifax. I wonder whether he would like a royal commission to ascertain whose were the pockets into which this money went.

Mr. MANION: I have not been able to catch the words the minister read. Would he be good enough, in fairness, to read again the statement of the senior member for Halifax, not just the one sentence but the context as well?

Mr. EULER: Very well; it is at the bottom of page 3588 of Hansard. I will read a little more, if you like:

Mr. Black (Halifax): You said she was insured for $75,000 and I am perfectly satisfied that she was valued at $100,000, because she could not get full insurance. The minister also said that at that time boats were cheap. I want to tell him that boats are no more expensive now—they are just as cheap to-day—than they were when she was sold for $18,000.

Mr. Euler: We have not purchased the boat.

Then follows the statement to which I referred before:

Mr. Black (Halifax): That transaction savours of graft and wrongdoing and someone has put money in his pocket. I do not hesitate to say it.

Mr. MANION: Read the next few lines.

Mr. EULER: I followed with this statement:

Do you suggest that we are paying too high a rental?

Mr. Black (Halifax): Yes, absolutely.

Mr. MANION: That is exactly the point; that is exactly what the hon. member for Halifax was referring to.

Mr. EULER: I will pay my hon. friend the compliment that he is very fair-minded. There is a direct statement that there was graft and that somebody put money into his pocket, inferentially money which did not belong to him.

Mr. MANION: I know my hon. friend wants to be fair; the hon. member for Halifax is not here.

Some hon. MEMBERS: Why?

Mr. MANION: Knowing him as well as I do I am certain he is not afraid to be here.

An hon. MEMBER: Get him here.

Mr. MANION: I am not speaking to that hon. gentleman; I am speaking to the minister. He asked the question:

Do you suggest that we are paying too high a rental?

To that question the hon. member replied:

Yes, absolutely.

It seems to me, subject to the opinion of the house, that there is no doubt that the hon. member for Halifax was referring to the rental and not to the sale of the boat.

Mr. EULER: Then the charge is directly against myself, and I shall have to accept responsibility. However, the context shows that the transaction to which he refers was the sale of the boat in 1921, and not the chartering of the boat. My hon. friend from East Simcoe made a direct charge against myself, or against the department of which I am the head, when he said that something savoured of graft in the chartering of that vessel, but the hon. member for Halifax was referring to the sale of the boat in 1921. I will just read again what the hon. member said, and I will leave it to any fair-minded man whether this paragraph does not refer to the purchase and not the chartering of the boat. Let me read a little more of the context. The hon. member for Fort William said:

Nothing is charged at all; the only thing is that the committee wants the information.

Mr. MANION: Hear, hear.

Mr. EULER: I am not charging my hon. friend with making the statement complained of. He continued:

Perhaps I might point out something that has escaped other hon. gentlemen. When a government takes charge on a certain day it usually does so in the morning; the other party goes out the night before.

Mr. MANION: I have no apology to make for that.

Mr. EULER: I am trying to be absolutely fair, and the hon. gentleman will have an opportunity to reply. Just here I would like to ask my hon. friend whether that is not a reference to the time the Liberal government came into power in 1921 and the time the boat was sold, not when it was chartered?

Mr. MANION: Certainly, as far as I was concerned; but I brought out the point a few lines further down that all we wanted was the information, and we were not making any charges at all.

Mr. EULER: I hope my hon. friend understands very clearly that I am not attributing to him any charge of wrongdoing on the part of anyone; I am attributing that directly to only one person with regard to the purchase and sale of that boat, and that is to the senior member for Halifax.

Mr. MANION: I differ with the minister's interpretation, that is all.

Mr. EULER: I think there is no escape for this fact, that the reference with regard to graft and wrongdoing and money going into someone's pocket is made directly in connection with the sale of that boat in 1921, and that it cannot be interpreted in any other way. The hon. member for Fort William has admitted very fairly that the reference he made was to the time in 1921 when the Liberal government came into power. The remarks of the hon. member for Halifax followed immediately after that statement, and had reference to it.

Mr. MANION: I think not; the hon. member for Halifax had no reference to my remarks at all.

Mr. EULER: Very well; I will leave myself in the judgment of the house in the matter. If I may just summarize it, this is the situation: This transaction described by the hon. member for East Simcoe and the hon. member for Halifax—perhaps I should leave out the hon. member for East Simcoe—but described by the hon. member for Halifax and implied by the hon. member for North Simcoe as savouring of graft was completed by the Meighen government just one day before they went out of office. That is the fact. I do not believe for a moment that there was graft, even though the sale was made by the Conservative government, but I say if there was graft then my hon. friends opposite are condemned out of their own mouths. I have not very much fault to find with the remarks made last night by the acting leader of the opposition, but he did say that little or no business was done by the Meighen government after the election. I think that is an entirely proper attitude to take, but I think it is also in point to consider whether it was proper to make contracts of this kind three weeks after the defeat of the government.

I said a moment ago that I do not believe for one moment that there was any graft at all in connection with the transaction; of course there was no graft, although the hon. member for North Simcoe said that the vessel was sold for a price that was too low. I would not have spoken at this length—and I am almost through—but for the fact that I very strongly resent the remarks made by the hon. member for Halifax and the hon. member for East Simcoe with regard to graft, corruption and wrongdoing. I suppose perhaps one should have more sympathy than censure for men who are so unfortunate as to suspect their fellow men without cause. I hesitate to give advice to my friend from Halifax, who has lived in this world a little longer than I have, but I would say to him and to his colleague from East Simcoe that I think they would be happier men if they would just try to believe that other men are as honest as they are. I believe that in the parliament of Canada we should observe the decencies and amenities at all times. At the beginning of this session I was pleased when the leader of the opposition and the Prime Minister exchanged some admirable courtesies, and the leader of the opposition pleaded that in conducting the business of parliament the amenities should be observed. I think every member should be in favour of that attitude, but I do deprecate insinuations of scandal and graft by members of parliament and members of political parties against each other. It is not necessary; it is no credit to parliament and I think it is nothing less than disgusting to the people of Canada. Men in public life are constantly under the closest scrutiny and are always in the glare of newspaper publicity. We cannot expect the public to have a higher opinion of us than we have of ourselves and of each other.

I say this with some reluctance, but I do think the hon. member for Halifax, the hon. member for East Simcoe and the hon. member for North Simcoe owe this house an apology for what they said last night. Members should not insult parliament by making serious charges and creating misgivings in the public mind without being reasonably certain that they have grounds for so doing.

Mr. STEVENS: Mr. Chairman, there are certain features in connection with this matter to which I think we should pay some attention. The minister has given a very fair and partial statement—perhaps as full as is necessary—of the first part of this question, namely, the history of the purchase of the boat. Roughly, it is simply this; the vessel was purchased and the first payment made by Mr. Manley Chew on November 21, 1921, I think it was. The final order in council was passed on December 28, 1921, and approved of by His Excellency the Governor General on December 29, 1921. As the minister has in-

dicated—I will not refer to it further than just in passing—several efforts to sell the vessel were made by the department of naval affairs during the preceding year or years. Whether the vessel was ultimately sold at a price that was satisfactory or should have been satisfactory is, I suppose, a question which we could wrangle over for quite a while. But in any case it was sold and, as far as I can see from the records, it was sold quite fairly. My hon. friends need not laugh; I am simply reciting the facts as the file discloses.

It will be recalled that one of the points at issue last night was the securing of these papers. The minister seemed, in a rather unusual manner for him, to have some reluctance to give out the papers.

Mr. EULER: None at all.

Mr. STEVENS: He repeatedly suggested that as it was a matter for the marine department, later changed to the naval department, he had not control of the papers. However, he promised to bring them down and has brought them down, and I wish to thank him for the opportunity of looking over them.

There are one or two things about this that the committee ought to take note of and consider. This vessel was sold to Mr. Manley Chew by order in council dated December 28th. There is this feature about it; at the time Mr. Manley Chew bought the vessel he was not a member of this house, but he was elected a member of the house on December 6, 1921.

Mr. EULER: He was a candidate.

Mr. STEVENS: He was a candidate probably, but he was elected.

Mr. EULER: It does not matter anyway.

Mr. STEVENS: That does not matter. He was elected on December 6, 1921, and whatever note may be taken of it the fact is that, as a member of the house, he carried on all the subsequent negotiations to which I am now going to make reference.

The purchase called for a down payment of $5,000, which was paid at the time, November 21, I think it was 1921, and the balance, $13,000, to be paid on the 15th July, 1922. He was to have deposited, and did deposit, a note covering the balance of $13,000, without interest to July 15th. I think he was supposed to deposit, and I presume he did so, a chattel mortgage on the property, and he was also to insure the boat, which the documents before me show was done. On July 1, 1922, Mr. Manley Chew intimated to the government—mark you, at this time he was a member of parliament—that he did not find it convenient to pay the balance of the money on the due date, namely, July 15th. He tendered a further note of renewal for three months, which, I gather from the documents, was accepted. But to cut the story short, and not follow all the details, the amount of the final payment, namely, $13,000, was not paid until July 23, 1924, or two years later. I will read a brief summary of the case as I find it on the file, placed there by the officers of the department. I do not think it is a signed document, but it has certain initials on it in the usual way. It is a chronological statement regarding the sale of the Vigilant to Manley Chew, M.P. I would like to read these brief paragraphs, which summarize the transaction:

November 9, 1921: Mr. Chew informed his offer accepted, requesting that certified cheque for $5,000 note for $13,000.

November 21, 1921: Mr. Chew forwarded certified cheque $5,000.

November 25, 1921: Mr. Chew's request granted. Promisory note for $13,000 forwarded to him for completion.

November 30, 1921: Mr. Chew requested forward insurance policy $13,000.

December 2, 1921: Mr. Chew enclosed note $13,000 payable July 1st, 1922.

December 5, 1921: Above letter acknowledged.

January 16, 1922: Mr. Chew requested to hasten insurance policy.

January 23, 1922: Reply regarding insurance policy.

May 1, 1922: Mr. Chew forwarded insurance policy.

May 6, 1922: Above acknowledged.

June 27, 1922: Mr. Chew advised his note for $13,000 due 4 proximo.

June 27, 1922: Mr. Chew enclosed renewal note at three months from July 1 for full amount $13,000.

June 30, 1922: Mr. Chew informed above settlement not satisfactory and requested to make payment $3,000 cash and forward note 3 months for $10,000 at 6 per cent.

July 6, 1922: Mr. Chew's office acknowledged above.

July 26, 1922: Hastener sent by department to letter of June 30.

August 16, 1922: Hastener again sent to letter of June 30.

August 12, 1922: Mr. Chew advised unable to make payment.

August 18, 1922: Department advised prepared to grant further period not more than six months in which to make final settlement, providing Mr. Chew forwards cheque $3,000 not later than September 1.

September 7, 1922: Hastener sent letter August 18.

September 13, 1922: Above acknowledged by Mr. Chew's office.

September 19, 1922: Copy department's letter August 18, enclosed.

And so it goes on with a chronological statement showing that the department repeatedly

conferred with Mr. Chew regarding settlement, and asked him to hasten the adjustment of this claim. It went on until finally Mr. Chew paid the $13,000, presumably after making some sale to Mr. Payette. All this was two years after.

Then we find a letter on the file from the Justice department. They had evidently been asked whether interest could be collected. No interest had been paid by Mr. Chew, and the aggregate amount of the interest was $1,650. On July 30, 1924, R. J. Orde, Judge Advocate General, stated in a letter to the deputy minister:

> While the question is not free from doubt, yet I am of opinion that, having regard to the terms under which the vessel was sold to Mr. Chew, the deputy minister's letter to him of the 18 August, 1922, and Mr. Chew's action subsequent to the receipt of such letter, a claim for interest on the amount of Mr. Chew's indebtedness which remained outstanding subsequent to the 1st of July, 1922, might be successfully prosecuted, and such being the case there seems to be no legal reason why Mr. Chew should not be called upon to pay interest on such indebtedness.

As far as I can discover from the file, no interest has been paid to date. It may have been, but I ask the minister if he will make a note of it and let me know later.

Mr. EULER: Of course I would not know that. It was purchased from the naval department, not from the customs department.

Mr. STEVENS: I am simply going by the file as I have been able to read it. Of course it is a departmental file.

Mr. EULER: A naval department file.

Mr. STEVENS: Yes.

Mr. EULER: So the collection of that has nothing to do with the Department of National Revenue.

Mr. STEVENS: I will ask the minister to take note of the fact that, according to the Justice department memorandum which I have just read and what I have been able to see on the file, Mr. Manley Chew has not paid the interest on that deferred payment for two years and I would suggest to the minister that inasmuch as the Dominion of Canada is now paying Mr. Chew these sums of money, this interest might very well be deducted from them. Those are roughly the facts in regard to the sale of the vessel.

Mr. EULER: In order to keep the record straight it would be fair for the hon. member to make it clear whether the department is paying money to Mr. Chew or not. The department is not paying Mr. Chew; the department is paying Mr. Payette, from whom we chartered the vessel.

[Mr. Stevens.]

Mr. STEVENS: I think the minister is quite right in asking an explanation of that. The other file shows that Mr. Chew is interested in the vessel.

Mr. EULER: Not at all.

Mr. STEVENS: I do not want to get into a controversy with the minister over what might be a technicality. Would the minister note that this amount is outstanding, and, if possible, see whether there is any way of collecting anything against the vessel? We will leave the matter at that for the moment. Roughly speaking, that is the history of the sale or disposal of the vessel by the government. I will summarize the matter by saying this. Unquestionably very lenient treatment was accorded Mr. Chew in regard to the payment under his agreement of the $13,000 which was allowed to run for two years after the last due date, namely, July 1, 1922.

In regard to the so-called charter of the vessel, the question naturally arose in the minds of all of us, when it was indicated that the vessel had been sold for $18,000, whether $2,250 a month for a vessel that had been sold previously by the government for $18,000 was not almost an outrageous price to pay.

Mr. DUNNING: Or else the sale price was too low.

Mr. STEVENS: Quite so, or else the sale price was too low. It was indicated that the new owners had spent quite a large sum, some $30,000, on the property.

Mr. EULER: Approximately.

Mr. STEVENS: When the minister speaks about the vessel being worth $130,000 to-day, the fact is, according to the file, that the vessel cost the Dominion of Canada $124,400 in 1904. That was the contract price. I take this from a letter written and signed by Mr. William Kearns for the Auditor General under date of May 15, 1924:

> S.S. Vigilant, built by Polson's Iron Works, total cost, $124,400.

Mr. EULER: There were extras, I am informed, amounting to another $12,000, making the amount $136,000.

Mr. STEVENS: Possibly. I am just quoting the Auditor General's report, which is on this file dealing with the disposal of the vessel, so that I cannot go beyond that. The minister a moment ago appealed to the committee in regard to the fairness of his statement that it was proper to allow a ten per cent per annum depreciation; that is, that in figuring the rental rate paid to these people, it was fair to allow them a ten per cent

depreciation. If we apply a ten per cent depreciation to the vessel from 1904, the year in which it was built, down to 1921, there would not be very much value left. If we are going to allow a ten per cent depreciation in order to make up a rental of $2,250 a month, it is only reasonable to allow that depreciation from the cost of the vessel down to the time of its sale.

Mr. EULER: An appraisal was made of the vessel before it was sold.

Mr. STEVENS: But the minister cannot have it coming and going. He cannot allow Mr. Manley Chew and Mr. Payette ten per cent depreciation as a justification for paying $2,250 a month.

Mr. EULER: Would the hon. member admit there was a certain value placed upon that vessel at the time we chartered it? We have had various figures given ranging all the way to $136,000 or $134,000. He will admit that is the value of the boat or was the value at the time we chartered it. He will also admit that from that time on there must be a depreciation each year.

Mr. STEVENS: The minister read—and I will only take his own statement—a valuation, and if he will read it again he will find that it stated that it was a replacement value.

Mr. EULER: $200,000 and then, with depreciation off, $136,000 or $140,000, as the case may be.

Mr. STEVENS: We will accept the minister's reasoning. It amounts to this; that a vessel built in 1904 and sold in 1921 for $18,000, although it is now depreciating at the rate of ten per cent per annum and that depreciation should be allowed as a justification for the rental, is still worth $136,000. I will leave it at that.

Mr. EULER: Is it not true that it costs a good deal more to build ships now than it did twenty or twenty-five years ago?

Mr. STEVENS: I agree with that. I think it costs more although I am not too sure on that point. I notice that on the north of Ireland and on the Clyde they are building ships to-day at prices very nearly as low as they did in pre-war periods.

An hon. MEMBER: A hundred per cent more.

Mr. STEVENS: Not a hundred per cent more. I turn to the question of the charter. We submit—and I think there is justification in the file for our contention—that altogether apart from what value may be placed on this vessel, a rental of $2,250 per month with the charterer to supply all the crew, expenses, supplies and everything except insurance, is too high a price to pay.

Mr. EULER: She was not on service for all the year.

Mr. STEVENS: No, according to the terms of the charter she was on service seven months in 1927 and she is to be on service nine months in 1928 and nine months in 1929. But during the period she is to be tied up the government pays all expenses of taking care of her, watching her and keeping her in repair. After I have completed my observations I am going to ask the minister to be good enough to tell us all that he has spent on operation, upkeep and repairs. We asked for that last night and those figures ought to be furnished to us.

There is a letter on the file dated April 18, 1927, having to do with the chartering. I want to direct this particularly to the attention of the minister because he stated that Mr. Manley Chew had nothing further to do with the vessel. I want to say very frankly that I gather from the file with which I have been dealing, although some letters that ought to be on it are apparently not there—and I am not complaining about that although it makes it rather difficult to get a connected understanding of the matter—that when Mr. Payette took possession, it was under some arrangement made between Mr. Chew and Mr. Payette. It looked to me as if Mr. Payette and Mr Chew went into partnership in regard to this vessel, and that Mr. Payette put up the balance of the purchase money, $13,000, in order to join with Mr. Chew in the ownership. Then the negotiations were carried on almost entirely between Mr. Chew, the minister and Mr. Cowan, acting for the department. The correspondence—there is a lot of it and I am going to read very little—shows that Mr. Chew was a very important party in the matter. For instance, we have Mr. Cowan asking when Mr. Chew will be back, and Mr. Chew wires:

> Please have officer arrive Tuesday next. Will start Monday to open boilers and machinery and have help to assist in examination of hull.

Mr. Cowan wires to Mr. Chew:

> Your wire received. Do not make any arrangements to open boiler.

That was in 1927, just before the charter was entered into. This was during the negotiations for the chartering of this vessel. Then in March, 1927, Mr. Chew wires Mr. Cowan:

> Six hours after notice boat will be delivered to dry dock. Cost two hundred dollars.

There is a lot of correspondence and memoranda of that character passing between Mr. Cowan and Mr. Chew. Mr. Chew writes on March 9, discussing the question of the chartering of this boat. Mr. Cowan writes to Mr. Chew on March 12 on the same subject. There is another letter from Mr. Chew on March 15, 1927—all this correspondence takes place in 1927. Mr. Chew writes again on March 23 to Mr. Cowan on the same subject. Mr. Cowan on March 26 wires to Mr. Chew. Then from Mr. Chew's office comes a letter signed by one of his staff to Mr. Cowan, dated March 24. Then we come to the letter which I desire to read, dated April 18, 1927. The negotiations had proceeded regarding the chartering of this vessel, and Mr. Chew, not on behalf of his firm, but in his own name, writes to Mr. Cowan, the chief of the preventive service at Ottawa, as follows:

Dear Mr. Cowan,—

I was talking to Mr. Euler, in Kitchener, over 'phone. He said you had brought in to him a draft of a charter and the price was $2,000 per month. I felt this was a small price. However, I would like you to let me know as soon as you arrive in Ottawa by wire so I can go down there. We can get with Mr. Euler and complete the charter.

I might say for your information that I am having all the work done on the bottom of this boat that the report calls for, and I expect this will be completed and she will be out of the dock in two or three days' time. This will leave her in the position that by putting on a good force, the work that is necessary to do could be completed in a very short time. I won't do any further work after she leaves the dock until arrangements have been made with you for the charter.

Now I ask the minister to note that Mr. Chew states that he had discussed this with him in Kitchener.

Mr. DUNNING: Over the phone.

Mr. STEVENS: Yes, and he says this:

I felt this was a small price. However, I would like you to let me know as soon as you arrive in Ottawa. We can get with Mr. Euler and complete the charter.

And the figure mentioned in this letter is $2,000 a month. That is the point I am desirous of bringing to the attention of the minister.

Mr. EULER: Shall I give the explanation now?

Mr. STEVENS: Interrupt me, if you like.

Mr. EULER: I was a bit reluctant to add anything to the question of the financial difficulties that Mr. Chew had, as recited by my hon. friend, but the simple explanation of the connection of Mr. Chew with Mr. Payette, so far as the negotiations are concerned, is this: Mr. Chew did have an interest in the boat at the time the negotiations began. He was in partnership, I understand, with Mr. Payette, and it was necessary for them to spend $30,000 to put the boat in shape so we could use it. They started out to spend $15,000, but they found it cost them nearly $30,000, and Mr. Chew was not in a position to put up his share of that and Mr. Payette insisted that he take over the whole boat, and he made the charter with us. That is the explanation. In regard to the $2,000, we did offer then $2,000 at first. Mr. Chew thought that the amount was too low, and they demanded $2,500. A compromise was made. We split the difference, and gave them $2,250.

Mr. STEVENS: I am not disputing what the minister says at all. I am merely citing what is disclosed in the correspondence. The point is fairly well established, which is what I suspected, that Mr. Chew and Mr. Payette joined forces and became partners. Later on, the minister says they made a settlement, and Mr. Chew left the matter entirely to Mr. Payette. As to that, I do not know.

On May 2, following this letter of Mr. Chew dated April 18, Mr. Cowan, chief of the preventive service, writes to Mr. Chew as follows:

On my return to the department this date after an absence in the east of a few weeks, I discussed the matter of chartering the Vigilant with the minister, and I am now instructed to advise you that the department will be interested in chartering this boat on a long term charter providing the price is fair and reasonable, with provision in the charter for the purchase of the boat by the department at any time before the charter expires.

Then there follows this paragraph, which I submit to the minister and to the committee:

I am still of the opinion that a fair price as a basis of charter for this boat would be in the neighbourhood of $2,000 per month, the department to supply the crew, also fuel, deck supplies, water, food, etc.

We have the obvious willingness of Mr. Chew on April 18 to enter into the charter for $2,000 a month—

Mr. EULER: I wish my hon. friend would read where he says so.

Mr. STEVENS: I say obvious willingness, because he is anxious to close the charter.

Mr. EULER: He says the amount offered is too low and asks for an interview, which followed, at which interview they asked $2,500, out of which came the compromise agreement to split the difference. I do not think is is fair to assume that Mr. Chew was willing to accept the $2,000.

Mr. STEVENS: I think it is obvious from his letter.

Mr. EULER: If he had said to me that he was willing to take $2,000, that is all he would have received; I can assure my hon. friend of that.

Mr. STEVENS: It is a little unfortunate that this letter was not in the minister's hands when he was negotiating for the charter.

Mr. EULER: I cannot take out of it what the hon. member does.

Mr. STEVENS: The letter speaks for itself. It says:

I was talking to Mr. Euler, in Kitchener, over phone. He said you had brought in to him a draft of a charter and the price was $2,000 per month. I felt this was a small price. However, I would like you to let me know as soon as you arrive in Ottawa, by wire, so I can go down there.

Mr. EULER: What for?

Mr. STEVENS:

We can get with Mr. Euler and complete the charter.

What charter? The draft charter which had been sent to him by Mr. Cowan.

Mr. EULER: Not at all. The hon. gentleman must remember that Mr. Chew was in partnership with Mr. Payette, and Mr. Payette had to be dealt with in the negotiations as well.

Mr. STEVENS: I am simply taking out of this correspondence what is in it.

Mr. EULER: I am very sure the hon. gentleman would not think of me or say of me that if I were offered that boat at $2,000 a month, I would deliberately offer $250 a month more than was asked for.

Mr. STEVENS: I would not.

Mr. EULER: That is the inference from your remarks.

Mr. STEVENS: It seems rather strange when we read the official documents on this file, which is the official property of the government and of the house—

Mr. EULER: But they do not bear out what you say.

Mr. STEVENS: I say this: Here are the words, and I will leave them to the house to take out of them whatever meaning it wishes. Here as the letter from Mr. Manley Chew to Mr. Cowan, chief of the preventive service, dated April 18, 1927:

I was talking to Mr. Euler, in Kitchener, over 'phone. He said you had brought into him a draft of a charter and the price was $2,000 per month. I felt this was a small price. However, I would like you to let me know as soon as you arrive in Ottawa, by wire, so I can go down there. We can get with Mr. Euler and complete the charter.

Mr. EULER: It does not say at that rate.

Mr. STEVENS: Very well. That is what Mr. Chew says on April 18. This is what Mr. Cowan says on May 2 in a letter to Mr. Chew:

I am still of the opinion that a fair price as a basis of charter for this boat would be in the neighbourhood of two thousand dollars per month—

Mr. DUNNING: "In the neighbourhood."

Mr. STEVENS: Wait a moment.

—the department to supply the crew, also fuel, deck supplies, water, food, etc.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: I cannot see why hon. members should become excited over that.

Some hon. MEMBERS: No, no.

Mr. STEVENS: It is a statement of fact from this correspondence.

Mr. EULER: May I ask the hon. gentleman a question? I know he wants to be fair, as I do.

Mr. STEVENS: Certainly.

Mr. EULER: For the information of the committee, I may say that I have a great deal of confidence in the chief of the preventive service, Mr. Cowan, who carried on most of the negotiations. Has the hon. member there the recommendation from Mr. Cowan to pay $2,250? Because I followed his recommendation.

An hon. MEMBER: He cannot find that.

Mr. STEVENS: I can find it if I have time. Here is a letter from Mr. Cowan about a week later. It is a long four-page letter, but I will read the part that is desired by hon. members opposite.

An hon. MEMBER: Read it all.

Mr. STEVENS: No, I do not think it is necessary:

I have the honour to report that I have this day had a conference with the owners of the Vigilant re the matter of chartering this boat for patrol duty in Atlantic waters. As an outcome of this conference the owners of the Vigilant have made an offer to charter this boat for patrol duty on the basis of a letter addressed to me this day as follows:

That is May 9. This is a quotation now from the letter from the owners:

With reference to your favour of the 2nd instant, I am prepared to charter the steamer Vigilant to your department under the following terms and conditions:

(1) Price per month, $2,250. The department to supply the crew, fuel, deck supplies, water, food, etc.

(2) Months under charter as follows: 1927, seven months; 1928, nine months; 1929, nine months.

(3) Vessel to be reconditioned according to specifications or detailed report as rendered by your Mr. Pearson, copy of which to be furnished to us without delay.

(4) The present owners will insure the vessel for $70,000.

(5) Any coal at present in the boat your department will pay for at market price.

(6) The monthly charter payments to be paid for in advance.

(7) We feel satisfied that inside of thirty days of date of notification of charter we can have this boat ready for commission.

(8) Should the department wish to purchase this vessel at any time before the end of 1927 it is understood the purchase price will be $65,000.

(9) It is also understood that should the government purchase this vessel before the expiration of 1927 they will remit us the total cost of the insurance premium for 1927.

(10) It is understood that your department at the termination of the charter will hand over the boat to us in the same condition as received.

It is not signed, but I presume it is the Payette letter. Then Mr. Cowan proceeds:

The terms asked as the basis of the charter, namely, $2,250 for the neat vessel, is in my opinion fair and reasonable, and therefore I would recommend that the Vigilant be chartered for a period of three years on the above basis of actual service.

Then he recites again the general terms that I have already indicated.

Mr. EULER: That is what I wished read. The recommendation came from the chief of the preventive service.

Mr. STEVENS: I think we were justified on those letters in calling into question the amount being paid for this vessel, namely $2,250 a month. The point at issue between the minister and ourselves is simply this: Is the charter of this vessel at $2,250, or $56,000 for three years, plus all expenses except insurance, a fair price to pay to the owners? That is the whole question at issue.

An hon. MEMBER: Is it?

Mr. STEVENS: I submit that the price paid is very, very generous; in fact I am inclined to think excessive. The minister may justify it on the score of emergency or the difficulty of securing vessels, but I venture to say that a boat as suitable as this could have been secured at a lower rate.

Mr. CAHILL: Where?

An hon. MEMBER: On the Clyde.

Mr. STEVENS: Yes, I expect you could, but I am not suggesting that you should go to the Clyde. I say that is the issue. I do not think that the facts which I have recited will be disputed. Will the minister now tell us what has been spent by the government in operation, upkeep and repairs on this vessel since the charter date, namely, May 20, 1927?

Mr. EULER: At the outset let me say that it was extremely difficult to get a boat. There was an emergency; we had no boat on the Atlantic coast; a great many rum-running vessels were operating there; we had to do something speedily. Owners of boats of a similar type demanded as high as $4,500 a month. I merely leave it to the committee whether $2,250 is a fair and reasonable amount. The question has been asked, what it has cost to operate this boat. It cost in the neighbourhood of $5,500 a month. In my opinion that is too much. As a matter of fact, as I said last night, we are getting rid of all the privately-chartered boats, and within a very short period we will have only our own boats, properly equipped. One of the reasons why we do not propose to purchase this boat is because it costs us too much to operate it. We can build one of our own and operate it at 50 per cent less. A boat that we own, the Margaret—it is known to everybody—actually costs us $13,500 a month to operate. It costs something to protect the customs revenues on the coast. I am not sure whether my answer is sufficient.

Mr. STEVENS: No. Will the minister be good enough to tell me how much has been spent since the date mentioned, May 20, 1927, in operation, upkeep and repairs—the total amount?

Mr. EULER: I am informed about $6,500 for the annual overhauling. It was done last winter at Halifax in the navy yard.

Mr. STEVENS: What has been the cost of operation?

Mr. EULER: At the rate of $5,500 a month outside the charter.

Mr. STEVENS: Does that $5,500 a month include the months the boat was tied up?

Mr. EULER: No, that is the cost of operation during the months she is in actual service.

Mr. STEVENS: How much did it cost when she was tied up?

Mr. EULER: About $200 a month—two watchmen on the boat; that is all.

Mr. ARTHURS: How many months was she tied up?

Mr. EULER: Three months in each of the last two years.

Mr. STEVENS: From May 20, 1927, to May, 1928, she has cost $38,500 for operation, $6,500 for repairs, and $2,250 per month for charter. Now one other question. Is the insurance kept up? I know they are obligated to pay it, but have the owners kept up the insurance or has the department paid it?

Mr. EULER: It has not expired yet. I might say also with regard to costs that we have a boat called the Bayfield, loaned by the Department of Marine, which costs almost as much for operation as does this boat we have under charter. And it is our own boat, costing nothing for charter fee.

Mr. BLACK (Halifax): I understand that the minister rather indicated that what I said last night applied to the purchase of the boat.

Some hon. MEMBERS: Oh, oh.

Mr. BLACK (Halifax): My remarks—

Mr. EULER: I didn't indicate it; I said it.

Mr. BLACK (Halifax): My remarks applied to the charter of the boat particularly. If I said anything improper or that should be retracted with regard to the minister I am perfectly willing to withdraw it. I did not of course make any charge of graft or anything of that kind against the hon. gentleman himself. There are many points in connection with the boat which I could discuss but I will not take up the time of the committee doing so, because I feel it would be useless; the item would carry under any circumstances. But I will say this with regard to the charter: First of all I believe that the department that sold the boat got all she was worth when they sold her. She was twenty-four years old, useless for anything except for yachting purposes. If you tell me that any sane man would buy a boat for pleasure, an antiquated yacht twenty-four years old, then I say such an individual cannot be found. And that was the only purpose she was fit for. I will say further that in order to make her seaworthy I am almost certain, from my knowledge of shipping, that the engines were not fit to operate the boat; they had to be taken out and new ones put in. And unless some arrangement were made for chartering the boat no sane man, in my judgment, would spend $30,000 equipping her unless for some special purpose.

Mr. EULER: The naval department said they were in first-class condition.

Mr. BLACK (Halifax): If that boat were for charter to-day I would defy the owner anywhere to get $1,000 a month for her, on the terms of the charter under which she is at present employed. That is an excessive amount for the boat. I believe $750 would be a much more equitable and fair arrangement.

Mr. EULER: I want to ask a fair question. Could the hon. gentleman give me information—knowing about ships as he does—where in Halifax or anywhere else we can get two boats at $1,000 a month—boats similar to this? If we can get them and they are seaworthy we will take them at $1,000.

Mr. BLACK (Halifax): I cannot at the moment, offhand. There are not many such boats afloat. She was built for a yacht.

Mr. EULER: She was built by the government of Canada for patrol on the lakes.

Mr. BLACK (Halifax): Where is my hon. friend from Antigonish-Guysborough? He is not here. But will anyone acquainted with shipping say that a boat of 243 tons, twenty-four years old, is worth $2,200 a month, without expenses, not even the lay-up expenses in the time she is off charter? The thing is absurd.

Mr. THOMPSON: Last evening, speaking on this subject, I said:

> I find that the steamship Vigilant formerly belonged to the government; almost their first official act after coming into power in December, 1921, was to sell this boat to a then Liberal member of parliament for $18,000.

The Minister of National Revenue says this is incorrect. If it is incorrect then the government themselves are to blame, because they took power on December 29, 1921. On March 22, 1928, certain questions were submitted to the government in connection with this boat:

> Mr. Ernst:
> 1. Is the patrol boat "Vigilant" now engaged in the customs preventive service?
> 2. If so, where?
> 3. Is the "Vigilant" owned by the Department of National Revenue, or under charter?
> 4. If under charter, from whom, and what are the terms of the charter party?

5. Was the "Vigilant" formerly owned by the government?
6. When was the "Vigilant" sold, to whom, and for what amount?
Mr. Rinfret:
1. Yes, under charter.
2. Atlantic waters off Nova Scotia—base Halifax.
3. Under charter.
4. John Thomas Payette, Penetanguishene, Ont. $2,250 per month for period of seven months, 1927; nine months, 1928; nine months, 1929.
5. Yes.
6. 29th December, 1921 to Manley Chew, Penetanguishene, Ont., for $18,000.

Exactly what I said. This government came into power on December 29 and this boat was sold on December 29.

Mr. EULER: Did my hon. friend hear me recite the order in council under which the boat was sold by the Meighen government?

Mr. GUTHRIE: He said that if he was misled your answer misled him.

Mr. EULER: If he was mistaken he ought to make amends.

Mr. DUNNING: The answer did not mislead him.

Mr. THOMPSON: The Secretary of State, in answer to a question, said that this boat was sold on December 29, 1921.

Mr. EULER: That is the day the Governor General signed the order in council.

Mr. THOMPSON: I do not know about the Governor General signing it, but here is an answer to a plain question.

Mr. EULER: If the hon. member admits he was mistaken I am willing to accept his statement.

Mr. CLARK: He believed the information you gave him.

Mr. THOMPSON: If the Secretary of State gave an incorrect answer—

Mr. DUNNING: He did not.

Mr. THOMPSON: From the papers produced on the floor of the house, the negotiations were entered into prior to that date, although the sale was not completed until after this government came into power. I never found any fault in my remarks with the price obtained.

Some hon. MEMBERS: Oh, oh!

Mr. THOMPSON: Some gentlemen are laughing. But turn to page 3580 of Hansard and see whether you can find any remarks of mine finding fault with the price paid for the boat. It is true the minister read certain letters from personal friends of Mr. Chew and of Mr. Payette giving their ideas as to the value of the boat. A boat is worth what you can get for her, the same as a house. The figures read by the minister to-night are very interesting as to the value of the boat, showing what practical men were prepared to give for her—men who were in need of a boat. Take the firm of Keenan Brothers, Owen Sound, who wanted a boat of this type. They examined her, and what were they prepared to give for her? Five thousand dollars. Mr. Callaghan of Toronto made an offer of $6,600 for the boat.

Mr. EULER: I gave those figures before.

Mr. THOMPSON: Certainly. These were practical men who wanted a boat and this is what they were prepared to give for this one. The Anglo Coal Company, Limited, of New Campbellton, N.B., offered $10,500, and Captain Curry of Toronto offered $12,000. The government refused to accept these offers, considering them too low. As the minister has said, she was advertised again and some man offered $25,000, but his terms of payment were so unsatisfactory that they could not be accepted. Then this same man who offered $25,000 offers $18,000 at a later date, this time all cash subject to inspection. Apparently he inspected the boat and found her unsatisfactory, because he withdrew his offer. Then Mr. Manley Chew came along and submitted an offer of $18,000, payable $5,000 cash and the balance on or before July 1, 1922, without interest, and the government accepted that offer. I am satisfied that the price paid by Mr. Chew was satisfactory.

Mr. EULER: May I tell my hon. friend that the price was never criticized by myself or anyone else from this side of the house; it was criticized by hon. gentlemen opposite.

Mr. THOMPSON: I did not criticize the price received for the boat, but I criticized the rental being paid. Here is a boat sold by this or by the then government for $18,000.

Mr. EULER: Not by this government.

Mr. THOMPSON: By the government of the day, and it is claimed that $30,000 was spent in repairs. The papers are not brought down and there is nothing to show how this amount is made up. I would like to know in whose machine shop these repairs were made, it would be interesting to know how that amount was spent. But even taking the figures of the government as correct, we have a total of $48,000. This boat is chartered; she

cost $48,000 altogether and the government will pay $56,250 for twenty-five months' use. If that is not extravagance I do not know what it is. Another point on which I would like a little information is this: I understood the minister to say to-night that it cost $6,500 for repairs. Is that correct?

Mr. EULER: For the annual overhaul.

Mr. THOMPSON: When was that paid?

Mr. EULER: It was last winter's overhauling in our own yards at Halifax.

Mr. THOMPSON: Was there any amount paid?

Mr. EULER: Approximately $6,500.

Mr. THOMPSON: When was that paid?

Mr. EULER: I have not the exact date at the moment; it may not be paid yet, but that is what it is going to cost.

Mr. THOMPSON: I think that is correct, because the impression I got from the minister was that this money had been paid already. Now I understand him to say that it may not have been paid as yet.

Mr. EULER: I am not certain, but it is going to cost us that much anyway. The work was done in our own yards by the Dominion government, without profit. Whether or not it has been actually paid I do not know, and it does not matter particularly because we will have to pay it anyway.

Mr. THOMPSON: The reason I am asking is because the question was asked as to how much the government had spent on repairs for this boat, and the answer was that they had spent $1,565.18. I assume that is in addition to the $6,500 which the minister now says it will cost to overhaul the boat annually.

Mr. EULER: At the time the question was placed on the order paper these repairs had not been made.

Mr. THOMPSON: I gathered that that amount had been already paid; however, in 1927 the department paid $1,565.18 for repairs. All I have to say is that the statements I made last night were based on the answer of the government to the question I asked, and therefore my statements were substantially correct. I have nothing to withdraw and I still stand by the statement that the government are paying an extravagant rental for this boat.

Mr. EULER: If, as the hon. gentleman says, he was misled by an answer given to a question on the order paper as to which government sold that boat to Mr. Chew, does he still persist in the charge that it savoured of graft and wrongdoing?

Mr. THOMPSON: I did not say it was graft; I said it savoured of graft.

Mr. EULER: Does the hon. gentleman adhere to that statement?

Mr. THOMPSON: I say that the price paid is so extravagant that one is forced to that conclusion.

Mr. DUNNING: Why not make a charge and pledge your seat on it like a man, instead of making insinuations?

Mr. ARTHURS: As far as I have heard, no charge has been made from this side of the house that there was anything wrong with the sale of the boat. I know something about this boat; she was taken up to Parry Sound by the then government and advertised for sale after being repainted and refitted. She was advertised as being in first class, seaworthy condition. She lay there for many months and I understand that tenders were called for on two or three occasions.

Mr. EULER: Three orders in council were passed accepting offers which were never carried out.

Mr. ARTHURS: Offers were made, none of which were carried out, because there were no buyers for that class of boat. This boat was built for the Department of Marine and Fisheries twenty-four years before she was sold; she was built for the lake service and was absolutely no good for carrying cargo or passengers. Her general lines were more those of a yacht than anything else. She was of no use for visiting the various resorts on the great lakes or taking the inside channels on account of her great draft; in proportion to her size she was too deep for that part of the country. The result was that she was unsalable, and I believe that when the government secured $18,000 for her they got twice what she was worth in the ordinary market. If we consider the sale of other boats, about which there is no question of what government sold them, we can show some horrible examples of prices obtained. I hold in my hand the answer given to a question on May 3, 1926, regarding certain boats sold by the present government. The question was:

Are the following ships: Emperor of Havana; Emperor of St. John; Emperor of Fredericton; Emperor of Montreal; Emperor of Midland; carrying on a service between Canada and Cuba?

Were these ships formerly the property of the Canadian Merchant Marine? If so, what were the respective names at that time?

What was the cost of each, and the price at which each was sold?

I will not go into the details; I will just give the cost of these boats and the price for which they were sold by the present government. They were not twenty-four years old, but were in seaworthy condition. The Canadian Sailor, afterwards the Emperor of Havana, cost $690,409.84 and was sold for $40,000.

Mr. DUNNING: Will my hon. friend say what government built that boat, and what government paid for it?

Mr. ARTHURS: We are not talking about what government built it; we are talking about what it was sold for. This government sold those boats.

Mr. DUNNING: Last night my hon. friends insisted on knowing who sold the other boat, and if there is any question of value, let my hon. friend say who built the boats.

Mr. ARTHURS: My hon. friend can talk afterwards; I am going on with this list. The second boat was the Canadian Warrior, later changed to the Emperor of St. John.

Mr. DUNNING: If you want to rake up a scandal in the merchant marine—

Mr. ARTHURS: The Emperor of St. John cost $819,671.26 and was sold for $40,000, less than five per cent of her original cost. This was an up-to-date boat, absolutely seaworthy in every respect, and not twenty-four years old as was the Vigilant.

Mr. EULER: I would like to know what point there is in this discussion with regard to the estimates.

Mr. ARTHURS: The whole discussion this evening, Mr. Chairman, has been regarding the price of the Vigilant, and I think I am perfectly justified in making a comparison. The next boat, the Canadian Sower, afterwards known as the Emperor of Fredericton, cost $716,856.63 and sold for $40,000. I could go on with the other two or three boats, but they were all sold for an average of less than six per cent of their cost. They were practically new boats and they were sold to the president of the Liberal association, I am led to believe, in a certain county in the province of Ontario.

Mr. DUNNING: Which boats?

Mr. ARTHURS: Sold for the purpose of going into direct competition with our own boats on established routes on the Atlantic.

[Mr. Arthurs.]

Mr. MANION: Better not ask that again, or we will tell you.

Mr. ARTHURS: So far as the Vigilant is concerned, the minister has stated that this boat was sold for $18,000. He has stated that repairs amounting to $30,000 were put upon her, but he has only the word of the charterer for those repairs. I am confident that my hon. friend from East Simcoe (Mr. Thompson) would know if any material repairs were made on a boat located in Midland harbour during all the ensuing years. As a matter of fact we are paying the owners of this boat more than the entire cost of the boat every season, and keeping it in perfect condition in addition to that. We have agreed to return the boat in the same condition as we got it. The boat was twenty-four years old when it was chartered, and I think the whole question is whether we are paying a reasonable price for the services of this boat. We have been told that there was an emergency, but this emergency has been there right along. The rum runners were down on the coast last year as they are this year, and they were there the year before; they have been there all the time. If there was an emergency, why charter a boat for three years at an excessive cost? That is what we are questioning.

Mr. EULER: It would be quite impossible to get them to charter the boat unless it was taken for a period of time, because large expenditures had to be made.

Mr. YOUNG (Saskatoon): I want to quote from Hansard, page 3588, so that we will have the whole thing on the record.

Some hon. MEMBERS: Louder.

Mr. YOUNG (Saskatoon): I am going to read this if it takes half an hour.

Mr. SHORT: You started it last night; go to it.

Mr. YOUNG (Saskatoon): If the hon. member is through with his foolishness, I will begin. If that is his usual behaviour, I am surprised at anyone sending him as a member to this house. Hansard reads as follows:

Mr. Black (Halifax): Did I understand the minister to say that that boat was sold for $18,000 and that she is now worth over $100,000?

I want to draw the attention of the house to the fact that this is the first remark made

by the hon. senior member for Halifax. I will read it once more:

Mr. Black (Halifax): Did I understand the minister to say that that boat was sold for $18,000 and that she is now worth over $100,000?

Mr. Euler: I did not say over $100,000; I said she was insured for $75,000.

Mr. Black (Halifax): You said she was insured for $75,000 and I am perfectly satisfied that she was valued at $100,000, because she could not get full insurance. The minister also said that at that time boats were cheap. I want to tell him that boats are no more expensive now—they are just as cheap to-day—than they were when she was sold for $18,000.

Mr. Euler: We have not purchased the boat.

Mr. Black (Halifax): That transaction savours of graft and wrongdoing and someone has put money in his pocket. I do not hesitate to say it.

Up to that point there is not one word in the whole speech except—

Mr. SHORT: Read what Mr. Euler says in regard to that.

Mr. YOUNG (Saskatoon): There is not one word in the discussion last night with respect to the leasing of the boat.

Mr. SHORT: What did Mr. Euler say?

Mr. YOUNG (Saskatoon): I will read that:

Mr. Euler: Do you suggest that we are paying too high a rental?

I rise only for the purpose of putting this whole thing on Hansard, so that anyone reading it will have it all together.

Mr. MANION: I am sure my hon. friend wants to bring the whole matter out, but on page 3588, just a few lines down, the following appears:

Mr. Black (Halifax): Let us see a copy of the charter.

Mr. YOUNG (Saskatoon): That does not matter.

Mr. MANION: It just shows that he was talking about the charter.

Mr. YOUNG (Saskatoon): I rather sympathize with the hon. member for East Simcoe (Mr. Thompson) to-night. Apparently when he asked a question in the house some time ago as to the date of the purchase, he came to the conclusion that it was a Liberal government which sold the boat to a Liberal supporter, and he immediately concluded there was something wrong with the sale.

An hon. MEMBER: It would naturally make you suspicious.

Mr. YOUNG (Saskatoon): Unfortunately I must say that there are some hon. gentlemen opposite who suspect everything, and I have my own suspicion about anyone who suspects everything of being wrong. I think he made as plausible an explanation to-night as he could under the very embarrassing circumstances, but I would like to quote what the hon. member for North Simcoe (Mr. Boys) said last night—page 3587 of Hansard:

Mr. Boys: One of the reasons is that it was sold a little too cheap and sold to a supporter of the government at the time, which in itself invites criticism. The hon. member for East Simcoe has gone so far as to suggest that the whole transaction savours of graft.

I merely quote that to show this; at least one hon. member, from a constituency very close to the other hon. member, construed the remarks of the hon. gentleman that way. All the circumstances have been related to-night by the Minister of National Revenue. The boat was sold for $18,000, and it would seem that the government got all the boat was apparently worth at that time, or at least all they could get for it. It is apparent that the hon. gentleman put a wrong interpretation on the whole transaction.

Mr. CANTLEY: I should like to get the discussion around to a point rather more harmonious. I refer to a remark made by the minister that we on this side of the House are inclined to attribute dishonesty to all our opponents. I am not making any particular claim for honesty myself and I will take the committee into my confidence and say that my forebears on my father's side were originally and for generations, pirates on the coast of Aberdeenshire. My mother's progenitors were, I know, cattle lifters from Inverness. Both these occupations were counted the professions of gentlemen at that time.

To return to the subject matter of debate, this vessel, the Vigilant, is an old boat. I remember distinctly when she was built in Polson's yards at Toronto in 1904. Indeed I think we forged the main shafting for her as well as the stem stern post and recorder frame, at New Glasgow.

Mr. DUNNING: It was a good shaft too.

Mr. CANTLEY: Certainly it was a good job and she is afloat yet. The question comes up of the value of the boat at the time she was sold. I think she was well sold when she was sold for $18,000. That is proved by the circumstances. Mr. Chew paid $18,000 for her and two years after was content to sell her to Payette for $13,000, dropping $5,000 on the transaction. That, I think, is disclosed by the papers laid on the table.

Mr. EULER: No.

Mr. CANTLEY: If the Minister will look over them I think he will find I am correct. Mr. Chew was evidently not able to complete payment of the balance due for the vessel and deposited with the government Payette's cheque for $13,000, in settlement of the balance due on the purchase price of $18,000. Payette's cheque of $13,000 was given Chew in payment of the purchase of the vessel from him for that amount. Chew was evidently content to drop $5,000 on the transaction. Chew paid Payette's cheque over to the government so that he could get title to the vessel and turn same over to Payette, who had bought her from him. The minister has made a comparison between the hire paid for the Vigilant and that paid for the Hochelaga. I should like to point out to him one or two pertinent facts: The Vigilant has not classification at Lloyd's. Her name does not appear in Lloyd's register at all, having simply been wiped off the register books when she failed to comply with the requirements as to classification and registration at Lloyd's. The Hochelaga on the other hand is classed "100 A1", and her record is clean and complete up to the last issue of Lloyd's register, 1928. The Hochelaga was built by one of the most celebrated firms in Great Britain, as a yacht for one of the royal personages of Europe, built under Lloyd's special survey with extra heavy scantlings and platings, for navigation in northern waters, and was a beautifully finished, high-powered craft.

Mr. EULER: We obtained a first class certificate from the marine inspector for the vessel when she left Midland after she was overhauled.

Mr. CANTLEY: Probably the department did, the owner had to get that or she would not have received a clearance from customs, but that was only a temporary certificate and to the effect, in short, a certificate that her boilers were fitted to carry a certain steam pressure. The fact remains that the vessel has no classification at Lloyd's, whereas the Hochelaga, built years after the Vigilant, maintains her class.

The minister referred to myself when discussing the matter of depreciation and insurance. A vessel of her class,—I mean a steel vessel—should be insurable for, say, ten per cent per annum with a return in the premium clause to the effect that if she has no casualties during the year, one per cent shall be returned. making the net insurance nine per cent per annum. The vessel's depreciation should not run to more than five per cent, which would wipe off her value in twenty years.

[Mr. Euler.]

Mr. EULER: She is old and she would surely depreciate more rapidly.

Mr. CANTLEY: According to the minister they spent $30,000 on her.

Mr. EULER: That will depreciate.

Mr. CANTLEY: She cost originally $124,000, and if five per cent had been written off yearly, her costs would have been reduced to $18,600 or within a few hundred dollars of the amount for which the government sold her to Chew.

Mr. EULER: I think we are forgetting entirely that Mr. Chew himself spent some $10,000 or $12,000 on her before the $30,000 was spent by himself or Mr. Payette.

Mr. CANTLEY: Possibly he did, and all I have to say is that any man or group of men who would spend $30,000 on that old craft, then over twenty years of age, built on the upper lakes a quarter of a century ago with light yacht scantlings and platings in proportion, would be very foolish.

Mr. EULER: I am inclined to agree with my hon. friend, but the supposition on the part of Mr. Payette was that it would not cost him more than $15,000. He found, when he got at the work, that it cost him nearly $30,000, and this is one of the reasons why Mr. Chew dropped out.

Mr. CANTLEY: Evidently he did not know what he was doing.

Mr. EULER: That might be true.

Mr. CANTLEY: That is the general experience of most men who pick up old vessels and try to make new ones out of them. I have endeavoured to show what would be written off the hire for insurance and depreciation, which I think, would amount to $8,100. This, deducted from the season's hire of $20,250, leaves $12,150 for the owner, or about thirty-two per cent or close to one-third of the cost of the investment. The man who has his vessel insured up to its full value, with five per cent depreciation and thirty-three per cent on his investment, is doing very much better than the average ship-owner. I think a hire rate of $1,500 per month, which is much more than the hon. member for Halifax would allow, would be a pretty generous rate to pay for that craft.

I turn now to the so-called charter party. It is not really a charter party at all, but an agreement for hire with an option to purchase. I do not know who wrote it—probably Mr. Cowan—but it is evidently gotten up by somebody who has had little experience in shipping

Why such an agreement was adopted by the minister, rather than the ordinary charter form, I do not know. There are several charter forms in general use and well known in the trade,—the "Baltic" form, the "A.B.C." and several others to which I do not need to refer because they deal with special trades. As to clause 5 of the agreement which reads:

Any coal in the bunkers of the vessel at the time she goes into commission shall be paid for by the party of the second part at market price.

May I ask the minister why this clause was inserted?

Mr. EULER: I presume because it was their property and we were going to use it. We bought it. That is all.

Mr. CANTLEY: I understand this vessel is now driven by internal combustion engines, and not by steam.

Mr. EULER: No.

Mr. CANTLEY: Who made the statement that she was?

Mr. EULER: I do not know.

Mr. CANTLEY: The statement was, I think, made last night that this vessel had been fitted with internal combustion engines.

Mr. EULER: That was another vessel altogether.

Mr. CANTLEY: A discussion arose as to whether they could be bought abroad.

Mr. DUNNING: That was a different vessel.

Mr. CANTLEY: If it was, I beg the minister's pardon. I misunderstood him. The minister made a comparison between this vessel and the Bayfield. The Bayfield is practically forty years old. Will he make any comparison between the Hochelaga and the Bayfield? He paid $4,500 a month for the Hochelaga, a pretty stiff hire, but he was getting a good vessel, and the question arose in the maritime provinces why the Hochelaga was taken off the service.

Mr. EULER: She did no more work I am informed than the Vigilant.

Mr. CANTLEY: She did no more work?

Mr. EULER: No.

Mr. CANTLEY: How much work did the Vigilant do? How many captures did she make? I understand that nothing from nothing leaves nothing, so they are about even. But one vessel has been on the route for something over a year, and the other vessel has been on for only two or three months.

The other curious fact in regard to this transaction is this: Instead of the vessel being delivered where she was to be employed, as is the usual custom, delivery of the vessel was taken at her home port in the lakes, and the department bore the entire cost of transferring her from Midland down to the Atlantic coast, where she was intended to operate, and then, after taking care of her over the winter while not in the government employ, they undertook on the completion of her hire period to return her again to Midland to her home port. That is fine for owners but it is not business.

Now I refer to the question of the department looking after the vessel during the time she was laid up. That is an obligation of the agreement; I will not call it a charter. Some reference was made last night to another vessel that for some time was in the custody of the government, under this same department, —the Longley case—but there they were not so particular as they bound themselves to be under this agreement in regard to this vessel.

A good deal more might be said in regard to the matter. I do not think the minister acted very wisely in leaving this matter to the gentleman who carried on the negotiations and concluded the agreement for hire to which he refers. I think the minister would have been better advised if he had turned the matter of chartering the vessel over to somebody in the Marine department who was acquainted with business of this character. This is more like a farmers' agreement than a charter party. It is not a charter party, and by no stretch of courtesy could it be called a charter party. However, such as it is, it will be sufficient to call for very considerably more by way of hire than I think the vessel is worth.

Mr. ROBB: May I say to the committee that we have now spent two hours discussing this interesting question, and possibly it is about time that we returned to the item under consideration, and attempted to make some progress.

Mr. IRVINE: I was just about to make the same remark, and I wish the minister had made it an hour ago. If we spend as much time discussing approximately $200,000,000 as we have spent discussing this amount of $2,000 per month, we shall not only need higher indemnities, but our funeral expenses as well. I think that hon. gentlemen to my right have established that perhaps we are paying too much rental for the vessel, but it is under a contract that does not expire for another year, and I cannot see that we can do anything to alter it. I think also that the minister has done justice to himself in answering the

charges of graft in respect to the chartering and sale of the vessel. It is only a small boat of two or three hundred tons, and after all this discussion, if it had been a sailing boat it would have been blown off the seven seas long ago.

Item agreed to.

DEPARTMENT OF MARINE AND FISHERIES

Ocean and river service—radio service—to provide for the general improvement of reception conditions to licensed broadcast listeners, $190,000.

Mr. LADNER: I share with the Minister of Finance the desire to expedite the business of the house, and normally I would have hesitated to make some remarks with respect to this item, but when I find that 458,026 persons, citizens of Canada, have signed a petition, addressed inadvertently to the Prime Minister of this country when it should have been addressed to the members of the House of Commons, protesting against the arbitrary manner in which the radio licenses in question had been cancelled, I think it is a subject matter for consideration by hon. members of this house.

It appears that of the 458,000 citizens who signed this petition, which has since been presented formally to the Prime Minister, making two or three cartloads, 82,468 were owners of radio sets. Why have these people registered such a vigorous protest? That is a question which enters my mind. I have taken occasion to examine the official data as well as the data supplied by the International Bible Students' Association with regard to this matter. I have no brief for the International Bible Students' Association. I am not identified with that organization in any way, and I believe that I can in a dispassionate manner, therefore, make some observations which should be pertinent to the controversy.

In my judgment there has been hasty action. Knowing the minister as I do, I cannot believe that either he or his deputy were apprised of all the facts before this arbitrary step was taken to cancel the license of this organization. I find upon examination of the official and other documents that since August, 1926, a radio license has been granted to the International Bible Students' Association; that the Universal Radio of Canada, Limited, is a commercial organization, "to sell time on the air," to use their expression. Their call letters are CJYC. They received on January 18, 1926, a license on certain terms. The terms were that that organization would build a broadcasting station some eleven miles outside the city of Toronto. In compliance with that condition of the license, that radio station was built. These licenses—they are several in number—were, according to the record I have seen, cancelled on three weeks' notice, and practically no reasons were given for the cancellation. This organization had radio licenses almost four years ago. In November, 1924, a license was issued to them for broadcasting at Saskatoon. On April 1, 1926, licenses were issued to Edmonton and Vancouver.

Now, Mr. Chairman, it is apparent that the International Bible Students' Association, and the organization known as the Universal Radio of Canada, had been established in this country for a considerable time, recognized by governmental authorities, and granted the licenses or privileges to broadcast their ideas. I am not contending that the views so broadcast were good, bad or indifferent; I do not know anything about them; I never heard any of their programs and I have read very little about them. But I do know that whatever they were broadcasting had the approval of the government for four years, and that when those rights were cancelled the organization, having enjoyed those privileges for four years, was not told: Now, complaints have been registered against you; come before this department and justify your broadcasting or satisfy the complaints which have been made, otherwise we will cancel your license. That course of action, I consider, would be the fair and square way to deal with the situation. I submit there is a serious responsibility upon the minister to explain why this arbitrary action was taken. The minister stated that certain complaints were made.

Now, a gentleman by the name of Walter Frederick Salter, whom I happen to have known for over sixteen years, and whose integrity and standing are beyond reproach to my personal knowledge, has made a statutory declaration dealing with this question. He is the vice-president and general manager of the International Bible Students' Association of Canada. The minister will recall that he tabled a return of the correspondence that had passed between the Department of Marine and Fisheries and certain people throughout the country. Mr. Salter in his declaration, which was sworn to on May 12, 1928, declares in paragraph 2:

I have examined carefully the correspondence tabled by the Department of Marine and Fisheries in the House of Commons in response to the request for said correspondence by J. S. Woodsworth, member of parliament for North Centre Winnipeg; on behalf of A. A. Heaps, member of parliament for North Winnipeg, and find the letters of divisional radio inspector S. J. Ellis of Toronto contain statements which I declare are incorrect, viz.:

(a) That we employed 100 returned soldiers to canvass for names to the petition of protest. The fact is that we did not employ any-

one; that all the work was done freely and voluntarily by workers throughout Canada, some of whom were members of our association; some of whom were citizens indignant at the action of the government; and some of whom were returned soldiers, but the number of returned men working in Toronto could not at the outside number more than half a dozen. No one received payment for securing names to the said petition.

Then he answers several other accusations and reviews the nature of the complaints, and in paragraph 3 declares:

Considerable of the correspondence—

That is, in the return.

—refers to the activities of the said association prior to the issuance of radio broadcasting licenses and is therefore not relevant; three items refer to Vancouver, five to Edmonton, six to Saskatoon, and the balance of the correspondence to Toronto, which may be divided as follows:

(a) as to programs, 14; (b) interference, 44; (c) miscellaneous, 22.

So you will find from these facts, Mr. Chairman, and from the further analysis which is made of the correspondence, that the objections are comparatively few in number. On the other hand, when the license was cancelled it will be observed that over twenty thousand letters expressing appreciation of the programs were forwarded to the Department of Marine and Fisheries and duly acknowledged. Then large meetings were held in various parts of the country.

Now, I shall be interested in learning from the minister why these licenses were cancelled without the parties directly concerned being given an opportunity of modifying their programs, shortening their wave length or reducing the time; in other words, why were they not allowed to do something to meet the objections raised, or why were not some means suggested by which they could satisfy those objections? The fact is, as I have stated, no opportunity was afforded them. Arbitrarily the department wiped them off the air and thus deprived nearly half a million people of the right of listening to programs which they claim they enjoyed.

I appeal to the minister to act in the spirit of British fair play and in the spirit of true British justice, which we find prevailing in our courts. In this case an established right had been granted by the government and exercised for years. As we have seen by the return, the objections to the programs broadcast by the Bible students' association were comparatively few, while those interested in their continuance number nearly half a million. In view of these facts I submit to the minister that it is not too late for him to right the wrong which appears to have been done to a very large number of people. From my knowledge of the minister, I believe he is broad enough and big enough and in his outlook so statesmanlike that with all the facts now before him he will not hesitate to wipe out this injustice and introduce a policy which will meet with general approval. In my judgment it does not matter whether the government intends to formulate a national policy for the control of radio. I observed that when the subject was discussed this afternoon a large number of members on the government side expressed disapproval because of the difficulties involved in the carrying out of such a policy. But whatever the future policy of the government may be, it seems to me only fair and reasonable at this juncture that these people should be restored to their original rights. Then the department will be in a position to follow the usual procedure, that is, allow the parties a hearing so that the matter may be gone into fully before final action is taken. This is the only just and reasonable course to pursue. I repeat, Mr. Chairman, that I have no special interest in this matter beyond my sense of duty as a member of this house to see justice done to Canadian citizens, no matter from what part of the country they come, no matter what creed they adhere to, no matter what political views they entertain.

Mr. IRVINE: Mr. Chairman, before making a few remarks on this item, I desire to ask the minister if any other denominations at the present time hold licenses similar to the license cancelled by the minister and to which cancellation hon. members have taken objection.

Mr. CARDIN: I am informed there are two: one is held by the United Church of Canada, operating a small station in Vancouver; the other by the Christian Missionary Alliance, operating a small station at Edmonton.

Mr. IRVINE: I think the hon. gentlemen who have already spoken on the question of the cancellation of the license of the Bible students' association have presented all the facts necessary to be brought to the attention of the committee or the minister. The hon. acting leader of the opposition (Mr. Guthrie) the hon. member for Winnipeg North Centre (Mr. Woodsworth) and the hon. member for Vancouver South (Mr. Ladner) have, I think, covered the ground thoroughly in respect to the facts. I wish the minister would tell us now that he is prepared to reconsider the question and to place the Bible students on

the same basis as any other denomination in Canada. If he would do that he would save a lot of discussion and hon. members would get home earlier. I do not wish to censure the minister for his action. I can understand that he would receive information of a kind on which possibly he might have acted hastily. No doubt there were people interested sufficiently to use whatever means were available to obtain the cancellation of the Bible student's license, and they, acting without the knowledge of the Bible students, were able to present to the minister a strong reason why the license should be cancelled. Now that the other side of the question has been investigated and information is at hand, I feel that the minister in his fairness will be prepared to reconsider the matter.

The committee is aware of the great stir which this cancellation has created throughout Canada. I discuss the matter now not only because there are involved certain principles which I wish at all hazards to safeguard, but also because the people of my own riding have taken a very decided interest in the matter. I have received numerous letters from all sections of the constituency, as well as resolutions passed at a great many public meetings, and I have been urged to do what I can to induce the minister to change his attitude in respect to the cancellation of this license.

The hon. member for Winnipeg North Centre sets forth the reasons given for the cancellation. He lays emphasis on the fact that a very considerable investment had been made both by the Bible students and by Universal Radio of Canada, Limited, and he points out that by the action of the minister these investments are practically lost. He also advanced reasons why the reconsideration which I am asking for should be given. Along with the other hon. gentlemen who have spoken, I wish to urge the minister to reconsider his decision. I make a plea on behalf first of all of toleration. I do not necessarily agree with the Bible students; I do not know whether I agree with them or not. I do not know enough about them. Indeed, I do not care whether I agree with them or not. I know I do not agree with a great many other people but that does not trouble them at all, and it troubles me less. But there is certainly no good reason why we should attempt to shut off in any way organizations or individuals with whom or with which we do not agree. As was pointed out by the hon. member for Winnipeg North Centre, we fought this battle for so-called liberty long ago; our forefathers, we had hoped, had decided the question. We do not wish to have to fight it over again. Now, the question here involved is this: discrimination has been shown in respect to radio licenses merely because an organization criticizes other people and differs in its religious views from others. Is that the slightest shadow of a reason why they should be prohibited from using the air with the same liberty as any other organization? Toleration, then, is the first principle on which I make my plea to the minister to reconsider his attitude. To suggest that religious teaching must be censored by anybody is to go a long way indeed; and merely because this organization has been objected to by other denominations is no reason why its license should be cancelled. If that were a reason for the cancellation of the license, what should be done in this parliament? Have we not heard condemnation and counter condemnation this evening on the part of both major parties? Yet there is no censor to come along and muzzle either opposition or government; they go on forever, like Tennyson's brook. The principle is the same with respect to radio.

I say with regard to the Bible students' association that if they have said things about competitive bodies—if I may put it that way—if they have criticized other religious organizations, then the Bible students themselves will lose thereby. We are not the guardians of their faith, neither are we the judges as to who is right or wrong. We must leave the responsibility with these bodies concerned and give them all equal liberty. I repeat if the Bible students have said things about the Presbyterians or the United Church or any other religious body, which statements are considered by these bodies as improper, it will not hurt them; it will reflect on the Bible students. It will ultimately bring its own reward. We can safely leave that to take care of itself. The hon. member for Winnipeg North Centre referred to the charge that they had hogged or monopolized the air. That is a matter for the discretion of the department; the department should be able to regulate these matters without difficulty.

I ask for the Bible students' association equal liberty in the case of the air. A few minutes ago I asked the minister the question whether there were other organizations of similar character now holding licenses to broadcast. I am informed there are. If that is the case I submit that the minister must either cancel those licenses or allow the Bible students to go on the air also. I am not very much interested which he does. If he wishes to cancel the licenses of all religious

bodies that would suit me perfectly well. There is plenty of room on the platform for everybody. I understand that the air is a limited avenue after all, and it has to be controlled. I am not offering any criticism on that score. But I do criticize the selection of one group for treatment of this sort while the others go free. If the minister will cancel all these licenses of religious bodies and say that henceforth we shall not have religion on the air—I am not sure whether you have it anywhere else anyhow—if he will say that from now on we shall keep the air clear of religion, that is a logical position to take and I have no criticism to offer. But when he says that he is going to shut out these particular users of the air, then I take issue. We cannot lay that down as a principle. It is unsafe, unsound and unfair; it cannot be justified. I insist therefore that all religious bodies shall have the same opportunity to broadcast, or, in the alternative, that all shall be prohibited absolutely. As I say, I am not interested which of the two courses the minister follows.

With regard to the policy which may sometime be evolved respecting the control of radio, I have this to say. I favour government control; individuals and corporations have controlled everything on the earth and everything beneath the earth; I hope they are not going to control the air. I would suggest that the government now take charge of the air while there is an opportunity to do so, and I suggest that when they lay down their policy they use the air for two things, education and entertainment. I hope they will not put politics on the air at all, because that is propaganda and certainly is not educational, especially when the two parties are in conversation with each other.

Mr. McMILLAN: And the third party wants to clear the atmosphere.

Mr. IRVINE: I am afraid the party who has just spoken has not cleared it very much; he has befogged it a little more. If we are going to have the politicians on the air I am afraid we will have many more recriminating remarks than were made by the Bible students; I am afraid we will have much more inaccuracy, and I would certainly insist that I have a right to the air equal to that of the Prime Minister or the leader of the opposition, because I suggest that the matters I talk about are to my mind equal in importance to the matters they talk about.

I would confine the air to educational and entertaining features, particularly scientific matters. I would put the best scientists in Canada on the air to teach the people the latest achievements in the realm of science. Then let me insist that we cut off all advertising, whether it be the advertising of cigarettes or of booze. I even think it might be a good job to cut off the newspapers as well, because the kind of news they send out over the radio is not enlightening; it is the cheapest sort of scare headline material and it is unfit for children to hear. Why should we want to know about a murder in Shanghai or a robbery in New York? That is rubbish. If we are to have news come over the radio I suggest that the government see to it that we have real news, news about life and about the great problems of the modern world instead of reports of the robberies which take place from day to day.

An hon. MEMBER: How can we control New York?

Mr. IRVINE: We are not worried about New York; let New York control itself, because we are having all we can do to control Canada. I insist that we take charge of our own radio and control it, and that we lay down the principle that only education and entertainment shall be broadcast. There should be no advertising whatever and no political talks, and certainly much of the news which is now on the air should be either severely censored or cut off entirely.

I want the assurance of the minister that the present discrimination against the International Bible Students' Association will be removed immediately. I notice that in the supplementary estimates there is an item for a commission to investigate the question of radio. I do not know whether that is to deal with this particular problem, but I suggest to the minister that it is not necessary for a royal commission or any other kind of a commission to carry on an investigation in order to find out whether discrimination should be practised against one religious body. I think at this moment parliament is perfectly capable of dealing with that question. If the commission is to be appointed, let it investigate the broadcasting problem in general and lay down a general policy for the government, by which we may have proper control of the air. I maintain that parliament must settle this point as to the principle of equal opportunity, and I believe parliament is prepared to settle it now. I urge that the minister now give us the assurance that this discrimination which I have indicated, which has come about either by mistake or by haste on the part of the department, shall be immediately removed.

Mr. CAMPBELL: If the minister is prepared to give us such an assurance as the hon. member has asked for I shall be glad to sit

down, because I presume the debate will end, but since I do not see the minister making any move to do so I have a few remarks I should like to make. I have received letters from many of my constituents with regard to this matter, not merely from members of the International Bible Students' Association but from very many people who belong to other churches. These are people who, in their religious life, do not accept the teachings of this association; they have very little use for the doctrines enunciated and the principles laid down by that body but they have a respect for the principles of free speech, of toleration and of liberty, principles for which our forefathers fought and for which they shed their blood. These are the reasons why many of my constituents belonging to other denominations have sent protests to me, which I feel obliged to place before this house.

In November, 1924, a broadcasting license was issued to the International Bible Students' Association at Saskatoon; in 1926 similar licenses were issued to these people in Edmonton and Vancouver, and later on in Toronto. Until recently there was no complaint whatever about the operation of these stations. In my own home I am able to tune in on their programs, but if they do not suit me I can tune out and try something else. However, I want to say that when I have the choice of having my children listen to some of the stuff which the hon. member for Wetaskiwin characterized as rubbish, and for which I would use a stronger adjective if I were not in this house—stuff that can be hardly dignified with the name of music, consisting of the poorest type of jazz; if I have to choose between having my children listen to that sort of thing as against some of the elevating and enlightening programs broadcast by the Bible students, I prefer that some of this other material be taken off the air and that the Bible students' programs be allowed to remain, even though I may not agree with their religious views. Indeed, I think the question of religion should not enter into this matter in any way; the principle of religious freedom and religious toleration was supposed to have been settled centuries ago. Who is to be the judge of whether or not these doctrines are offensive? Are we going to leave it to a member of the Roman Catholic church to say whether or not the doctrines of the Protestant sects are offensive, or to a Presbyterian to judge whether the doctrines of the Roman Catholic church are right or wrong? I think we can hardly recognise any such principle as that, and therefore I say that the government, representing the people of Canada, have no right to interfere in a question of this kind and to allow any prejudices against this religious organisation to determine their action.

As far as the records show, any complaints made to the department previous to the cancellation of the licenses were adjusted immediately by the association. I think the minister will admit that one of his inspectors states in his report that these people were very fair and always ready to adjust any complaints. On January 16 last the deputy minister of Marine and Fisheries at Ottawa granted an interview to an official of the association from Toronto. Perhaps I might quote from a memorandum placed in my hands with respect to that interview:

> —the deputy minister gave the representative of the association to understand that there were no complaints in regard to the stations generally, but informed him of one specific complaint in regard to a station in the west. As it proved, the complaint was not in connection with any of the programs of the International Bible Students' Association—

This refers to Saskatoon.

> —but in connection with a feature broadcast on behalf of another organization. Immediately steps were taken to cancel the contract made with this organization.

If that had anything to do with the final action of the department, it seems to me to be very unjust, because immediately this complaint was mentioned the contract with these other people was cancelled, and certainly no blame is to be attached to the Bible students.

Some time ago, at the department's own suggestion, station CKCX at Toronto was shifted from 291.1 metres to 475. This increased the power of the station to a very large extent and therefore interfered with American and other stations. You will find a great many complaints to the department in connection with that, but the people making the complaints did not know that it was something the department had requested; surely the association is not to blame for a thing of that sort. Then there was a complaint from a certain church in Toronto that the latter part of their service was cut off, because the time was then allotted to the Bible students' association. Again I say that is a matter for the department and the department only. The department regulates the time these stations are on the air, and that is not a question for the Bible students' association at all.

Of course there have been many protests, some of them justified, and a great many of

them made under misapprehension—complaints that should have been directed to the department and undoubtedly would have been had the complainants understood the exact situation. I would ask the minister if it is not fair to place side by side with those complaints all the letters of approval that have been placed in his hands by the Bible students' association themselves, and all the other protests, by petition and otherwise, that have been placed in the hands of the department since their refusal to renew the license. Surely, if a representative of the people of this country wants to act in accordance with public opinion he should weigh the complaints on the one side and the approval and satisfaction on the other. If he would do that, I say to him in all seriousness that there is only one conclusion he could arrive at, and that would be to leave the situation as it was and allow them to continue their programs. Perhaps if certain adjustments had been made by the department these complaints would have been entirely eliminated.

There has been discrimination against a certain religious sect. I am not holding a brief for the Bible students' association; I would be just as ready to take the stand I am taking if the discrimination was being made against the Roman Catholic church, the Anglican church, a Jewish synagogue, the Baptist or United church, or any other religious body. If I were a member of the Bible students' association I think I would rather welcome the action of the government. The minister and his colleagues know very well that intolerance and oppression are the very things which have lifted the Christian church up. Persecution and intolerance are the very things that will strengthen any religious body; it is the very thing that will propagate it and make it stronger in this country.

May I quote from a speech delivered by Mr. James Simpson, vice-president of the Trades and Labour Congress of Canada, made in the Pantages theatre at Toronto on May 6. He says:

I am pleased to have the honour of appearing upon the platform to-night to join in the protest against the cancellation of the licenses granted to the International Bible Students' Association. As one of the many radio owners of Canada, I have had the pleasure for the past two years of listening in when lectures were being delivered by the representatives of the association, and when their musical and choral programs were being broadcast.

Having regard for the fact that there are so many sharp divisions amongst the religious denominations of the world upon fundamental and minor questions of doctrine and of theology, I cannot see any reason why discrimination should be practised against the International Bible Students' Association.

Further on he states:

If Judge Rutherford did no more good during his visit here than expose the wrong done to the children and workers in the southern cotton fields by the bill passed by congress, and the injustice suffered by coal miners, awakening in the minds of some such thoughts that would eventuate in a measure of relief to these unfortunate ones, his visit was well worth while.

And then again:

I would regret to think that we had reached the stage in the development of religious thought when ministers of the gospel could not longer endure criticism and attack.

I would direct the attention of the minister and his colleagues to that statement. Surely no other religious sect has arrived at the position where it cannot endure criticism and attack. The Christian church certainly must survive that; that is the very thing that will build it up if it is on a sound basis, as it should be. Mr. Simpson continues:

This experience makes me appreciate more than ever the necessity of labour being vigilant in the defence of the three greatest rights that have been handed down to the British people: the right of free speech; the right of free assembly; and the freedom of the press.

I feel that in their fight to recover the licenses which have been taken from them, the International Bible Students' Association are merely continuing the struggle which has been fought in this country upon many occasions. I am not unmindful of the fact that right here in the city of Toronto the labour movement has had to fight for the right of free speech, and that victory was only won by continual vigilance.

And further down he says:

I am not satisfied that there has been the opposition to the association's broadcasting as has been represented to us. In fact I think the government of this country owes it to the people of Canada to report fully the nature of the protests which have been made against the broadcasting of the International Bible Students' Association.

Then, in dealing with the charge levelled at the association that its doctrines, or some of its speakers were un-British, he says:

The mere charge against the International Bible Students' Association that their teaching is un-British does not satisfy me, as I have personal knowledge of many instances where men who have been guilty of honestly criticizing the governments of their nations, and who, for the time being, were regarded as disloyal and unpatriotic, have had monuments erected to their memory. One remarkable instance of this character was when the Hon. David Lloyd George had to escape from the town hall in Birmingham dressed as a policeman, to save himself from the attacks of an infuriated mob because he dared to express sentiments disapproving

of the Boer War, and yet, later in British history, he was regarded as the man who saved the mother country during the great war.

Further on he states:

from the viewpoint of labour in this country, it is establishing a very dangerous precedent to discriminate against any organization because their views might be, to a certain section of the population, unpopular.

And again:

I have not the slightest doubt but that there will be strenuous objections to a broadcasting station being used by organized labour to disseminate their thought and advocate their principle.

I should also like to quote from a speech delivered by Arthur Black Farmer, at the same meeting; he said:

I am a Baptist. I am a son of a man who for forty years trained men for the Baptist ministry. I have been steeped in Baptist doctrines and traditions and I may say that I am more proudly and enthusiastically a Baptist to-day than ever before in my life.

Also I am a Canadian, born of Canadian-born parents, and on one side of Canadian-born grandparents, all of British stock. I am deeply conscious of the privilege and of the responsibility of my British citizenship.

Because I am a Baptist I must take my stand for freedom of speech whenever intolerance by whatever name it may call itself places freedom of speech in jeopardy. Because I am British I must take my stand for British justice and liberty when the traditions of British justice are threatened.

Further on he says:

Neither truth nor error may be combatted by force or law. "Truth struck to earth will rise again." Error driven into darkness by means of force multiplies like mushrooms in a dark cellar.

You have here an unwarranted and unjustifiable interference with free speech on the part of a government presided over by the grandson of William Lyon Mackenzie, that great exponent of liberty. The Prime Minister's grandfather was not afraid to risk fortune, reputation and even life itself in the interest of free speech, and it is not too much to expect of a government presided over by his grandson in a position of power that he should at least apply to a small body of citizens the principles for which his grandfather was prepared to sacrifice his life.

Mr. SPENCER: I should like to have some explanation from the minister.

Mr. DUNNING: You have prevented him all day.

Mr. CARDIN: I do not see really that I can add very much to the statement which I made in good faith on the 12th of April last, and in which I still believe regarding the whole situation. There is a certain amount of misapprehension on the part of hon. gentlemen opposite as well as of a certain number of the people. The statement is made that we have cancelled the license. That is not exactly the case. We did not cancel the licence which these people enjoyed in the past. The law specifically and clearly states that all these licenses are yearly licenses and that they expire on the 31st March of each year. That means that the minister has power to renew or to refuse to renew any license. There is no vested or acquired right because a company or an individual has operated under a license for a year. If that were the case, it would be no use stating in the law that these licenses are yearly licenses.

Mr. LADNER: May I ask the minister a question on that point?

Mr. DUNNING: Let him make his statement. The hon. member has made his.

Mr. CARDIN: I do not mind. Go on.

Mr. LADNER: How would the minister make a comparison with licenses granted to banks for ten years? Would it be argued that the government could simply cancel a bank's right to do business practically without any grounds? The licensing system is generally recognized.

Mr. CARDIN: What is the use of any limit being stated in the law if it is not to be observed? What is the use of stating a limit for the duration of a certain thing if you do not observe that limit? If there is to be no limit, there is no reason for stating in the law that it is to be for five or ten years. I submit that, according to the law as it stands to-day, the minister, provided that he has certain reasons to justify his action, has a right to refuse to renew any license. Nobody will contend that I am bound to renew a license simply because it has been in operation for a certain number of years.

Hon. members may ask that I give some reasons in justification for my refusal to renew. I have given certain reasons; I have produced certain documents which to my mind justify the decision of the government in the matter. Those who have spoken do not accept the strength of the reasons which I have advanced, the strength of the evidence which has been given. Are those hon. gentlemen not placing themselves in the position of a loser in a case before a judge, contending that the judge was not right in adjudging the way he did; that the reasons he advanced

were not good reasons; that he should have considered other facts that he did not consider? Is that not the situation to-day? The minister, the department and the government are placed in the position of a judge examining a case which is submitted to them.

Mr. LADNER: They have heard only one side.

Mr. CARDIN: We have heard both sides of the case.

Mr. LADNER: Not before the department cancelled the license.

Mr. CARDIN: There is no cancellation.

Mr. GUTHRIE: It is a notification equivalent to a cancellation.

Mr. CAMPBELL: What is the difference between a refusal to renew and a cancellation?

Mr. CARDIN: When I did not renew the licence I exercised the power given to me by a law enacted in 1913—a long time ago. This is a power which is given to the minister. He may be criticized and the government may be criticized if the reasons given are not good ones. That may be a source of dispute, but clearly I have the power to refuse to renew a license even if it has run for ten or fifteen years. According to my hon. friends my reasons are no good; but they are really, as I said, in the position of a loser in a case who says that the judge is not right in his judgment; that he should have taken into consideration certain things that he did not consider; that he did not adjudge the case properly; that he did not take cognizance of the law as it stands, and that he did not appreciate as he should all the facts of the case that were placed before him. That is the whole situation. Is any hon. gentleman ready to say that I am not to take into consideration complaints or representations made to me by the listeners? I submit that the main principle in connection with this question of broadcasting is to take care first of all of the listeners-in.

Mr. GARDINER: The minister places himself in the position of a judge. Did he take evidence from both sides before he made a decision?

Mr. CARDIN: We knew the situation.

Mr. GARDINER: Did the minister take evidence from both sides before he made a decision?

Mr. CARDIN: What evidence would my hon. friend require? I had complaints before me.

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Mr. GARDINER: In all cases before a judge there is a complainant and a defendant.

Mr. CARDIN: Yes.

Mr. GARDINER: Would he not take evidence from both those parties?

Mr. CARDIN: Yes, but most of the things which have been represented to us are not denied. They are not denied to-night by those who are advocating freedom of speech. They are admitted under the general plea of freedom of speech. Everybody admits that. The representatives of the International Bible Students' Association did not deny most of the charges which were made against them. They contended they had that right.

Mr. HEAPS: In the correspondence that was brought down you had complaints going back to 1919 or 1918. Did you take that into consideration when you cancelled the license?

Mr. CARDIN: Yes. This proves that we were rather lenient. If we started having complaints in 1919 and we did not act then, we cannot be accused, as we have been accused to-day, of acting too hastily.

Mr. HEAPS: There was no radio in 1919

Mr. CARDIN: Certainly if there was no radio there were no complaints.

Mr. HEAPS: I am endeavouring to point out to the minister that there were complaints in the correspondence brought down for 1918 and 1919.

Mr. CARDIN: I think my hon. friend is mistaken.

Mr. HEAPS: I am not.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, June 1, 1928

The house met at three o'clock.

REPORTS OF COMMITTEES

Eleventh report of the select standing committee on banking and commerce.—Mr. Jacobs.

Fourth report of the select standing committee on industrial and international relations.—Mr. McIntosh.

ATHABASKA ELECTION

REPORT OF COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. J. J. DENIS (Joliette) presented the second and final report of the select standing committee on privileges and elections as follows:

The select standing committee on privileges and elections beg leave to present the following as their second and final report:—

(1) On the 29th of March, 1928, the house adopted the following resolution:

That the interim and final reports respectively of the Hon. Mr. Justice Clarke, commissioner appointed to inquire into the alleged existence of corrupt or illegal practices in the election held in the electoral district of Athabaska, in the province of Alberta, on the 29th of October, 1925, which reports were laid on the table of the house on December 15, 1926, be referred to the select standing committee on privileges and elections.

(2) Your committee have held ten meetings and examined several witnesses including the following: Jules Castonguay, Chief Electoral Officer; George Gonthier, Auditor General; E. J. Lemaire, Clerk of the Privy Council; W. Stuart Edwards, Deputy Minister of Justice.

(3) In the course of their deliberations your committee have examined in detail the said reports of Commissioner Clarke and the evidence taken before him.

(4) Your committee is of the opinion that the cause of corrupt and illegal practices in the election held in the federal constituency of Athabaska in 1925 was the partisanship, ignorance and incompetence of certain election officials and your committee recommend that the Auditor General should submit to the Justice department a full statement of the payments made to the aforesaid officials with a view to instituting proceedings for the recovery of the amounts so paid to such officials if the law provides for such action.

(5) Your committee is further of the opinion that the Chief Electoral Officer should recommend to the proper authorities that prosecutions should be taken against all violators of the Dominion Elections Act.

(6) The committee recommend that a special committee of the house should be appointed at the next session of parliament to examine into the evidence and deliberations of this committee this year and to study the Dominion Elections Act 1920 and the amendments thereto, and the Corrupt Practices Inquiries Act, and to suggest to the house such other amendments to the said acts as they may deem advisable, such committee to give special attention to the method of selecting returning officers and the preparation of voters' lists.

(7) The committee is also of the opinion that under the circumstances the deposit of Charles Henry Gauvreau, one of the candidates at the election of the 29th of October, 1925, in the electoral district of Athabaska, should be refunded.

(8) Your committee submit herewith for the information of the house their minutes of proceedings and the evidence taken by them.

All of which is respectively submitted.

REPORTS AND PAPERS

Correspondence between the Civil Service Commission and the Postmaster General regarding classification of postal employees. —Mr. Rinfret.

Report on the agreements made pursuant to the Old Age Pensions Act, and the moneys of Canada paid to the provinces thereunder. —Mr. Robb.

[Mr. J. J. Denis.]

INTERNATIONAL PEACE

MULTILATERAL TREATY PROPOSED BY THE UNITED STATES

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, once more I should like to ask the Prime Minister (Mr. Mackenzie King) if there is any hope of getting the reply of Canada to the Kellogg invitation to sign a peace treaty laid on the table.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, before the house adjourns this evening I shall ask permission to lay on the table not only the reply of Canada but the correspondence with reference to the invitation extended by the United States in relation to this matter. The reason our reply has not been given to the house before is that it was felt desirable to arrange for publishing it simultaneously in the United States and Canada. The reply will be published to-morrow morning, but it will first be presented to parliament.

SALES TAX

CANCELLATION OF WHOLESALE LICENSES

On the orders of the day:

Hon. HUGH GUTHRIE (Acting Leader of the Opposition): Mr. Speaker, may I ask the Minister of Finance (Mr. Robb) if there has been any change in the attitude of the government with respect to the proposed cancellation of wholesale licenses under the Sales Tax Act. Notice has gone abroad that these licenses are to be cancelled on July 1. An impression prevails that there has been a change in the attitude of the government, and I have received a good many inquiries as to this.

Hon. W. D. EULER (Minister of National Revenue): Mr. Speaker, the administration of the act is under the Department of National Revenue. There has been no change whatever in the attitude of the department in regard to the matter. It is proposed to cancel certain licenses—not all.

Mr. GUTHRIE: Is there any distinction made between those which will be cancelled and those which will not be? The hon. minister said that he proposed to cancel certain licenses.

Mr. EULER: This is the principle upon which certain licenses will be cancelled. Those wholesalers who sell almost exclusively to manufacturers will be allowed to retain their licenses; those who do not sell to any great extent to manufacturers will have their licenses cancelled.

SALARIES OF PROFESSIONAL AND TECHNICAL OFFICIALS

On the orders of the day:

Mr. G. G. COOTE (Macleod): Mr. Speaker, I desire to ask the Prime Minister whether he will be good enough to table the report recently made to the government by the Civil Service Commission with regard to the salaries of scientific men in the civil service.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have not the report in my possession, but I understand from my colleagues that it will be possible to have it tabled.

APPLICATION OF DUMPING DUTY

On the orders of the day:

Mr. E. J. GOTT (South Essex): I wonder, Mr. Speaker, if the Prime Minister is now prepared to answer the question that I asked him yesterday.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am afraid I have forgotten my hon. friend's question.

Mr. GOTT: I will ask it again. What nature of evidence, or statistics or other definite information would be required by the government before action would be taken conducive to the resuscitation and the implementation of the dumping duties on fruits and vegetables that were in force until recently?

Mr. MACKENZIE KING: There would have to be sufficient in the way of information to convince the council that a reasonable case had been made.

Mr. GOTT: It can be proved.

NATIONAL THANKSGIVING DAY

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): May I ask the Prime Minister, in view of the statement made the other day that we are apt to adjourn early to-morrow, whether he could not give half an hour to a consideration of order No. 14 on page 13 of the order paper, which is the resolution standing in the name of the hon. member for Medicine Hat (Mr. Gershaw), to the effect that in the opinion of this house the day to be observed hereafter as National Thanksgiving day shall be Armistice day, November 11. This is a non-contentious motion and would take only a few minutes.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend is asking for special consideration of a resolution out of its order. Thus far the government has refrained from making such a concession to any hon. member. The resolution in question urges the desirability of having Thanksgiving day observed on the same day as Armistice day, namely, November 11. It so happens that this year each of these days falls on a Sunday, so that so far as this year is concerned there will be no difficulty in giving effect to the purpose of the resolution. Early next session, I hope, there will be an opportunity to consider such a resolution, and possibly at that time the house will pass upon it favourably.

DEPARTMENT OF NATIONAL REVENUE ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. W. D. EULER (Minister of National Revenue) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 291, to amend the Department of National Revenue Act.

Mr. GARDINER: Will the minister explain the amendments.

Mr. EULER: The Senate has inserted an amendment to the effect that the minister shall annually lay before both houses of parliament, within two weeks of the opening of the session, a return giving the names of persons appointed under the act by order in council, also the time for which they are appointed, their salaries, the class of work for which they were appointed, and their previous occupation. I have no objection to the inclusion of this clause in the bill.

Motion agreed to; amendments read the second time and concurred in.

IMMIGRATION ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. ERNEST LAPOINTE (Minister of Justice, for Mr. Forke) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 187, to amend the Immigration Act.

Mr. GARDINER: Will the minister please explain.

Mr. LAPOINTE: The Senate has amended the bill by repealing the section which was added in 1919 and replacing it by the section which was in force prior to 1919—that is to say, the section in the act of 1910. This, I think, is satisfactory in so far as it does away with the discrimination against British born persons who must qualify for Canadian citizenship by five years' residence in Canada. Now

all British subjects are on an equal footing whether they are naturalized or were born in Canada, or were born in other parts of the empire and have become residents of Canada.

Motion agreed to; amendments read the second time and concurred in.

SUPPLY

DEPARTMENT OF MARINE AND FISHERIES

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

Radio service—to provide for the general improvement of reception conditions to licensed broadcast listeners, $190,000.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): When the house rose last night I was trying to establish that, under the law and regulations as they stand at present, the minister had the authority if he saw fit to cancel a license which had been issued. There is no doubt at all that this power exists and that on certain occasions when the reasons justify his doing so the minister may exercise it. Some hon. gentlemen have contended that there is not very much difference between the cancellation of a license, as the word has been used, and the non-renewal of it. I submit there is a great difference. Cancellation means the confiscation of something which exists; the cancellation of a license may take place in the course of the year for which the license has been issued. The renewal of a license, on the other hand, implies the reviving of something which has ceased to exist. All licenses expire on March 31 and they must be renewed; and they are renewed if the minister and the government are satisfied that they should be. It is quite proper that this power should rest with the minister because it can be invoked effectively and advantageously to reduce the number of broadcasting stations in the country. As we all know, the United States are having considerable difficulty in reducing the number of their broadcasting stations. They have too many stations there, it is admitted, and an effort is being made to reduce the number. The situation is somewhat similar in Canada. Personally I am inclined to think that we have too many broadcasting stations here. The proper way to reduce the number of broadcasting stations would be to make use of the power which is given to the minister to not renew licenses when they expire.

Mr. LADNER: Was that the reason this license was not renewed?

Mr. CARDIN: No. That may be considered in part because it may be advantageous to the department and to the public at large to have the opportunity of accommodating other firms or companies which may ask for licenses to broadcast. In fact, up to the present time we have refused almost one hundred applications for broadcasting licenses because we felt that the circumstances did not justify the department in granting those requests. The number of wave lengths at our disposal is not very great, and it is always to the advantage of the general public for us to have a certain number of wave lengths free, which we can grant to important companies or organizations upon application being made by them.

One might say that in not renewing the licenses we may be damaging persons or associations or companies who enjoyed these licenses the previous year. When these people make application for licenses they know that these licenses are good for only one year; they enter into those contracts knowing all the facts of the case and knowing that the licenses granted to them state very clearly that they are issued for only one year. It may be that this period is too short and that we should extend the time in order to give the company or association an opportunity to secure some return on the expenditure made in putting the station in operation.

Mr. LADNER: Just on that point, does the minister seriously suggest that any company is going to spend $150,000, as I understand this Toronto company did, on the understanding that the license may be cancelled in one year? Is it not the practice in connection with these licenses, as in other matters, to extend the licenses from year to year unless there is good reason for cancelling them? We have not heard those reasons as yet.

Mr. CARDIN: Certainly not. People who spend large amounts of money in establishing broadcasting stations certainly expect that their license will be continued for more than one year, but when they make their application and when the license is granted it is apparent to them from the documents and from the law and regulations that their license can be taken away from them. Supposing the company to which my hon. friend has referred, a big company in Toronto, or elsewhere, spent $150,000 or $200,000 to establish a broadcasting station; let us imagine that there are five, six or seven of these companies throughout the country in that same position, but that during the course of the year it is decided that for the advantage of the general public the number of these licenses should be reduced, even though these companies have made heavy expenditures. They

will have to suffer the loss of their licenses; they have no claim against us; they have no vested right. Otherwise, if the contention of my hon. friend were sound, once a license is issued it would have to be renewed after a year and no one could think of refusing that renewal or of cancelling that license.

That is not the practice. I know what my hon. friend has in mind; the department is not supposed to do that without having some good reason, and I am quite ready to admit that fact; that is what I stated last night. I contend that in this particular case we had reasons strong enough to justify our action. Hon. gentlemen do not agree with that, but it is a matter of judgment; if they do not agree with my decision they are free to have their own view in that regard.

Mr. LADNER: May I ask the minister if he will give us the reasons of the government for taking this action? So far they have not been given, to my knowledge.

Mr. CARDIN: I do not see any necessity or any advantage in repeating again and again in this house or elsewhere statements which already have been made. I stated the reasons in my remarks to the house on April 12, and my statement will be found at page 1951 of Hansard. I repeat, those reasons may not be sufficient in the minds of certain members of the house or of certain people outside the house, but that is no reason for saying that I am to be blamed or censured because I have exercised the authority given me by the law and the regulations. My reasons may not be good; the loser in a law suit is not satisfied with the judgment, but he has lost his case just the same. I submit that our reasons were sufficient to justify our action; those reasons have been plainly stated in this house and they are to be found in greater detail in the documents which have been filed. I do not believe the minister who has the responsibility in regard to these matters can occupy a more sound position than to take care first of all of the listeners-in, and to look after the interest of the broadcasting stations after that. After all the public at large, the listeners-in, are to be considered first; the welfare, the benefit and the enjoyment of the mass of the population which is composed of the listeners-in should be considered before anything else. In the decision which we made we tried to satisfy the listeners-in, after hearing their representations and their protests.

I regret to say that it has been stated that I may have been induced, in giving that decision, to act as a censor of religious beliefs or creeds. From that one may draw the inference that in dealing with the matters of my department I am somewhat prejudiced from a religious point of view. I desire to state most emphatically that this is not the case; in dealing with the matters which come under my jurisdiction I try to be fair and just to everyone who has anything to do with the affairs of my department. I may be lacking in many qualifications possessed by others both in and out of this house; I may not be so important as many others, but from the point of view of fairness, honesty, tolerance and sense of justice I have no leaves to take from the book of anyone in or out of this house. I may make mistakes; all men make mistakes, but I try to act with the greatest sense of justice, fairness and honesty towards all those who have dealings with my department, and I very much regret that certain inferences to the contrary may be drawn from remarks which have been made in this house.

The complaints upon which we acted came from three sources, as my hon. friend from Winnipeg North Centre said; complaints came from Toronto, from Saskatoon and from Vancouver.

Mr. SPENCER: May I ask the minister how many complaints came from Vancouver and Saskatoon?

Mr. CARDIN: I could not say offhand, but the number is stated in the papers tabled.

Mr. SPENCER: Three from the one place and six from the other, I believe.

Mr. CARDIN: My hon. friend may be right. The hon. member for Winnipeg North Centre drew atention to a certain number of these complaints taken from the papers tabled, but I say that it was hardly fair to pick out a certain number of letters or complaints which might suit his argument and pass over other complaints which are of a general character. The complaints made are not confined to matters of religious belief, or creed, they are of a general character. One has only to look at the return which has been produced to ascertain that the complaints are of a general character. The complaints which have come from Vancouver, while they may not be numerous, have come from a representative association of people interested in radio broadcasting and in matters connected with that new industry and its development. The complaints received from Vancouver include a resolution adopted by the Greater Vancouver Radio Association, a body of listeners-in, and also one from the Radio Trades Association, representing firms and individuals dealing in radio apparatus. It may be that the complaints are not numerous, but

they represent those who are supposed to be most directly interested, because they are listeners in, or are engaged in the business of selling the necessary apparatus.

Mr. LUCAS: Has the department received any complaints regarding other broadcasting stations?

Mr. CARDIN: Yes, there are complaints received all through the year against other stations, but I am free to say that they were more numerous in this particular case

Mr. ADSHEAD: When complaints are received, is it not the custom of the department to send an inspector around? You have inspectors in every city—you have one in Calgary—and when complaints are received, do you send an inspector to that particular station to talk the matter over with them, and possibly warn them; did you do that in this case?

Mr. CARDIN: I would venture to say it was done in this case. Complaints have been made, and I think they have been filed in the return, by the inspectors themselves.

Mr. SPENCER: Did the association meet the requests of the inspectors?

Mr. CARDIN: As I stated before, inspectors, who had previously favoured the issuing of a license to the International Bible Students Association, took an opposite view last year and said that we should not renew that license. They informed us they had been flooded with protests of all kinds from the population of the cities where they were operating. These letters accused the department of failing to instruct the inspectors to stop certain broadcasting, and to prevent certain people from doing what they were doing; we were accused of not doing what we should do for the protection of the listeners-in.

Mr. KAISER: Did you notify the association regarding the material being sent out?

Mr. CARDIN: The association were perfectly aware of the situation.

Mr. KAISER: It appears to me, in handling this matter—I admit the difficulty of it—that when information comes to the government that a broadcasting station is sending out material objectionable to a great many people the government should notify the particular company concerned.

Mr. CARDIN: The people who enjoy broadcasting are more or less in communication with the government all through the year. I am informed that they are in communication with the officers of the department. There is an instance of that in the case mentioned by the member for South Vancouver (Mr. Ladner), in his remarks on page 3645 of Hansard, as follows:

> On the other hand, when the license was cancelled it will be observed that over twenty thousand letters expressing appreciation of the programs were forwarded to the Department of Marine and Fisheries and duly acknowledged.

These letters were forwarded to the Department of Marine and Fisheries in 1927, apparently following the complaints which had come from Toronto. The sending of these letters was apparently to combat the accusations which had been made against those responsible for the broadcasting programs. This shows that these people cannot plead ignorance and say they were not informed. My hon. friend said that 20,000 letters were sent to show that the listeners-in were satisfied with the broadcasting and desirous of keeping the station in operation, and that the criticisms were not justified.

Mr. McGIBBON: Did the minister warn these people that if they did not stop broadcasting objectionable matter their license would be cancelled; did he give them any warning at all of the premeditated action of the government?

Mr. CARDIN: I will frankly say, Mr. Chairman, that I have no recollection of any special warning having been sent to them.

Mr. McGIBBON: Do you not think you should have given them notice?

Mr. CARDIN: We informed them about one month before its expiration that the license would not be renewed. I am quite free to confess that I have no remembrance of any special warning having been sent to them before that.

Mr. ADSHEAD: Is that not the custom with other broadcasting stations?

Mr. CARDIN: I will say that we have never been placed in such an embarrassing position as we have in this case, and in connection with that I would express a wish which is very strong in my mind: The sooner I can get rid of this and have it taken out of the department, the better it will be for me. To say that they did not know of the complaints against them is not quite accurate. They knew the situation; they knew that complaints had been made and that we were forced to consider them in the interests of the listeners-in of Canada.

The hon. member for Vancouver South is quite mistaken when he says that 20,000 letters expressing appreciation of the programs were forwarded to the Department of Marine and Fisheries. Not 20,000 letters, but 5,029 letters in four packages were forwarded by the association to the department. Out of these 5,029 letters, 24 were complaints, and 5,005 were letters of commendation. But here is the interesting part; out of the 5,005 letters of commendation, 4,056 were from people living in the United States of America, and only 949 were from Canada. These were the supposed 20,000 letters forwarded to us in 1927 to answer the complaints which had been made against this association.

Mr. LADNER: I would ask the minister if there was not a clear and direct expression of opinion in the petitions which have been sent to the extent of 482,000 people?

Mr. CARDIN: I am coming to that.

Mr. LADNER: I would also ask the minister if he himself has not received a large number of letters, as most of us have from our constituents, on the subject?

Mr. CARDIN: I will come to that. Regarding the petitions which have been sent to the Prime Minister, it is stated that they contain about 458,026 names of which only 82,468 are those of persons who claim to be radio listeners.

Mr. LADNER: Owners.

Mr. CARDIN: No, radio listeners. But without saying anything against the people who have signed these petitions and for whom I have the greatest respect, I may say that everyone who has any experience in public life knows how easy it is to have a petition signed in regard to practically everything. Have we not all had in our experience a petition on which certain names would appear and the next morning the same names would appear on a petition asking exactly the contrary of what was asked in the previous one? We have all had that experience and it is not surprising that such a thing has been done. I do not blame people for doing that, but during the last month these people have been broadcasting to all their listeners that they ought to make strong representations that freedom of speech should not be done away with in Canada. I do not blame them in any way and I respect them, but in deciding the matter I have to take the situation as it is and to analyse the facts as they are. These people have had friends of theirs, no doubt acting in good faith, passing through the different communities with petitions and asking people to sign them. There came to the department afterwards certain letters from people saying that they regretted having signed the petition because they did not know what was the matter and they were not given the full facts of the case. There is one instance of a boy of seven years who, in the absence of his parents, was asked to sign a petition to give back the license to the International Bible Students' Association. Another case was that of a maid who was asked to sign the petition although she said she did not know a single thing about the radio business; yet she was asked to sign the petition. I have numerous letters from people who signed under similar circumstances. I repeat that I do not blame them; they were acting in good faith, but this shows how easy it is to build up a petition and secure signatures. Supposing we sent persons to Toronto, or Vancouver, to ask people in those cities to sign petitions against the International Bible Students' Association. I venture to say we would be in a position to come before the house with a petition bearing at least as many names as the one which has been produced before us.

We are supposed to have received 9,358 letters in the department. The department has issued 267,210 licenses to listeners and the protests that we have received from people holding receiving licenses number 1,658. Out of 267,210 licensed listeners-in, we have received complaints or protests from only 1,658. We have not had time to analyse the petition containing the 458,026 names.

Mr. LADNER: Is the minister not mistaken there? He referred a moment ago to the matter with regard to the 82,468. My information is that these state in their petition that they are owners of radio receiving sets and they make the protest.

Mr. CARDIN: The information which has been supplied to me by the officer of the department who has looked into these petitions is that out of 458,026 names, 82,468 claim to be radio listeners.

Mr. LADNER: Owners.

Mr. CARDIN: Listeners. That is the information I have before me.

Mr. MANION: May I take the liberty of suggesting—and I do so with all respect to freedom of speech and all the rest of it—that while there are in the house a few who are greatly interested in changing the minister's decision in this matter, I think the vast majority of us are satisfied to let the minister take the responsibility, which he has said he is willing to do, for the action he has taken,

and endeavour to get on with the business of the house? The minister has taken straightforwardly and squarely upon his shoulders the responsibility of cutting off these people. I may say—and I say this subject to further study—that from what little I have studied of the situation I rather think the minister is right; but at any rate, irrespective of what I think about the matter, I believe the house at this late stage in the session could be far better occupied than in fighting out a question of this sort. If the minister is willing to take the responsibility, as he has said he is, let him be criticized by those who do not agree with him; but we have spent hours on this question and without meaning to reflect in any way upon any hon. gentlemen who may think differently from me, I wish to offer the suggestion that we would be better occupied in dealing with some of the real business of the house than in carrying on this particular question.

Mr. CARDIN: In view of the importance of the subject and the agitation that has been going on, I think it is proper that I should state clearly the position, first, for the government, and second for myself. I do not want to be accused, as I have been most unfairly in certain newspapers and elsewhere, of having been unjust and of having acted at the dictation of persons belonging to the church to which I belong. It is only fair that I be given an opportunity to make my statement and to place the whole facts before the committee. The facts have to a certain extent been presented but only from one side, and I should like to submit some information from our side of the problem in order to enable unprejudiced people to form their opinion. I quite agree with the hon. member for Fort William who has just spoken. This is not a matter which should, from a certain point of view, take the right of way over other business; but the question is so important and it has been given such wide publicity in the press and elsewhere that it is proper that I should answer the criticism advanced by members of the house who have expressed their views, I admit, in good faith, and in a very fair way—a way that I appreciate very much.

With respect to the action which the government has taken in regard to the numerous letters which were sent to the department, we have discovered that a great number of these letters are in the same handwriting, and that the only difference is in the signature. The letter had evidently been prepared in advance by somebody else, and was offered for signature to many people. The action of the department has been approved in many communications which we have received. Many letters of congratulation and of felicitation have been addressed to the government on account of the action we took, and I may add that, generally speaking, the editorial sections of the newspapers throughout the country have approved of the action of the government in regard to this matter. So I think there is something to be said on my side, in support of the action taken by myself with the approval of the government.

We speak, and we hear very much, about the freedom of the air. I do not hesitate to say that the air is as free as it was before. But the use of the air has never been free, and so far as radio is concerned, the use of the air cannot be free, because if it were open to anyone to use the few channels of communication that we have in the radio service, the result would be chaos. This is a matter which has to be regulated and controlled for otherwise there is no liberty, and no advantage to anyone. If there is no regulation, if everybody is free to go on the air, then his neighbour should have the same privilege, and if they all go on the air together at the same time, using the same system, nobody would enjoy the air because there would be too much interference, and no one would get any benefit at all from radio broadcasting. So there can be no freedom in the use of the air. It has been controlled in all countries of the world. It is being controlled in the United States; it has been controlled and is being controlled in England to-day by the British Broadcast Corporation.

It must be remembered that we cannot appropriate to ourselves a certain number of wave-lengths for our own use. Others might use the same wave-length, and no satisfactory results would be obtained. I read not very long ago in a newspaper that it was very strange that the United States should be controlling the wave-lengths, the channels of radio communication, and that we had simply to follow their decisions. That is not exactly the case. What would be the situation of Canada if we started to-day fighting with the United States, we operating our stations and they operating theirs? The result would be simply chaos, and no one would get any advantage from the broadcasting stations, and in addition, their strong stations would very easily drown out the stations we have in Canada. This is a matter which has to be adjusted by an understanding between the two countries, and that is the only way to deal with it. I have always understood that my freedom and my liberty stops where my neighbour's begins, and that I cannot invade

the path upon which my neighbour is travelling. I have to respect his rights as much as I expect him to respect mine.

Hon. gentlemen who have spoken already have spoken of the freedom of the air, but fredom only for the broadcasting people. I am for the freedom of the air in the interests of the listeners-in, first of all, and I think that no broadcasting station has any right, simply under the phrase "the freedom of the air" to impose upon me or upon anybody else his convictions or opinions and to force me to listen to them the whole day or the whole night. That is the position.

Mr. WOODSWORTH: Why should the minister rule these people out entirely, and then grant a license, for instance, to Gooderham and Worts to broadcast whiskey advertisements.

Mr. CARDIN: I have already given my reasons for that. My hon. friend from Winnipeg North Centre may think they are no good; that is his privilege, but I think my reasons are good.

Mr. WOODSWORTH: I am simply seeking to get at the minister's argument. He says, "My liberty ceases where somebody else's liberty begins," but why rule out entirely one organization, and then issue a license to a whiskey distilling company to publish advertisements of their product?

Mr. MANION: Are Gooderham and Worts permitted to advertise, outside of simply saying that this is their station? Are they permitted to advertise their whiskey?

Mr. WOODSWORTH: Is not that sufficient?

Mr. MANION: I understand they are not, and that they are only permitted to say, "This is Gooderham and Worts' station." That is the limit of what they can say regarding whiskey, and they make other things besides whiskey.

Mr. CARDIN: No complaint has been made up to the present time against the new station which has been established by the company just mentioned. It must be remembered, in considering radio problems, that when a broadcasting station is on the air in a city like Ottawa, for example, or even in a city like Winnipeg, it is absolutely impossible for the majority of the receiving sets to avoid geting the local station which is on the air. It takes a very expensive set to be able to cut out one station and tune in on another, and in a city like Ottawa or Winnipeg most of the sets are not capable of doing that, and if the receiving set is not strong enough to eliminate a program which is going to occupy the whole evening, the owner of the set has the choice of listening to nothing at all, or listening to what is broadcast by that station.

Mr. McLEAN (Melfort): Would the minister advise me if the International Bible Students' Association is in the same position as the Presbyterian church, for example, in broadcasting a program from a rented station?

Mr. CARDIN: They are in the same position as all other organizations or individuals to whom we refuse to issue a broadcasting license. These people can rent a certain period of time from any other station, and broadcast during that time through a station which has a license to broadcast.

Mr. McLEAN (Melfort): It follows, then, that they are in the same position as any other body of people who wish to broadcast from a rented station.

Mr. CARDIN: Exactly.

Mr. COOTE: If that is the case, what was the reason for refusing to renew the license of CJYC, who I understand were simply broadcasting programs for the International Bible Students' Association?

Mr. McLEAN (Melfort): The broadcasting station was owned by them.

Mr. CARDIN: Yes. The broadcasting station to which my hon. friend has just referred is a station which was incorporated under a different name, but the members of the corporation having the license are the International Bible Students' themselves.

Mr. SPENCER: Entirely?

Mr. CARDIN: Entirely; that is my information.

Mr. WOODSWORTH: Was the cancellation due, then, simply to the personnel of the Universal Radio of Canada?

Mr. CARDIN: I say frankly to my hon. friend that this station being under the control of the association with whom we were dealing, we applied the same decision to it as to all the others.

Mr. FANSHIER (Last Mountain): Does this station sell time to any other organizations besides the International Bible Students' Association?

Mr. CARDIN: I am informed they did.

Mr. FANSHER (Last Mountain): What percentage?

Mr. CARDIN: The officer cannot give me the information offhand.

Mr. COOTE: So the reason for the cancellation of CJYC station of the Universal Radio of Canada was the fact that it was really owned by the International Bible Students' Association?

Mr. CARDIN: To a great extent, yes. Suppose you operate a station through which you give permission to certain people to abuse the broadcasting privileges covered by the license, I think we would have the right to cancel the license.

Mr. HEAPS: Did the minister notify Universal Radio that they would have their license cancelled, or that its renewal would not be entertained, unless the Bible Students Association's programs were discontinued? In other words, were they given any warning?

Mr. CARDIN: They were given the same notice that we served on the others one month before March 31.

Mr. HEAPS: What was that warning?

Mr. CARDIN: We advised them that after March 31 the license would not be renewed.

Mr. HEAPS: No reason given?

Mr. CARDIN: No.

Mr. WOODSWORTH: In cancelling the license of the Universal Broadcasting Company did not the minister apply an altogether new principle? For example, take the Bell Telephone Company and the Northern Electric Company; I do not understand that because the subsidiary company does something that is not approved, the allied corporation is thereupon dealt with.

Mr. CARDIN: Certain people have said: Well, we have freedom of the press, we have freedom of writing, and so on. But the same principle cannot be applied to radio broadcasting. If you are not satisfied with a book you are not forced to read it; similarly, if you do not like the way in which a newspaper is conducted you are not forced to read it, and if you are not in sympathy with the objects of a meeting you are not obliged to attend and listen to the speeches. But in view of the fact that radio receiving-sets are not yet so perfected as to enable you to eliminate any station whose broadcasting you do not wish to listen to, you are forced to listen or not use your receiving-set at all.

Mr. HEAPS: Does the minister say I must be forced to listen to jazz?

Mr. CARDIN: I agree with my hon. friend that there is a lot of broadcasting of jazz from the United States that is not worth listening to, and I should be pleased to stop it if I could; but fortunately those stations being at a distance we can eliminate those that we do not like. For instance, no one is forced to listen to jazz programs from Chicago; you can tune in any other station that you may prefer because you are not in the immediate vicinity of the broadcasting; but when you are near the broadcasting point you cannot escape interference. I may say that I have in my home here in Ottawa one of the latest receiving-sets of the Marconi company, but when CNRO is broadcasting I can get nothing else; if, however, I was living twenty miles from Ottawa I could tune out the local station.

Mr. GARDINER: Under those circumstances, my hon. friend has to listen to the jazz that comes from the Laurier theatre in Hull.

Mr. CARDIN: I notice a certain amount of jazz comes from there, but I may tell my hon. friend that I do not listen to it.

Mr. GARDINER: What do you do?

Mr. CARDIN: I close my set, and if it is late I go to bed.

Mr. COOTE: Mr. Chairman, I am trying to get from the minister information about the cancellation of the license of CJYC. Has he any protest in his department which justified cancelling that license except that it broadcast the programs of the International Bible Students' Association, which I understand was done under the license of station CKCX. If he thinks he was justified in cancelling the license for station CKCX because it was devoted exclusively to broadcasting the programs of the International Bible Students' Association, it seems to me that that fact affords no justification for the cancellation of the CJYC license.

Mr. CARDIN: Our reason was the same as that which we applied to the other stations. I am asking the director of that branch of the service to ascertain if we did not have complaints against the general programs of the station itself, but I would not be sure about that.

Mr. COOTE: Would the minister cancel the license of every station if he received complaints as to the programs broadcast? I am sure he gets complaints regarding CNRO, but he has never yet cancelled the license of that station.

Mr. CARDIN: I do not hesitate to say that I would not cancel the license of any station on receipt of a few complaints. As I have said, we have received complaints in

regard to other stations, but nothing comparable in volume to the complaints that we received against the station to which my hon. friend refers. I repeat, it is the first time that we have been placed in so embarrassing and difficult a position, particularly for myself.

Now, Mr. Chairman, the acting leader of the opposition (Mr. Guthrie) and others have referred to the allotment of wave lengths in the city of Toronto, and the hon. gentleman in particular complained because a single wave length was not granted to a new station which had been erected in Toronto or its vicinity. He added that we had given preference to the station of the Toronto Star. I may say that that is true. The station to which my hon. friend referred is CKJW. This new station has been built and operated by the Gooderham & Worts distillery of Ontario.

Mr. COOTE: Is that a better personnel than the International Bible Students' Association?

Mr. CARDIN: I would not pass any judgment on that, but I should be inclined to say not.

Miss MACPHAIL: If the minister receives half a dozen complaints against that station will he cancel the license?

Mr. CARDIN: If I received complaints I would consider them very seriously and I should probably take action in what I deemed to be in the interests of the general public.

Mr. CAMPBELL: Perhaps if the Bible students went into the distillery business the minister would grant them the license.

Mr. CARDIN: That would not be a justification.

Mr. DUNNING: That is about your size.

Mr. CARDIN: When the station of Gooderham and Worts was established in Ontario all the department promised the company was that they would be given about two days for broadcasting. As a matter of fact we are giving them three and one-third days. No complaint can therefore be made by the company on the ground that they have not been given the single wave length which has been assigned the Toronto Star. At the very moment they began building their station, and when they asked for a license, they were informed that they could not be given more than two days a week, whereas they are now enjoying, as I say, three and one-third days. It has been said that we excluded this new and important station from the air. We did not exclude them from the air because, as I have said, we have given them more time than they had a right to expect from the department. It is also said—

Mr. WOODSWORTH: Has the Star any more time now than they had when the Bible students were operating in Toronto?

Mr. CARDIN: The Bible students were on a different wave and did not affect the wave upon which the Toronto Star was broadcasting.

Mr. WOODSWORTH: Do I understand that the Toronto Star has no more time now than when the Bible students were operating?

Mr. CARDIN: The Toronto Star has more to-day than previously because we have given it, for a while, the single wave which the Gooderham and Worts company wanted to have for their broadcasting. The trouble has arisen from the fact that this single wave instead of having been given to the Gooderham and Worts company was given to the Toronto Star. That is the cause of the complaint made by my hon. friend the acting leader of the opposition. The hon. gentleman's contention is that the Toronto Star station is not an important station and that it should not have been given the advantage of a single wave. Well, I am free to admit that the Toronto Star is not a very strong station, but I would point out that a station can always and very easily be improved. Changes are taking place very rapidly in the radio business, and a station which is up-to-date to-day may be obsolete and of no use in two months time. The radio industry and radio science are developing more and more and a station which is not very effective to-day may be improved materially. It is just possible that the station of the Gooderham and Worts company will not be the best station three months from now.

Mr. GUTHRIE: How much time does the Toronto Star actually use—how many hours a week? I am informed that it uses twenty-eight hours a week, four hours a day. You have given them the whole week.

Mr. CARDIN: The Toronto Star in using the wave length allotted to them can broadcast every day.

Mr. GUTHRIE: But they actually use four hours a day or twenty-eight hours a week. That is right, is it not?

Mr. CARDIN: The director says that may be the case. As I was saying, the changes that are taking place in the radio business are indeed rapid and extraordinary. Only this morning I read in one of our daily papers that in a country in the north of Europe a coal shovel began to speak one day last week and people were amazed. This coal shovel acted very much like a receiving set and it also broadcast a program of music, following

that up with a lesson in the English language. People were very much surprised and they afterwards discovered that what they were getting through the coal shovel, placed against a wall, was a program which was being broadcast by a station not very far away. So you can see that there is always room for development. The fact is that practically anything is possible in the development of the radio science to-day.

Mr. McGIBBON: Was that a political development?

Mr. CARDIN: I would not say that. Now I think I can reasonably draw from the remarks of the acting leader of the opposition and others the inference that giving this privilege to the Toronto Star was an act of politics.

Mr. EVANS: Was not the department informed that the users in Saskatoon were willing to limit their broadcasting to Sundays only?

Mr. CARDIN: Yes; representations in that regard were made to me not long ago.

Mr. SPENCER: Will the minister reconsider the renewing of the license?

Mr. CARDIN: The matter can be considered. As regards issuing licenses for a single wave and giving the privilege of broadcasting every day in the week, the Toronto Star is not the only newspaper which has been accorded this treatment. I may be mistaken, but in my opinion it is more proper to grant a broadcasting license to a newspaper than to a distillery or to any other company, and if I had to choose between the two I should say that it was better to give the single wave to the Star.

Mr. GUTHRIE: The minister must remember that he is the one who gave it to the distillery.

Mr. CARDIN: Yes, I gave it to the distillery; but I did not give—

Mr. GUTHRIE: If there is anything wrong in giving a license to the distillery the minister must bear the burden.

Mr. CARDIN: Certainly, I gave it to the distillery; I am not trying to escape responsibility. But I refused to give to the distillery a license for every day and night in the week; I said that instead of giving that privilege to the distillery I preferred to give it to the Star, which is a newspaper. And a newspaper, in my judgment—my judgment may be poor on this point—is a better organization for broadcasting in Canada. But we gave the same privilege to two other newspapers which are not Liberal. This privilege is enjoyed by station CJJC, which is the London Free Press, London, Ont. They have the same privilege as the Toronto Star. And we have also given the same privilege to the station CHNS, which is the station of the Halifax Herald published in the city of Halifax. I cannot be accused of favouring Liberal newspapers in face of this information.

Now, I regret having spoken at such great length. We have made up our minds that a change must be made in the broadcasting situation in Canada. We have reached a point where it is impossible for a member of the government or for the government itself to exercise the discretionary power which is given by the law and by the regulations as they stand to-day, for the very reason that the moment the minister in charge exercises his discretion, the matter becomes a political football and a political issue all over Canada. This is not desirable, although I admit it is the logical consequence of the law and the regulations as they stand to-day. We should change that situation and take radio broadcasting away from the influences of all sorts which are brought to bear by all shades of political parties. This will avoid much trouble for the minister and for the government, and I think will result in greater satisfaction to the public at large.

We are not prepared to evolve a scheme at present, because we have not in our possession all the information we will need. We are inclined to follow that plan which has been established and which is operating at present in England; our idea would be to establish a company, the shares of which would be the property of the Canadian government and to appoint special men, who are called governors in England, to look after the issuing of licenses and the regulation of everything else in regard to this important business. In this investigation which I propose to make with the amount I am asking parliament to vote in the supplementary estimates I am going to inquire into all phases of the situation, and I am prepared to say that I will be inclined to ask these people who will look into the situation also to consider the cases which have been mentioned by hon. gentlemen opposite in the course of their criticism. This investigation and this body which I am going to organize will look into these particular cases and at the same time will provide the department with all the information we need in order to come to parliament next session with a bill which will really establish something different from the system which prevails to-day. I repeat the sooner this is done the better it will be for me and the better I will be satisfied.

Mr. GEARY: Some time ago this matter of the revision of air channels came to my notice, I think through an editorial in the Toronto Saturday Night, and I put a question to the minister in regard to certain air channels in the city of Toronto, which he was good enough to answer. The minister has cited instances, including that of the Canadian National Broadcasting station in Ottawa, where other programs are constantly interrupted because of the proximity of these stations. I do not even own a receiving set; I have listened to the blessed things occasionally, although not very cheerfully, but I have heard those who possess receiving sets constantly complain of the very thing the minister complains of in Ottawa, but in these cases directed to a different broadcasting station. In Toronto complaints are constantly directed to the interference of the Toronto Daily Star station CFCA. I only speak from hearsay, of course, because I do not know of my own knowledge.

I do not want to review all that the minister has said, but there are two or three points on which I must touch. Station CKCX is the name of the phantom station of the International Bible Students' Association. A phantom license, of which there are sixteen according to the minister's report as against seventy-four active stations, is one which has its own call letter but which rents time from some other station. If station CKCX, which rents time from someone else, has its license withdrawn, I presume it is taken off the air and cannot broadcast at all through any other medium.

Mr. CARDIN: That is not the case; they can continue to broadcast but not under the call letters which they had previously.

Mr. GEARY: They must get another call letter?

Mr. CARDIN: No, they do not need any call letters; they can broadcast as many other firms broadcast; they simply say that the program is furnished through the courtesy of so and so.

Mr. GEARY: Very well; station CKCX is not taken off the air by the simple process of cancelling its licenses, since I understand these people are still broadcasting. Station CJYC belongs to a corporation which spent a good deal of money on its plant and which has a physical license, from which it makes money by renting portions of its time. Some of its time is rented to station CKCX; some is rented to other concerns and the rest of the time is used by station CJYC. The minister knows that very well. The International Bible Students' Association and the corporation known as Universal Radio of Canada are entirely different people; it is a well known principle that corporations are entities, each to itself. A corporation may be composed of five men; these five men may be in partnership in another business, but still as a corporation they have nothing to do with the other partnership in which they are interested. There is no reason for cancelling the license of station CJYC unless it is putting on bad programs or doing business in a way which is not satisfactory to the department or otherwise misbehaving itself, so I suggest to the minister that the cancellation of the license held by station CJYC did not necessarily follow the cancellation of the license issued to the International Bible Students' Association. The license to CJYC might have been retained under rigid supervision, in order to make sure that proper programs were broadcast. I think no complaint has been made with regard to this station except as to that part of their time rented to the International Bible Students' Association.

Here is the difficulty; station CJYC and station CFRB were the only stations on the 580 kilocycle wave-length. There is another wave-length known as the 840 kilocycle wave-length, which is exclusive, the first mentioned being shared with the United States. On the latter wave-length were stations CFCA, the Toronto Daily Star; CKCL, the Dominion Battery Company and CKNC, the Canadian National Carbon Company. These three stations were dividing the time on that wave-length, each using one-third of the time. The 960 kilocycle wave-length, which is also exclusive, was given for the sole use of station CKGW, the Gooderham and Worts station. Then what happened? Station CJYC, one of the half owners of the 580 kilocycle wave-length, had its license cancelled; station CFRB, the other half owner, was given the 960 kilocycle wave-length to share with the Gooderham and Worts station. I am not complaining of that, but that left the 580 kilocycle wave-length free.

What was done next? There were three stations on 840 kilocycles, one of them being the Toronto Daily Star. The Daily Star was left there and the other two were taken off that wave-length and given the places of stations CJYC and CFRB, which latter station had been transferred to another wave-length. In other words, the 580 kilocycle wave-length was cleared by means of the cancellation of the license of CJYC and the transfer of CFRB, and the space left was filled by taking the two competitors of the Toronto Star and

moving them to the 580 kilocycle wave-length, leaving 840 kilocycles absolutely free to the Toronto Daily Star. I have no doubt that the Toronto Star does use some time on the air, but as a business proposition, as a source of wealth, the exclusive use of an exclusive air channel is of great value. This is an extraordinary consequence. I am not blaming the minister personally, but I suggest that strong representations were made to the government which induced them to clear the road, by cancelling station CJYC and transferring station CFRB, in order to leave space for the two competitors of the Toronto Star in another air channel, which would leave the Toronto Star in exclusive possession of an exclusive Canadian air channel. That is what has happened. On the 960 kilocycle wave-length, which is exclusive, Gooderham and Worts had full time, but I understand from the minister that they never expected to get full time, so they were an easy mark to which to transfer anything lying around loose. So they were made to share that air channel with station CFRB, which had to be taken off the 580 kilocycle channel in order to make room for the competitors of the Toronto Daily Star, who were also transferred. In order to make room for the Toronto Star, their competitors in the 840 kilocycle channel were moved out of that channel.

The net result, Mr. Chairman, is that you have CKCL and CKNC moved up to share a certain channel, and the Toronto Star are given the exclusive right to a Canadian channel and CFRB divides a channel which was formerly in the sole possession of Gooderham and Worts. The answer to my question was this: CKCL and CKNC were transferred from the Toronto Star's channel, in order to give each station more time on the air. Was that done? Instead of getting one-third of the time on their previous wave-length, they now get one-half on the 580 kilocycle channel, but that channel is shared with the United States.

The minister's report says that the United States were prepared to consider some increase in the number of shared wave-length, but "shared wave-lengths, while useful, are of limited value since they can be used only by comparatively low-powered stations, and while they serve to round out a national radio system, they cannot take the place of exclusive wave-lengths in the national layout" which the Canadian representatives foresee will be necessary.

When these stations were taken from third time on an exclusive channel and put on half time on a shared channel, I do not see any good ground for saying they were transferred from that channel, not in order to clear the way for the Toronto Star, but in order to give each station more time on the air. They do get more time on the air, but it is in a limited channel, which, according to the minister's own statement, is of limited value. They get half time on a station of limited value, in place of third time on a station with an exclusive air channel devoted to Canada and not shared with the United States.

I do not know the conditions which exist regarding the London Free Press or the Halifax Herald. There may not be any competition there for air channels, and the conditions may not be the same. I venture to say that if you examine the conditions applying in Halifax and London you will find they give us no assistance in considering broadcasting in the city of Toronto.

The CFCA station has been complained of. I am informed that the first use it made of its additional afternoon time on the air was to broadcast the Woodbine races, the betting odds and that sort of thing. Whether or not that is particularly fine broadcasting, I do not know. They are not a station, as far as one can learn from radio listeners-in, that would be considered as being of any particular value in competition with others. The bald fact remains that they have been given full possession of an exclusive Canadian channel, and they can use this channel twenty-four hours a day, and seven days a week. The other companies may or may not have got some advantage, but one company was put out of business entirely.

I submit that the judgment of the minister is entirely bad, and it seems to me that the Toronto Star has been able to make such representation as to convince the minister, and convince him wrongly in my humble opinion, that it was entitled to this tremendous consideration which has been given to it. This broadcasting privilege has a market value, and an advertising value as well. I hope this matter is before the minister for his consideration, and I would be glad to hear any remarks he has to make, because I think the facts seem to indicate exactly what I have stated.

Mr. EVANS: Seeing that the house and the country as a whole are still in doubt, I make no apology for discussing this question for a few minutes. I have received some seventy letters from my own constituency protesting against the cancellation of the Bible students' radio license, but I have not received one complaining against them. One reason for the cancellation stated to us was that the matter broadcasted was propaganda, and of an

objectionable character. I have in my hand a statutory declaration from the association, in which the following appears:

As to the statement of Inspector S. J. Ellis dated November 19th, 1926, "I consider their programs nothing but propaganda and an advertising scheme to get money." This statement is incorrect. The association or its members have never either directly or indirectly solicited funds to pay for the programs or for any other purpose. The association is and was incorporated under letters patent from the Dominion government, as a non-profit association and has remained and will remain such. The sole purpose of the stations is for the entertainment of the public by educational and musical programs, etc.

I also have a letter from **R. G. Scott, M.D.,** medical superintendent of the Anna Turnbull hospital at Wakaw, Sask. Dr. Scott is well known in western Canada, and is favourably known, not only to Protestants, but to Roman Catholics as well. I would like to read one paragraph of his letter:

A word as to the Bible Students. I know a lot of them, and the organization has my good wishes. I have been a minister first of the Presbyterian church, and now of the United church, for twenty-eight years. My work has kept me in a district where I have been doing medical work and for a number of years I have not done much preaching. What I want to state is that the Bible Student movement has done a lot of good and is still doing a lot of good. It has made people honest who were not previously honest. It is a live movement, wholesome, and should be encouraged. Many of their conceptions are crude, and preposterous, but these people are thinking as well as they can, and are travelling in the right direction.

Dr. Scott discussed this question with the Catholic priest at Wakaw, who replied in a noncommittal way that their program was much better than nothing. Apparently he did not consider them in error. I think that some highhanded tyranny has been brought to bear against this association. Their programs have covered the subjects of traffic control, advantages of Ontario hydro electric, the Ontario educational system, attractions of Canada for tourists, technical education in Toronto, world news, travelogue, organ recitals by some of the leading Canadian organists, concerts and so on. The Bible student's association is an international one. They have been broadcasting lectures on public ownership, and I believe that is one of the causes for the refusal to renew their license. This session has revealed the fact that the government is absolutely without a policy on this great question; a Liberal government without a Liberal policy. I know some hon. members may think this rather farfetched—

An hon. MEMBER: Just the usual practice.

Mr. EVANS: I did not hear the hon. gentleman—but let me tell the committee that the great power combine of the North American continent is to-day not only securing radio stations but absolutely buying whole legislatures in certain states of the union to the south of us. In one state it has even the privilege of furnishing the readers for the children in the schools. It is sending out its lecturers to the high schools and universities and it is educating the people in that way. In western Canada we have that great combine and for their underhand purposes they are even seeking the aid of certain city commissioners and others and buying up every available small power plant in cities and towns throughout the west. In face of all that, every reason given by the Minister of Marine and Fisheries for the refusal of this license falls flat. The fact is that in Canada and the United States a capitalistic combine has been formed, and when I look at the number of bills that have come before parliament this session, bills that are calculated to fleece the public and that are in many cases decided in the house practically on party lines, I think I am entitled to this suspicion. There are a number of bills such as Bill No. 152, Bill No. 71, Bill No. 43, Bill No. 56, that more than create suspicion in my mind as to the reason for the refusal of this license. One thing is certain and that is that no logical reason has yet been given for the cancellation. I still believe that the great power trust has taken objection to the lectures given publicly by this association and I want to tell the minister now that the country will not be persuaded by anything he has so far said that this association has not been the victim of high-handed action. I submit to him that there is no British justice in the treatment which this association has received. Further let me state most emphatically that the argument that this association's license has been cancelled because there are too many on the air when a license is given to Gooderham and Worts, Limited; is one that I cannot accept.

I said that the government is a Liberal government without a policy. If I am to judge its policy from its actions, I would say that it was "more booze and less Bible". These are my opinions; surely I am entitled to them and until the government—and the minister does not need to take this to himself personally because he is speaking for the government now and the cabinet is in the house practically every day—takes the

country into its confidence and outlines a definite policy of treating all alike, the suspicion we have had will remain with us.

Mr. EDWARDS (Frontenac): I agree with the minister when he says that you have to discount to a certain extent signatures attached to petitions. It is no doubt true that you cannot exactly estimate the strength of a petition by the number of names appearing under it; but making a liberal discount with regard to the petitions which have been presented by members of the house on behalf of many people throughout Canada, you cannot ignore the fact that tens of thousands of people have expressed to the house an opinion against the action taken by the minister. The minister has been asked repeatedly to give his reasons for cancelling this license and he has referred us to page 1951 of Hansard of April 12. Looking at that I notice the reasons given are contained in a couple of sentences as follows:

> The matter being broadcast is generally described by complainants as having become intolerable; the propaganda carried on under the name of Bible talks is said to be unpatriotic and abusive of all our churches. Evidence would appear to show that the tone of the preaching seems to be that all organized churches are corrupt and in alliance with unrighteous forces, that the entire system of society is wrong and that all governments are to be condemned.

If that be the case, the minister has in that, it seems to me, some justification for the course which he has taken, but how did the minister arrive at that conclusion? I assume, not by receiving letters of an indefinite character making complaints. I suppose he would have under his hand, in coming to a decision, statements of the character and actual repetitions of the things that were broadcasted. For the minister to be influenced by a letter stating: "I do not like the kind of broadcasting that is going on," does not seem to me to be a very strong position to be taken as justification for the cancellation of the license. But if he has received from various parts of the country different statements which have been broadcast by this association, which are objectionable and which should not be allowed to continue, then perhaps he has some grounds on which to act. If he has that sort of information he has something which neither I nor other members of the house have. I confess I have read in the press some criticisms of this association and the character of their broadcasting, but I have not read in the press any statements alleged to have been made by them, on which I could form an opinion. I have not a radio set myself and I have not had the privilege of listening in and forming a judgment by hearing what is passed over the air. It seems to me, if the minister has that sort of information under his hand, it should be made available for the members in order that they may form a judgment as to the class of material which this station has been sending out. I should like to see that myself. We are using the air to-day and it will be used more and more as time goes on. There will have to be some control of the class of material which is passed through the air. That, I think, is something there can be no difference of opinion about.

I am not altogether impressed with the word "liberty" as it is used very frequently by people who want what, in my judgment, amounts to license. There have been great abuses in the name of liberty. The word "liberty" has probably been more abused than any other word that you can think of. Some people define liberty in a different way from the way in which I would define it. If this society is circulating through the air propaganda which is unpatriotic, which condemns all governments and which tends generally to bring into disrepute everything that we regard as our standards, I for one, would like to see some of the messages which it has sent out in order that I might form a conclusion whether or not there was justification for cutting off the license. It does seem to me, however, in the face of these large numbers of petitions sent in here, that the minister would have been well advised, and it strikes me it would have been a little fairer, when the complaints were coming to him, to have called the attention of this organization to the fact that he had received numerous complaints, and that they would have to change the character of the stuff they were broadcasting or their license would be cancelled. That he has not done, he says very frankly, and that does not strike me as playing the game quite fairly.

I would like to add this further word. The way it appears to me now, in the light of the great number of persons who have petitioned against this action, is that the attitude and action of the government have been rather strict, having regard to the fact that the bookstalls in this city of Ottawa and all over the province of Ontario are loaded with American literature which cannot be regarded as having anything but a damaging effect on the young people of this Dominion. It seems to me that there is a good deal of laxity in regard to United States literature coming into this country, and in view of this laxity the

action of the government in regard to cancelling this radio license does appear somewhat severe.

I have received, as have other hon. members, a number of letters in regard to the cancellation of this license. I have talked with a good many people who have sets of their own, and I have asked them if they have ever heard anything which struck them as improper being issued by this society, and in not a single instance did anyone tell me that they had heard anything which they thought was objectionable. That is all I have to go on in forming my opinions, in the absence of a definite statement as to the sort of stuff this organization has been broadcasting. If the minister has that information and does not care to place it on Hansard, I should be glad if he would make it available for me and other members of parliament to glance over it, so that we can form our own judgment as to the real character of the matter which has been broadcast, and about which the minister has received some complaints.

Mr. CARDIN: Certainly, I will.

Mr. HEAPS: I have no desire to prolong the discussion at this stage, because anything I might add would be more or less a repetition of things which have already been said. However, there is one point I would like to bring to the attention of the Minister of Marine and Fisheries, and it grows out of the discussion last night just prior to the adjournment of the house. Just before the moment of adjourning the house at eleven o'clock last night, I had stated that there were complaints in the correspondence brought down for the year 1918 and 1919. The minister said he thought I was mistaken. I went to the trouble to-day to obtain the correspondence tabled, and I find that my statement was correct. Before placing the facts before the house I would like to preface my remarks with an observation or two. On April 16, the house passed the following resolution:

> For a copy of all letters, telegrams, and correspondence, pertaining to the cancellation of the radio licenses held by the International Bible Students' Association.

The correspondence asked for in this resolution was brought down on the 7th of May, exactly three weeks after the motion for the production of these papers was passed. At the time this motion was passed by the house it was understood, I believe, and was so stated by the right hon. the Prime Minister, that only correspondence would be produced that pertained to the cancellation of these licenses. That is all we wanted, and I believe that that is all that was asked for. But when the correspondence was produced, this is what I find.

In the first place, there is a letter sent from the Department of Marine and Fisheries, dated the 12th of April, when the motion, I believe, was already on the order paper, practically asking for information against the International Bible students. A letter came back on the 17th day of April. I find also several other letters on this file dated about the same period. In other words, the department cancelled the licenses, and after they had done so, they looked around for evidence to justify them in taking their action. I do not think that is fair; it is not the kind of action we should care to justify in this house.

I look towards the end of this file of correspondence and I find articles reproduced from the American newspapers of about the year 1918. There is one dated March 8, 1918, and these are given, I presume, as a reason for the cancellation of these licenses. It is quite true that there may have been many people in 1917 or 1918 who might have agreed with the action then taken against the Bible students in Toronto or New York, but certainly that is no excuse to be given to this house in the year 1928 for the cancellation of these licenses. I think it is a most unfair thing, and I believe that it is not in keeping with the traditions of this house, when we ask for correspondence pertaining to a certain action, that after the date of asking for the correspondence the department should go around looking for correspondence to table. The only reason I got up this afternoon was to protest against this method of the department, and to protest also against going back for a period of ten years for evidence against this association. In 1918 and 1919 there was no such thing as a radio license granted by the Department of Marine and Fisheries in Canada. I believe it was only in 1920 or 1921 that licenses were first granted by the government. It is unjust to this association that these matters should be brought to the attention of the house, and what is more, I do not think it is becoming the government to go around looking for evidence after a motion is passed by the house. What I mean by that is this. After I had asked on the 16th of April for the tabling of the correspondence pertaining to the cancellation of these licenses, the government go around to the various departments, such as the Post Office department, and to newspaper offices probably, and clip items out of newspapers and paste them in the record, and then table it all to justify their action. That is the protest I wish to make this afternoon.

Mr. CARDIN: The documents which have been produced at the request of my hon. friend are all the documents existing on the file of the department regarding this association. We thought it would be fair to place before the house everything that we had relating to this association. The documents to which my hon. friend has just referred were taken into consideration, I am informed by the officers of the department, when the International Bible students made their first request for a radio license in 1922, which request was refused at the time, and I am told that the request was refused at that time on the strength of the documents to which my hon. friend has just referred. When we brought down the correspondence, we wanted to bring down everything in our possession with regard to the matter.

Mr. HEAPS: May I point out that this document is dated April 17, 1928, which is after the license had been cancelled, and consequently the statement of the minister has no bearing on this communication to which I have referred.

Mr. CARMICHAEL: I have just a few words to say in respect to the matter that is before the house. The minister has done something which a great many people are condemning him for, and yet perhaps some of those who are condemning him find themselves in the same position as I do myself, of rather feeling that he has done a service to a great many people in the country. I do not wish to discuss at length the religious teaching of the Bible students, but I do wish to point out that a great many people throughout the country share the opinion that their teaching was not wholesome and was not welcome. Our population is made up of various religious sects. I find that 96 per cent of our people belong to religious bodies that certainly do not accept the religious teaching of the International Bible Students; for instance, the Anglicans, the Baptists, the Brethren, the Congregationalists, the Evangelical Association, the Friends—known as the Quakers—the Lutherans, the Mennonites, the Methodists, the Plymouth Brethren, the Presbyterians, the Roman Catholics, the Salvation Army, and several others composing approximately 96 per cent, or over eight million of our population. These people in general do not accept the religious teaching of the International Bible Students' Association, because their doctrine is so different from that of the majority of our religious organizations that it is not acceptable to them. Therefore I find myself in the position of commending the minister for the stand he has taken.

[Mr. Heaps.]

The argument has been advanced that his action constitutes interference with liberty of speech. Well, I am not so sure that it does. "Liberty of speech" is a phrase capable of a variety of meanings. We have liberty of speech in some matters, in others we have not. Even in the manner of speaking our thoughts we are restrained to quite an extent—especially in this chamber. Here we are not permitted, for instance, to make any derogatory remarks about the sovereign, or the governor general, or even about the upper chamber.

Mr. JACOBS: Or even about each other, much as we should like to.

Mr. CARMICHAEL: Quite so. We think a lot more than we say, and under our breath we may mutter comments that we should not like to appear on Hansard.

Miss MACPHAIL: Hear, hear.

Some hon. MEMBERS: Order.

Mr. CARMICHAEL: While the Bible students are forbidden to give forth their religious teaching on the air, they still have the medium of the pulpit. They are not restrained in the least from using that channel. Also, they still have the privilege of going into our homes—which, by the way, they do very aggressively—and trying to sell their literature; and they still have the privilege, to use a slang phrase, of buttonholing people on the train or in the street, which also they are very aggressive in doing. In short, they are not restrained in these respects from disseminating their views, so I do not feel that any great injustice is done them so far as liberty of speech goes.

There is, though, room for criticism in another particular. I feel the minister is subject to some degree of criticism because of discrimination. Yesterday we learned that the United Church of Canada has a broadcasting station in Vancouver, and that the Christian and Missionary Alliance has a broadcasting station in Edmonton. I know something of the latter because I was concerned in getting it there. The International Bible Students used to have four broadcasting stations. Now I think there is discrimination in that the licenses for the four stations of the Bible students were cancelled, while these other two religious stations had their licenses renewed. I do not know whether I should suggest how that discrimination might be overcome, but I should like to give forth a thought that was expressed to me last night by a minister of the Gospel in this city—one who, I believe, has charge of the largest congregation locally. He told me that he would favour discontinuing the broadcasting of all

religious programs. Now, if the minister had taken that attitude and refused to license the broadcasting station of any religious organization, his position would be unassailable. I believe there is something to be said in support of the view that the broadcasting of any religious programs should not be permitted. The attitude of this reverend gentleman of course was taken because in his opinion such broadcasting tends to keep people away from church, where he thinks they should attend. So he may be selfish in his opinion.

A point that has not been brought out in this discussion is that the International Bible Students Association have really had a special privilege.

Some hon. MEMBERS: Hear, hear.

Mr. CARMICHAEL: I am not very conversant with their programs other than those broadcast from their Saskatoon station. If my information is correct, they enjoyed a special privilege there in this way: they operated their own station, and in addition they had a certain amount of time for broadcasting from another local station. The Ministerial Association of Saskatoon met together and allotted the time that each denomination would have for broadcasting, leaving the Bible students out of consideration as they had their own stations for their exclusive use. But afterwards the Ministerial Association was approached by the Bible students, who said: Here, we wish for our share of the time with the other religious bodies on your station. And they were legally entitled to their share, and got it. So they had all their time on their own station, and their share with the other religious bodies of the broadcasting on the joint station.

Mr. DUNNING: What about freedom of speech?

Mr. CARMICHAEL: They had an excess of freedom of speech—an excess of time. Now that the department has refused to renew the Bible students' license for their station they are on a parity with the other religious organizations in Saskatoon. So instead of their being discriminated against, I feel that their special privileges have been withdrawn and they are now simply put on a par with the other religious bodies, where they should have been from the first.

I was pleased to note the minister's statement that the government proposes to take over the control of radio. I think that is the proper policy to adopt, and I do not think it is necessary to spend very much money or consume a great deal of time in order to arrive at a sound decision. In my opinion the government should take over radio broadcasting as a public business and direct it in the interests of the whole country.

Mr. BIRD: Mr. Chairman, I wish to make it clear that I hold no brief for the Bible students against the Minister of Marine and Fisheries. I do not think it necessary to attribute any ulterior motives to the minister or to the government in this matter. I think his refutation of the charge of ulterior motives was both dignified and convincing, at least so far as I was concerned. I believe that the minister, as he claimed, had a perfect right to form his opinion on the evidence given. At the same time I think he will concede to others the right to estimate the value of his opinion. Personally I believe that the minister's action was somewhat precipitate; he did not have regard to principles that are traditional and that lie very deep at the root of our most valued and cherished beliefs. This year we are celebrating the third centenary of John Bunyan. The whole English-speaking world is looking back with pride upon the record of that humble English tinker, not because he produced one of England's premier classics, which is the next best seller to the Bible, but because he spent twelve long years in prison to maintain the right of free speech. I say these matters go much deeper than we perceive on the surface, and a good many of us, no matter what our relationship to the Bible students may be, are very intensely interested in the question of free speech, the freedom of religious opinion and the freedom to express that opinion.

It seems to me, from what has been said, that the objections to the Bible students in this phase of their propaganda have come mainly from three classes of the community, to whom I do not think we ought to give undue weight. First of all there are those who are antipathetic to the religious views of the Bible students. It has been said that the Bible students are propagandists; they have been stigmatized with that as though it is something to be condemned. I put it to the house, that to be a propagandist in religious matters is not a thing that bears with it any stigma at all. After all, looking back on the history of religious controversy, it has been the propagandists who have made their mark in the progress of religion, notwithstanding what their religious views have been. I do not agree with the theological beliefs of this sect; they are not beliefs that I can accept. But that is a very secondary matter. At any rate these people, whatever their views are, believe in them enough to go to some trouble to try to disseminate them amongst Cana-

dians; and in my view the dissemination of religious beliefs in contemporary life is not by any means overdone. It seems to me that the ideas that are coursing through the minds and hearts of the people are not ideas that are overburdened with religious conceptions of any kind. After all, I admire any people, Mohammedans or Christians or whatnot, who show some zeal in the prosecution and spread of their religious beliefs. And many of us know these Bible students personally; they are our neighbours. There is scarcely a town or hamlet in western Canada where some of these people do not reside. They are amongst our best Canadian citizens; they can be classified as the very best of our Canadian citizens. I understand that they do not believe very much in us politicians. Their kingdom is not of this world; therefore they do not lay much stress upon the achievements of worldly institutions. I do not know whether we can hold that against them or not; a good many of us have become pessimistic about the efficacy of some of our institutions.

Mr. McLEAN (Melfort): Can the hon. member assure the house whether or not they believe in rendering to Caesar the things that are Caesar's?

Mr. BIRD: I think that the people who raise that question ought to be sure that they are rendering unto God the things that are God's. The onus is on the other people, not on the Bible students. I am not holding any brief for the other-worldly conceptions of these people. But they are not the only religious sect that have been other-worldly in their beliefs.

Another set of objections come from people who are very patriotic. They believe that the sect is a menace to the country; that its teachings somewhat blur the lines of nationalism; in other words, that they are not very patriotic, and that during the war they were anti-militaristic. I will not tax the religious knowledge of my fellow members, but I want to ask hon. members, who have any knowledge of religious history, to tell me of any sect which at its best time was not anti-nationalist and anti-militarist. I could wait for the reply with perfect confidence that no satisfactory answer can be given to that question, because it is well known that in the case of religious sects that bear the name Christian—and this sect does—the more sincere they are, the more nearly they get back to the first principles of their belief, the more antipathetic and antagonistic they become to all conceptions of a narrow, Chauvinistic, nationalist spirit and to all ideas of military aggressiveness. You can-

not name one of the great Orthodox churches, let alone this little modern sect, of which this is not true. One remembers that away back in the sixteenth century Sir Thomas More, who, as a faithful Catholic, suffered for his belief in transubstantiation, was a pacifist, just as these people are to-day—an associate of Henry the VIII who in his younger days was known by his pacifism. And these people were pacifists because they believed that it was the teaching of Jerome and of St. Augustine, and indeed of Paul and of Christ himself. I think therefore that we ought to hesitate before branding a modern sect because it enunciates beliefs of a pacifistic character. I think any sect to-day which has the courage to come out in this materialistic age and enunciate beliefs of a pacifistic kind bears the marks of the true church in a way that some of our more orthodox churches have not borne it in recent times. I think that is a very far-fetched objection to this sect.

Mr. JACOBS: I do not claim to be an authority on religion, but just for the sake of information who was it said:

Think not that I am come to send peace on earth; I came not to send peace, but a sword.

Mr. BIRD: A member of my hon. friend's race said that.

Mr. JACOBS: Who was it?

Mr. BIRD: I do not need to mention who it was, because at all times that is a name to be mentioned with the greatest of reverence, but I will say that the author of that utterance was in the habit of using language in a metaphorical sense, and that is one of the most outstanding incidents in which our Lord used metaphorical language to instil a great truth into the minds of his followers.

Objections come from a still less worthy section of the community; I refer to the people who think the air should be monopolized by jazz music and prize fights. I put those people last, because I think they are lowest in point of worthiness to be considered in this house. We have not settled the matter at all by ruling out the International Bible Students' Association. The air is being monopolized to such an extent that a good many people who have invested in radios have either got rid of them or put them on the top shelf, simply because in the last two or three years the air has been monopolized by stuff not worth listening to.

I do not agree with my hon. friend from Kindersley in his view that religion should be taken off the air; I do not think it should be taken out of anything where it possibly can

be placed. If we are going to take religion off the air what are we going to put in its place—prize fights, jazz music, questionable lectures upon popular science? All these things are going to monopolize the air and get the ear of the people, yet religion must be banned and kept out of it simply because religionists themselves do not happen to agree on certain minor points. I believe that religious controversy is perhaps the one thing most worthy of a place on the air. I do not say it should have an undue place; I do not think it should get more than its share; but what goes deeper to the roots of life than religious controversy? Two winters ago I listened with the greatest of interest to a lecture by a Roman Catholic bishop in Denver on the Mexican situation. Previous to that I had heard nothing about the Mexican situation except what I had read in the Orange Sentinel, and I was surprised to find that there could be another point of view so diametrically opposed to that of the Orange Sentinel. I think, under regulation, that is the very finest thing that could happen to our generation. Mental stagnation is one of the things menacing our age more than anything else; this everlastingly sitting passively and listening to prize fights by proxy and to Irving Berlin with his questionable productions is bringing a blight to the minds and hearts of our generation, but religious controversy, which goes to the depths of our nature and stirs us healthfully, is the very finest thing we could have. I am not one of those who believe that the other fellow's is the heterodox belief and that mine is the orthodox belief. The old story of the man who was defining orthodoxy is that he said, "Orthodoxy is my doxy and heterdoxy is the other man's doxy." I do not believe in that. I think that religious beliefs, held seriously and sincerely, are better for being aired; the truer and more fundamental they are the better for them and for the people. Erroneous beliefs are the better for being broadcast, and there again I disagree with my hon. friend. You cannot root out error by keeping it down; the blood of the martyrs is the seed of the church, and every time you try to restrict or keep down you disseminate and fling abroad. I think this debate to-day is the best object lesson of what you succeed in doing the moment you repress or seem to repress, even unintentionally, the activities of any sect whatever. To-day and yesterday the Bible students have received some of the best and cheapest advertising that any sect in Canada has received for a great many years, and it has all come about through what I consider a mistaken act on the part of the minister.

As I said before, in my mind there is no reason whatever to attribute to him any ulterior motive, especially in regard to the fact that he himself belongs to a certain church, because anyone who knows the situation can see quite easily that this is not a case of a Catholic against a Protestant sect; it is a case of all traditional and orthodox sects against a new and seemingly usurping body which, by its insistence, is creating jealousy in the minds of orthodox believers. We live in the twentieth century, and we cannot afford to harbour such jealousies in our minds. Let this sect have all the leeway it can have; if its beliefs are real—and I have no reason to believe they are not—it can do no harm and it can do a lot of good. I sometimes think they are rather irrational, but can anyone tell me of a creed possessed by any other people that is rational? Religious beliefs are not rational; they are not rational propositions; they cannot be defended logically. The fact that these things are repugnant to our reason and to our rational minds is no reason why we should put the people who so believe outside the pale. There is not the most elementary belief possessed by any of us which is not irrational to the man whose logical faculty rules everything else. We cannot afford to stand on a pedestal and look with contempt on the beliefs of a sect of this kind. In John Bunyan's day the Baptists were as trifling and insignificant in England as this sect is in Canada to-day; indeed more so; their beliefs were more repugnant to the traditional beliefs of Englishmen than the beliefs of this sect are to Canadians to-day, yet out of that seed sprung a religious tolerance and liberty in which I think everyone in this house believes to-day.

In conclusion I should like to assure the minister again that I for one have not the least suspicion that there is in his mind anything of an ulterior nature. I can conceive that the situation has been one into which he has been forced by these elements in the community bombarding him with their opinions. I say to him and I say to the house that their opinions are not very worthy of consideration. Bigoted minds and jazz hounds are not the type of people the minister or anyone else should listen to, because in my opinion they are less worthy than this small sect of earnest, believing Christians.

Mr. WARD: I have followed this debate with perhaps a good deal of selfish interest, as I have a great many of these people in

my constituency. I have received many communications protesting against the action of the Department of Marine and Fisheries. I desire to associate myself with the last speaker in that I do not accuse the minister of anything ulterior in this matter, but I believe he is a victim of a blunder on the part of the officials in his department; I say that frankly. I do not think the action was wholly warranted; I do not think the reasons given to the house are such as we should be expected to accept. For these reasons I hope that before this vote passes the minister will state to the house that he will have an investigation made, and if there is discrimination he will have it removed. It has been stated by hon. members that there is discrimination, and that belief is not wholly removed from my mind. It will make it very much easier for a lot of us if the minister will make such a statement, and I hope he does so before the vote passes.

Mr. SPENCER: Of all the criticism which has been made from both sides of the house with regard to the minister's action I believe the most biting was made by the hon. member for South Toronto (Mr. Geary), when he pointed out that the station CJYC was cancelled to make room for others, including CFCA. I should like to know whether the minister can give us an explanation of the action of his department in this respect. Does he question the statement made by the hon. member for South Toronto?

Mr. CARDIN: Mr. Chairman, I deny that imputation. The license of the International Bible Students' Association, or of the Universal Radio of Canada, was not cancelled to favour any other station.

Mr. SPENCER: Probably I should say that the license was not renewed?

Mr. CARDIN: That is not the reason. There is no connection between what is supposed to be favoritism, according to my hon. friend opposite, and the action taken in this particular case.

Mr. McGIBBON: Considering the answer given by the minister to my question this afternoon, that he had not warned these people, would he consider regranting their license on condition that they did not broadcast anything of an offensive nature?

Mr. POWER: You do not look like that in your picture.

Mr. CARDIN: I think I answered that point when I said that no special warning or notice was given before refusing to renew the license. I stated that they were absolutely

[Mr. Ward.]

familiar with the situation as it existed; they knew of the complaints we had received against them, one of the indications of that being that they sent to the department a certain number of letters.

Mr. McGIBBON: It is the latter part of my question I am more particularly interested in. Would the minister be willing to grant them a trial license, say for a month?

Mr. CARDIN: I can only say that an investigation is to be held into the whole situation, and I am ready to place the case of the Universal Radio station before the commission.

Item agreed to.

Marine department—river St. Lawrence ship channel—maintenance and operating dredging fleet, $1,895,000.

Mr. CARDIN: This is the annual vote for the dredging of the St. Lawrence channel from Montreal to Father Point. There is an increase of $373,000 to provide for the reconditioning of certain dredges which are getting old, and rebuilding one or two of them.

Mr. MANION: Is the usual annual vote about this size?

Mr. CARDIN: Yes.

Mr. GARDINER: Could you give us some idea as to the progress being made in dredging this channel?

Mr. CARDIN: The channel from Montreal to Father Point is 30 feet deep at certain points, and we have to dredge a distance of 34 miles before the program of deepening the channel to 35 feet is completed. We expect that it will take five or six years to complete this work.

Mr. GEARY: Is that below Quebec?

Mr. CARDIN: Part is below Quebec and part above.

Mr. GEARY: The channel has not a depth of 35 feet below Quebec?

Mr. CARDIN: Not at all points.

Mr. GEARY: I concluded from the remarks of the member for Quebec South (Mr. Power) that there was nothing to be done there at all.

Mr. CARDIN: There is some dredging to be done.

Mr. GARDINER: What will be the ultimate cost?

Mr. CARDIN: We are spending about $1,800,000 per year, and there will be the same expenditure for five or six years.

Mr. GARDINER: About $10,000,000?

Mr. CARDIN: About that, yes.

Item agreed to.

River St. Lawrence ship channel — for construction of one hopper barge, $315,000.

Mr. MANION: Would the minister explain, please?

Mr. CARDIN: The Department of Railways and Canals being in need of a barge for their work in the Hudson bay, we lent them one, and this is to replace it.

Mr. MANION: Who is constructing the barge?

Mr. CARDIN: It is being done by tender.

Mr. MANION: The lowest tenderer will get the work?

Mr. CARDIN: Oh, yes.

Item agreed to.

To provide for maintenance and operation of Sorel shipyard, $154,000.

Mr. MANION: Would the minister explain?

Mr. CARDIN: This amount is required for the maintenance and operating of the government shipyard in Sorel, where dredges and tugs used in dredging the St. Lawrence are repaired.

Item agreed to.

To provide for the construction of a regulating and retaining dams in the St. Lawrence river, $1,000,000

Mr. MANION: Will the minister explain this item?

Mr. CARDIN: A few years ago a commission composed of engineers was placed in charge of the work of studying the problem of regulating the water in the St. Lawrence river from Montreal down to Father Point. This commission, which was composed of Mr. E. E. Haskell, Dean of the College of Civil Engineering, Cornell University; Mr. V. W. Forneret, Superintending Engineer of the St. Lawrence ship channel, and Mr. William J. Stewart, Hydrographer of the Naval Service, who has died since that time, made a study with a view of raising the water more particularly in the harbour of Montreal. They came to the conclusion that by the construction of some submerged dams in the St. Lawrence at certain points they could maintain the water at a higher level in the port of Montreal. It was suggested that submerged dams be established, one in lake St. Peter in the vicinity of Three Rivers, another one to unite the islands at the head of lake St. Peter in the vicinity of Sorel, about forty-five miles below Montreal, and a third a few miles below the port of Montreal. These engineers contended that with these submerged dams we could increase the depth of the water in the harbour of Montreal by nearly two feet and assure that depth throughout the year. That is the object of the expenditure.

Mr. MANION: Has the contract been let, and, if so, to whom?

Mr. CARDIN: No. Nothing has yet been done.

Mr. MANION: Tenders will be called for in the usual manner?

Mr. CARDIN: Yes.

Mr. MANION: Will this amount of a million dollars be spent this year?

Mr. CARDIN: I am not sure but we may be placed in a position to give the contract for the whole thing.

Mr. MANION: What will be the total cost?

Mr. CARDIN: In the vicinity of a million dollars.

Mr. MANION: That will cover the whole thing.

Mr. CARDIN: Yes.

Mr. GARDINER: What depth will these submerged dams be below the water level?

Mr. CARDIN: That depends upon the level of the water at different periods of the year, but generally speaking I think there will be about two or three feet of water above them at low water to avoid any danger from the ice in the spring. When the ice leaves the St. Lawrence in the spring the water rises, but in the summer these dams will be submerged and there will be about two feet of water above them.

Mr. GARDINER: I presume they will be built on either side of the channel?

Mr. CARDIN: They will not be in the channel in any way. They will be built from the shore to a certain distance towards the centre of the river to create obstructions to the flow of water in order to bring the water back into the port of Montreal. We do not propose to dam the St. Lawrence.

Mr. MANION: In regard to item 217 "River St. Lawrence ship channel—for construction of one hopper barge", the minister

gave an answer which seemed a little strange at the time. The minister mentioned the Hudson bay. The item speaks about the river St. Lawrence ship channel.

Mr. CARDIN: We lent the barge to the Department of Railways and Canals.

Mr. MANION: To be used in Hudson bay?

Mr. CARDIN: Yes. It is already there.

Mr. CANTLEY: I understand the purpose of these dams is to retard the outflow of the water below Montreal.

Mr. CARDIN: Yes.

Mr. CANTLEY: Is it intended to build all three dams simultaneously, or one at a time? If the latter, which dam does the minister propose to build first?

Mr. CARDIN: The engineers of the department are working on that problem, but the indication is that they will start in the vicinity of Montreal.

Mr. GARDINER: Has the minister information in regard to the experience in other parts of the world on the subject?

Mr. CARDIN: I will frankly say I have not that experience, but the engineers who prepared the report have, I think, procured information from other sources. I am sure they inquired about the possibilities or practicabilities of such a scheme. A report has been prepared by the commission. I am not sure that it was not tabled some years ago. I shall be pleased to supply a copy of it to my hon. friend.

Item agreed to.

Lighthouse and coast service — salaries and allowances to lightkeepers, $750,000.

Mr. POULIOT: I have just a question to ask the minister in connection with Mr. Dube, lighthouse keeper at Brandy Pot. I should like to know if there are different grades for lighthouse keepers and, if so, in what grade he is.

Mr. CARDIN: I regret very much that I am not in a position to give the information to my hon. friend at present. I have a great deal of information before me, but unfortunately, as often happens, the information asked for is not at hand. I shall be pleased to supply the information to my hon. friend.

Mr. POULIOT: Who compose the board that looks after the grading of lighthouse keepers?

Mr. CARDIN: The members of the lighthouse board are the Deputy Minister of Marine and Fisheries, the chief engineer of the department, the commissioner of lights, the director of pilotage, Mr. Forneret, superintending engineer of the St. Lawrence ship channel, a representative of the shipping federation, and also a representative of the Dominion Marine Association.

Mr. POULIOT: What is the quorum?

Mr. CARDIN: Generally speaking they are all there when there is a meeting, because practically all are officers of the department. There is, in addition, only the representative of the shipping federation and of the Dominion Marine Association.

Mr. POULIOT: Do they meet very often?

Mr. CARDIN: Requests come in to us for the establishment of lighthouses, and when we have a sufficient number of these representations we call a meeting of the lighthouse board. There is no stated time for its sittings. The board meets when there are sufficient representations to be dealt with.

Mr. POULIOT: I should like to say a few words on behalf of that lighthouse keeper, whom the Minister of Justice in this house knows very well. Brandy Pot island is not far from Hare island, in the middle of the St. Lawrence river, just in front of Riviere du Loup between the counties of Temiscouata and Charlevoix-Saguenay. The river is very wide, some twelve to fourteen miles, at that point. This lighthouse is of the utmost importance to oceanic shipping. These vessels take their direction from that lighthouse when they go up and down the river. I am very well acquainted with the lighthouse keeper, who has been there for several years, and not only does he perform his duties very efficiently, but in addition, he has performed a great deal of other work for the Department of Marine and Fisheries, in that he is a carpenter and has made all the repairs to the lighthouse with his own hands; so I do not think that it has cost the Department of Marine and Fisheries or the Department of Public Works very much for repairs to that lighthouse. That is the first point.

The second point is this, that that light is of the utmost importance to every steamship and sailing vessel in the St. Lawrence river. There are some very dangerous reefs on the east side of the island, and the light is, of course, of the greatest importance. There is another reason why that light is important, and that is because there is not far from the lighthouse a very good harbour where sailing vessels can take shelter in bad weather.

There is another consideration which I wish to submit to the committee, and that is that

the lighthouse keeper is kept at his station, because of ice, sometimes as late as New Year's, and this year he had to stay there until the middle of January. Then he was taken off by the Montcalm and left at Sydney, Cape Breton, and had to come on home from there. For these reasons I am asking for an increase of salary for this lighthouse keeper, and that he be put in a class with the other lighthouse keepers occupying important positions and carrying on very important duties. I hope the minister will have a kind word to say.

Mr. CARDIN: I will see if he can be given more favourable consideration.

Item stands.

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

After Recess

The house met at eight o'clock.

PRIVATE BILLS

LONDON AND PORT BURWELL RAILWAY COMPANY

Mr. M. F. HEPBURN (West Elgin) moved the third reading of Bill No. 58, to incorporate the London and Port Burwell Railway Company.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, this bill has been considered on three different occasions by the select standing committee on railways, canals and telegraph lines; it has been considered in committee of the whole, and I presume the house should be, and probably is, ready to vote on it. I therefore move, seconded by Mr. White (London):

That the question be now put.

Mr. SPEAKER: It is moved by Mr. Hepburn that Bill No. 58, to incorporate the London and Port Burwell Railway Company, be now read a third time. Mr. Edwards (Frontenac) moves that the question be now put. The question is on the previous question. Those in favour of the previous question will kindly say "aye".

Mr. TAYLOR: I am in favour of the question being put, Mr. Speaker, but I had a notice on the order paper of an amendment which I was prepared to move on the motion for the third reading of this bill.

Mr. WHITE (London): Mr. Speaker, I rise to a point of order. When a motion is made that the question be now put, I understand that it is not debatable.

Some hon. MEMBERS: No, you are all wrong.

Mr. SPEAKER: The previous question is always debatable, but the hon. member must confine his remarks strictly to the question.

Mr. McGIBBON: That is a reversal of your own ruling a few days ago, Mr. Speaker; then you decided it was not debatable.

Mr. SPEAKER: I never decided that the previous question was not debatable. On the occasion referred to by the hon. gentleman the question was put, but no debate was had on it.

Mr. McGIBBON: I do not disagree with your ruling to-night, Mr. Speaker.

Mr. SPEAKER: The point was not raised the other day. I put the question that was handed to me, and there was no debate. It seemed to be the desire of the house to proceed to a vote at once.

Mr. TAYLOR: Mr. Speaker, as I was waiting for the motion for third reading of this bill, I feel that the motion of the hon. member for Frontenac-Addington (Mr. Edwards) is quite out of order. I wish to move an amendment, seconded by Mr. Cayley:

That the following words be inserted as clause 4:—

"The capital stock of the company shall be five hundred thousand dollars."

Mr. SPEAKER: No amendment can be moved to the previous question.

Some hon. MEMBERS: Question.

Mr. SPEAKER: Those in favour of the previous question being now put will kindly say "aye".

Some hon. MEMBERS: Aye.

Mr. SPEAKER: Those opposed will kindly say "nay".

Some hon. MEMBERS: Nay.

Mr. SPEAKER: I believe the nays have it. I declare the motion lost.

Mr. TAYLOR: Now I desire to move, seconded by Mr. Cayley, the amendment to this bill according to my notice of motion:

That the following words be inserted in Bill No. 58, respecting the London and Port Burwell Railway Company, as clause 4:—

"The capital stock of the company shall be five hundred thousand dollars."

Mr. SPEAKER: The house having decided that the question be not now put, the motion for third reading of this bill will go to the foot of the order paper. The next order is—

Mr. TAYLOR: Mr. Speaker, I submit that the motion by the hon. member for Frontenac-Addington (Mr. Edwards) was out of order. Do you rule it was in order?

Mr. SPEAKER: It was in order.

Hon. C. A. DUNNING (Minister of Railways and Canals): Mr. Speaker, on the point of order, I submit that the hon. member for Norfolk-Elgin (Mr. Taylor) had given notice of an amendment which he intended to move on the motion for the third reading of this bill. My hon. friend from across the way (Mr. Edwards) moved that the question be now put before the hon. member for Norfolk-Elgin had an opportunity of moving the amendment which stands in his name. The motion that the question be now put was defeated. Are we to understand that that has the effect of killing the bill?

Mr. SPEAKER: No, it goes to the foot of the list. This is what Bourinot says at page 326:

If the motion—

That is, that this question be now put.

—be carried the Speaker will immediately put the question without further debate.

That is, if the motion of the hon. member for Frontenac had been carried I would have put the question immediately.

But if the previous question be resolved in the negative—

As it was.

—then the Speaker cannot put the main motion, which is consequently superseded. The main motion may, however, be revived on a future day, as the negative of the previous question merely binds the Speaker not to put the main question at that time.

Sir EUGENE FISET: Mr. Speaker, one point has been entirely forgotten. When the hon. member for Frontenac moved the previous question, the hon. member for Norfolk-Elgin raised a point of order and asked Your Honour if the motion as put by the hon. member for Frontenac was in order. This you had not decided; you simply called the previous question.

Mr. SPEAKER: This is my recollection of the facts. I rose to read the motion for the third reading, but immediately I saw the hon. member for Frontenac, and he moved the previous question. Then the hon. member for Norfolk-Elgin rose and read his amendment which he proposed to move, and I told him that he could not amend the previous question.

Mr. EDWARDS (Frontenac): That is right.

[Mr. Speaker.]

Mr. SPEAKER: Then the motion was put, and it was negatived, and logically the question cannot be now put. The house has so decided. This action does not kill the bill. It is simply superseded and goes to the bottom of the list.

Mr. GARDINER: That was some of his own medicine; he had better take it.

Sir EUGENE FISET: I never moved the previous question on any occasion.

Mr. DUNNING: Just to elucidate our future proceedings, Mr. Speaker—if on the next occasion that this bill comes up some hon. gentleman desiring to move the previous question catches your eye, shall we then be again in this position?

Mr. SPEAKER: No.

Mr. DUNNING: The previous questior can be moved only once?

Mr. SPEAKER: It has been defeated.

Mr. DUNNING: And cannot be moved again?

Mr. SPEAKER: Not at this stage.

Mr. POWER: Mr. Speaker, on the next occasion when this bill comes before the house the previous question may be moved on any amendment that is being proposed.

Mr. SPEAKER: There is no previous question on an amendment.

EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RAILWAY COMPANY

The house resumed from May 4, consideration in committee of Bill No. 57, respecting the Edmonton, Dunvegan and British Columbia Railway Company—Mr. Kennedy—Mr. Johnston in the chair.

Mr. LETELLIER: Mr. Chairman, I wish to take this opportunity on the bill sponsored by the hon. member for Peace River (Mr. Kennedy), not to oppose any development of railways in British Columbia, but to place on Hansard certain resolutions which I have received. In order that I may do so adequately I shall ask hon. members to bear with me while I express myself in my mother tongue.

(Translation): Mr. Chairman, I am delighted in being able to address the house on the subject of railways. In no way am I opposed to the expansion of railways, however, the question is sufficiently important for the committee to again discuss the bill submitted to the house, so as to avoid any possible error. If I mention any possible error,

it is because just recently the hon. member for Peace River (Mr. Kennedy) himself stated to this committee that he was not in a position to furnish us with certain information which consequently led to an adjournment of the debate and placed the responsibility on the hon. member for a fair share of the delay which this bill must undergo. The hon. member for Elgin West (Mr. Hepburn) speaking in the house on May 4 last, stated that this measure should be the object of further study, and my opinion is, that this committee should earnestly take up its study and if necessary refer it back to the select standing committee on railways. The fact that this line is a private enterprise should make us the more cautious. Generally, these companies, after meeting with a certain amount of disappointment, appeal to the government for subsidies, then a few years later when they have squeezed out of the line every possible profit, they cease operations, it is then that the government are forced to operate the railway at their own expense, if they cannot find a responsible company to take the line over. Here is an example of what I am asserting: in 1925 a railway company in my own riding was operating a line; after obtaining from the government many thousands of dollars and having squeezed out all possible profits from the enterprise, the company ceased operations, and I was obliged to earnestly request the government to take the necessary means to continue operating this line. While on the subject, I wish to thank the right hon. Prime Minister (Mr. Mackenzie King), also the hon. Minister of Railways (Mr. Dunning), and a number of my colleagues, who gave me their strong support at the time. Thanks to the government, expropriation proceedings were taken before the exchequer court and the line was purchased by the Canadian National; a few months later it was resold to the Canadian Pacific which, to-day, is operating the line, and I hope will soon realize very handsome profits. However, there is still a portion of this line which is not operated. I trust that this powerful company so admirably managed, not only in the province I reside in, but throughout the whole country, will find it possible to put into operation that part of the railway so as to link it with the Maine Central, on the United States side. My constituents are anxious to see the whole of this line operated not only for the advantage it may bring to my county, but so that the beautiful province of Quebec may have its due share of railways and compare favourably with other provinces.

Recently, sir, the newspapers of Edmonton, and among these the Edmonton Bulletin, reported that the Hon. Vernon W. Smith, Minister of Railways in the province of Alberta, had expressed his astonishment to hear that this measure, sponsored by the hon. member for Peace River, met with such strong opposition on the part of the eastern members. I wish to convey to the Hon. Mr. Smith the assurance that we are greatly interested in the development and prosperity of that vast region of the Peace River, to which this bill refers. However, I shall take the opportunity which the remarks of the Hon. Mr. Smith afford me, to state that if the people of the Peace River region wish to obtain certain railway development, they should warn their representatives to be more indulgent towards the members on the right, when they bring up measures in the interest of the people not only of the province of Quebec but of the whole Dominion. There is a proverb which says: Give and you shall receive. The hon. member for Peace River was unable to surround himslf with friends who would have been well disposed to reciprocate the help he might have extended in the development of railways in the other provinces.

The people of certain counties in the eastern townships, as well as those of Richelieu, Yamaska and Drummond have for ever so long requested the construction of a railway. The representatives of these ridings would be very pleased if they could obtain this railway so long expected, and which would be advantageous not only to those counties but to the greater portion of the eastern townships. Instead of receiving their goods by way of Montreal, the manufacturers and the public as a whole would be served by this line. They could forward their goods through the port of Sorel and at less expense if this railway was built. I have received resolutions from various boards of trade appealing to the government in this matter.

A few years ago the member for Matane introduced a bill bearing the No. 24. An Act incorporating the Pabos, Amqui and Edmundston Railway Company, it was given its first reading on March 22, 1920, however this railway was not approved of.

Mr. Chairman, I trust this committee will not refuse to listen for a few moments to the reading of the request lately made by the Board of Trade of Amqui with reference to the Gaspé peninsula:

The Gaspé peninsula has reached the turning point in its history; it is said, that it is on the eve of being rediscovered. And it is not too soon. At the time of the discovery of the new world, European navigators were continously seeking a passage to India and sailed towards

the west, coming to a stop, after they had found out their mistake, this accounts for the interior of the country being settled before the coast which nevertheless is nearer to the old continent.

No doubt the Gaspé peninsula is rich enough in natural resources and sufficiently picturesque to draw one's attention; but we are living in an epoch when merit is not always acknowledged, and that is why it is sometimes necessary to make a little fuss over a name. The Board of Trade therefore wishes to do its bit.

While the Gaspé boundaries do not extend as far as Montmagny, it is not the less almost a province, six times as large as Prince Edward Island. Experts contend that its territory comprises 70,000,000 cords of pulpwood; engineers find that there is place for the settlement of about fifty parishes; its soil is of the best and well watered; there are sufficient water powers for the needs of the region; fisheries exist which can compare favourably with the finest in the world. Within the last few years mines, of inexhaustible wealth have been discovered. We do not wish to mention its natural beauties, its picturesque landscapes which attract tourists from all parts, as we especially wish to interest business people. Owing to its geographical situation, Gaspé is the part of the country nearest to Europe, by about 300 miles; Gaspé, with railway facilities to Montreal and the western cities by way of Amqui, is nearer by again 300 miles or more, to the large centres than is any other port on this side of the Atlantic, Notwithstanding all these advantages, the Gaspé peninsula up to the present time has been considered of little importance. Means of communication are lacking, its population must depend on its local resources, the young people must seek work elsewhere.

What is the remedy to all these ills? A railway, a line linking Gaspé to Amqui and connecting with the National Railways.

The development of the country, the progress of industry require that ports be build for the export of our products; Halifax and Hudson Bay will not suffice, and there are on the Gaspé coast at least six ports which can be improved, at a low cost, and become winter ports.

We think that our turn has come to be placed on the same footing as the other parts of the country, and we humbly request the governments at Ottawa and Quebec not to forget the Gaspé peninsula, nor always neglect it as it has been the case up to the present time.

The interest of the whole country demands it. Amqui, February, 1928.

Other resolutions have been presented. I think they are of the utmost importance as this honourable house will shortly ascertain.

We learn through the newspapers that within the last few years the Gaspé people have been asking for the construction of a railway, looked upon as a necessity to insure the future of this vast region, the area of which covers about 12,000 square miles—most of which forming a plateau of very rich arable land covered with timber which cannot be got out by utilizing the rivers, the sub-soil is highly mineralized: lead, zinc, silver, copper and gold are to be found, as it has been shown by prospecting and mining operations undertaken within the last ten years. In his 1927 report, Mr. F. J. Alcock, official geologist of the Canadian government expresses himself as follows: To the geological viewpoint, the interior of Gaspé offers very attractive prospects. "The discovery of a number of veins has abundantly shown the richness of these mineral deposits. However, it is difficult to travel in that region; there are very few roads and they are rather in poor condition. The provincial government has already done a great deal for the mining development of that region by assisting in the construction of highways". It is this Gaspé plateau extending in length for 150 miles which we are seeking to open up to settlement, mining and timber development, and, at the same time, further the ends of agriculture. It is with this object in view that we request the immediate construction of a railway through the interior of the Gaspé peninsula. This is requested both in the town of Gaspé and at the other extremity of the peninsula, that is in the upper part of the Matapedia valley. It was also the desire expressed by the member for Matane (Mr. Dionne) when, speaking on the budget in this House, on February 21, 1928, he requested the construction of that railway which he designated by the name that indicates its lay out, the Gaspé Matapedia Edmundston Railway. We beseech all members to support the request of the hon. member for Matane, a request made to the hon Minister of Railways, also communicated to the cabinet ministers representing that district of Quebec, as well as to members more directly interested in this project. This request was simultaneously made by both the Boards of Trade of Amqui and Sayabec. We estimate that the construction of the Gaspe-Matapedia portion, which is the most pressing one to-day, would cost between seven and eight million dollars. We beseech our colleagues to consider the railway situation of Canada as a whole. Even after receiving the grant of these $8,000,000 for that section of our province there cannot possibly be any fear that we shall have received more than our fair share. Let us, to be more brief and clear, divide the country in four sections and with the help of Canada's official statistics for 1926, let us endeavour to discover what important part each section plays, what is the share of each in railway mileage, what traffic each section supplies to feed these railways, and what would

be the cost to each to own and operate these railways. Let us group together: 1st the Maritime and British Columbia provinces; 2nd the three Prairie provinces; 3rd Ontario and 4th Quebec, let us examine the following table:

Provinces	Area	Population	Population per cent	Railways	National Wealth
					$
1. Maritime	407,039	1,604,015	17·35	7,755	2,846,102 535
2. Prairies	759,116	2,074,600	22·26	16,561	6,846,469,347
3. Ontario	407,270	3,145,600	33·01	10,908	7,353,397,816
4. Quebec	700,000	2,361,800	26·87	4,797	5,541,818,967

Provinces	Tonnage unloaded	Tonnage loaded	Value subject to taxes	Income and sales taxes
			$	$
1. Maritime	9,308,932	11,558,451	121,557,171	5,964,211
2. Prairies	11,397,809	21,703,745	145,590,971	5,852,054
3. Ontario	34,697,600	21,408,268	466,678,836	26,918,542
4. Quebec	1,898,914	12,043,243	267,852,358	19,100,212

Provinces	Customs and Excise	Post Offices	Tonnage per mile		Total taxes
			Unloaded	Loaded	
	$	$			$
1. Maritime	8,849,616	4,979,664	1,200	1,490	19,793,491
2. Prairies	8,550,489	8,119,211	688	1,310	22,521,754
3. Ontario	48,738,284	13,067,423	2,264	1,962	88,724,249
4. Quebec	32,915,354	5,982,415	2,481	2,510	57,997,981

According to the figures stated we can conclude as follows: Ist the Prairie section with a territory slightly larger than that of Quebec and a slightly smaller population has 16,561 miles of railway; 2nd the four maritime provinces with a population more than 30 per cent inferior to that of Quebec, have 7,755 miles, while Quebec's share is but 4,797 miles, which is too little if we consider its size, population and value as a national asset. Yet, Quebec and Ontario, the two oldest provinces of Canada, paid in 1925-1926 $146,722,230, for the administration of the country, railways included, they have both together but 15,707 miles of railway. The other seven provinces pay only $42,215,245 and have 24,316 miles of railway. Note that the amount paid by Ontario is $88,724,249, and that paid by Quebec is $57,997,981.

A fair distribution of railways between the four Canadian sections should take place according to their respective population, that is in a ratio of 47 miles per 10,000 people; the Maritime and British Columbia provinces would have 7,538 instead of 7,755 miles; the Prairie provinces 10,247 instead of 16,561 miles; Ontario 14,781 instead of 10,908 miles; and Quebec's share would be 11,096 instead of 4,796 miles. Therefore the Maritime section has 217 miles more than its share and the Prairies 6,314 miles; while Ontario would be entitled to 3,873 miles more, and Quebec to also 6,299 more. That was the situation as it existed two years ago. Since then new railways have been under construction, always in the West. The 1928 program includes four important new branches. We do not contend that the west has too many lines, but that Quebec has not enough. If the Quebec members show a sense of generosity in promoting the general welfare of the country and of the west especially, even though they practically control the administration by their numbers, they expect in return the no less generous co-operation of all the members outside of Quebec, when it is a question of carrying out necessary work for the normal progress of their province and the country as a whole. It is an easy matter to show that Quebec suffers from the lack of railway transportation. Its normal expansion in connection with agricultural and industrial progress is greatly impeded by it. The rural population, weary of the isolation caused by the great distances which separate it from transportation lines in order to reach the

markets where its products are sold, desert the farm for the cities, or else emigrates to the United States where living conditions seem to be easier. We must therefore conclude that we need more railways in Quebec. The most remote parts are those that have the greatest need of them and the Gaspé peninsula especially suffers from this lack of railways; it requests the construction of this railway which will link Gaspé, through its interior, to the Matapedia valley. Practically, this railway will cross almost in a bee line from Gaspé to Sayabec along the heights of the plateau and the heads of rivers. The reasons which seem to point to Sayabec, as the terminus for this first branch line are the following: the Canadian National Railway has already at Sayabec extensive yards with a capacity for 400 cars, scales to weigh cars, a "Y" to turn the locomotives around and a shunter is in daily use. It is the locality of the Matapedia valley which at present supplies the most traffic to the National railway. There are extensive level grounds for the construction of the necessary shops for a terminus. If later on the traffic needs a further extension to Edmundston, New Brunswick; there is a natural pass at Sayabec on the same level as the present railway that will facilitate the crossing of the mountains which seem to block the way everywhere else.

Considering our position in the Dominion relatively to the other parts of the country, we are perfectly warranted in requesting this 150 miles of railway as part of what is due to us. We feel confident that we can depend upon this spirit of fairness and patriotism which animates all federal members, also upon the zeal of the Quebec members for the population they represent, as well as the impartial devotion of the members of the government in order to insure the construction of the Gaspé railway in a near future.

In closing my remarks, Sir, I wish simply to add that the hon. Minister of Railways is certainly deserving of our congratulations for what he has accomplished in the past, and I feel certain that, as well as the government, he desires the expansion of our railways not only in our beautiful province of Quebec, but equally throughout all the provinces which make up Canada.

Mr. KENNEDY: I understand that when this bill was up some nights ago doubt was expressed as to who was asking for the legislation. There is an application to the Alberta government for a charter to enable the government to construct a railway to serve a settlement which is about fifteen years old and in which there has been produced in the last two years something like 2 million bushels of wheat. The settlers are farming from fifteen to ninety miles from a railway. I do not intend to ask that the bill be reported; I do not want to see anyone move the previous question. I want to make that explanation, and if anyone wishes to block the bill he is at liberty to do so and to take the responsibility.

Mr. SYLVESTRE (Translation): Mr. Chairman, when this bill was under consideration on May 4, last, I was unable to complete the remarks that I wished to make, as the time allotted for private bills had expired. To-night I want to complete them.

Considering that there are quite a number of French-Canadians settled in the region of the Peace River, I am sure that the sponsor of Bill No. 57 (Mr. Kennedy) must be pleased of the interest we display in this measure. Let us first examine clause 2 of the bill. It reads as follows:

> The Company way within two years from the date of the passing of this Act commence to construct the lines of railway authorized by section one of this Act, and may within five years of the said date, complete the said lines of railway; and, if within the said periods respectively, the said lines are not commenced or are not completed and put in operation, the powers of construction conferred upon the Company by Parliament, shall cease and be null and void as respects so much thereof as then remains uncompleted.

This company is not in earnest. It asks for very extensive privileges, but practically assumes no responsibilities.

As you have just noted, it is stated at the outset of this clause that the company "may" be granted and as a matter of fact it is granted a delay of two years "to begin the construction of the railway lines" that clause 1 authorizes it to construct.

The reasons given by the hon. member in support of his bill permits us to foresee what certain persons intend to do should this bill be adopted. According to the statements made by the prime minister of Alberta and certain members of his cabinet, we note that the intention of all those who are interested in this project is simply, once the bill is passed, to sell their rights and hand over their charter to the National Railways. It is an open secret that on April 21, last, the prime minister of Alberta (Mr. Brownlee) came to Ottawa, and even went down to Montreal to consult the president of the National railways on the subject. Following this interview, he could not do otherwise than state that he hoped the Edmonton, Dunvegan and British Columbia Railway Company would be purchased by the National railways.

On the other hand, if we look up the history of the National Railway Company we can ascertain for ourselves that at various times private companies sold and conceded to this company, their rights, charter and stock, thus imposing on the ratepayers further expenses and taxes.

I shall go one step further, sir. I do not believe that the hon. member for Peace River is himself in earnest with regard to this bill, because in April last when this measure came up before the house, he could not supply the hon. Minister of Railways with information as to some figures. The hon. member should have had a knowledge of all the facts regarding this measure, moreover, this railway is on the south shore of the Peace River, while the majority of settlers are established on the northern side of the river. It is therefore seen that this railway will not be of any advantage or benefit, except to a few persons. This committee must not accept this bill nor grant the privileges sought to the detriment of the public's interest; the National railways have many improvements to make to their system, in every province of this Dominion, before ever thinking of purchasing a line which exists but in the minds of its promoters. Usually, when a company obtains a charter to build a railway, it is always cautious, through the medium of its engineers, to select the most adaptable roadway possible for the construction of its line; and when the time comes to sell its rights, if it succeeds, the company purchasing them is forced to pay a much higher price, many times more than what it is worth, because they cannot ignore those who obtained those rights. I believe that, in the present case, the intentions of the company do not differ from those of other companies which have acted likewise. In the past, railway branches where one could find but old ties and twisted rails, were sold a hundred times more than what they were worth. To-day we are loaded with an enormous debt; we have heavy interests to meet, and I am of the opinion that we should not add new taxes to those which already heavily burden the ratepayers.

Mr. Chairman, this question must not be discussed in a light manner; this bill should be returned to the committee on railways to be closely studied.

Mr. GARLAND (Bow River): Mr. Chairman, I call your attention to the fact that it is nine o'clock.

Mr. DIONNE: One minute more.

Mr. GARLAND (Bow River): No, it is nine o'clock.

Progress reported.

56103—233

Mr. SPEAKER: The hour for private bills being exhausted the house will revert to committee of supply.

SUPPLY

DEPARTMENT OF MARINE AND FISHERIES

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

Salaries and allowances to lightkeepers, $750,000.

Mr. POULIOT: I do not want to delay the house, but I wish to refer to the case of the keeper of the Brandy Pot lighthouse. The present keeper is in class 7 and I would ask the department to put him in class 5, for the reasons I have already given. I have obtained some information from Mr. Hawken, the acting deputy minister, who tells me that it is hard to do anything more. If it is impossible to promote Mr. Dube, the keeper of this lighthouse, from class 7 to class 5 I will ask the committee to reduce the salary of the acting deputy minister to $1,200 a year, which is the salary being paid the lighthouse keeper at Brandy Pot.

The second point to which I wish to direct the attention of the committee is very simple. There is another lighthouse between Temiscouata county and the Tadoussac river, on Red Islet, which is a small island in the middle of the river. The lighthouse keeper there, and the lighthouse keeper at Notre Dame de l'Ile Verte, both need sailing vessels, because there are no bridges between these islands and the mainland and they have to carry barrels of gasoline or oil and other things for the lighthouse in addition to articles required for their personal use. I will ask the minister to give instructions that the lighthouse keepers at Red Islet and Notre Dame de l'Ile Verte be provided with sailing vessels of the ordinary size, such as they formerly had.

Mr. GOTT: What salary does this lighthouse keeper receive now?

Mr. POULIOT: I spoke about two different things; I mentioned the lighthouse keeper at Brandy Pot and now I ask for sailing vessels for the other two lighthouse keepers.

Mr. CARDIN: I am not in a position to give a definite answer to my hon. friend now because I am not familiar with the conditions to which he has referred, but I can promise him that I will look into the matter and will do the best I can to meet his requests.

Mr. NEILL: I have a matter I want to bring up under this item; I refer to the holidays of the lighthouse keepers. It appears that a petition was presented to the government about two months ago by the Amalgamated Society of Civil Servants of Canada, which is the largest association of civil servants in Canada, drawing attention to the position of lighthouse keepers in relation to their annual leave. As the matter now stands, a lighthouse keeper taking an annual holiday has to provide and pay for a substitute during this leave of absence, and also has to assume responsibility during that period. I may explain that it is not so easy for a private person to obtain a substitute, and in addition it is very expensive for him to pay the steamer fare to his particular lighthouse. Moreover, he not only has to pay for the substitute but he also must be responsible for any action of that man, who may inadvertently do something to damage the machinery, for which the wretched lighthouse keeper, who is no more responsible than I am, must suffer the penalty, either by paying for the damage or by losing his position.

I will read from a letter which I have received:

> For some considerable time lighthouse keepers have considered this an injustice, in view of the fact that other civil servants are not under this disadvantage, but are paid for their leave of absence.

I may state that these lighthouse keepers are civil servants in every sense of the word; they are under the act, and there is no opportunity of side-stepping by saying that they do not come under the act. They are under the act; they are appointed by the Civil Service Commission, so they are entitled to the same advantages enjoyed by the other civil servants. This letter goes on to say:

> It has also been considered that, were the matter discussed impartially, the justice of the lighthouse keepers' plea for treatment similar to other civil servants could hardly be denied.

They evidently are not familiar with the customs and usages of the House of Commons at Ottawa. We have heard a great deal lately about freedom of speech; there is such a thing, Mr. Chairman, as the rights of the minority, which is sometimes quoted in the same connection. I have an idea that if these people numbered 6,000, as the civil servants do in Ottawa, instead of being scattered throughout the country, their demands would be acceded to, and the justice of their case would have been recognized long ere this. Surely we are not going to say that the government is actuated by political expediency rather than by justice. These people have no political pull whatever; they are scattered throughout the country and there are only a few in any one district. I do not suppose there are twenty lighthouses in the district I represent, and probably only about half the keepers would be able to vote because it is impossible for them to leave their lighthouses and travel the long distances necessary to get to the polls. So I do not expect any political or personal advantage from my plea to-night; it is made simply on the merits of the case.

I believe the civil servants at Ottawa have twenty-one days annual leave as holidays—it is provided for by the department—but in addition to that, whether it is a matter of custom or law, they are allowed two weeks' sick leave annually. If they have a casual cold or a headache produced by being out at a dance the night before, they are allowed their sick leave without a doctor's certificate, as long as it does not exceed two weeks in the year. When they have a real sickness, and a doctor's certificate is produced, they are again leniently dealt with. I have no objection to this at all, but I am only drawing a comparison between the life of a civil servant in Ottawa, with all the attendant social advantages, and at least five weeks' leave in the year, and the men out on a barren rock who get three weeks' leave if they supply a substitute and pay his wages and are responsible for anything he may do in that period.

I sometimes think it is a good thing to bring an argument home to ourselves. I wonder how many hon. members of this house would like to be stuck on an isolated light station month in and month out, year in and year out, hardly able to take even the necessary exercise, because there are no facilities for walking, no chance for any kind of amusement, no hobby, no one to associate with but one's wife. I have no desire to belittle the blessings of married life—I dare not do it if I would because though my wife does not read Hansard some busybody would be sure to draw her attention to it—I do not wish to deprecate the blessings of married life at all, but when a diet is composed entirely of sweetness even it becomes unpalatable in time. I remember hearing a lecture many years ago by the Arctic explorer Nansen. He described how he and his partner had to spend a winter in a remote part of the Arctic region. These men were bound together by the ties of mutual friendship, and you would think they would have been glad to associate with each other, but he told how they would start out in the

morning without any conversation; one would go east and the other west in order to get away from each other's society. They would return in the evening and there would be no conversation at all except that compelled by their joint interest. He said that he was able to laugh at it afterwards, and they remained friends, but the fact of there being such ill-will between them was so unjustified that it apparently made it much worse; they simply hated each other. This is the condition which might arise between a man and his wife when they are placed on a barren rock somewhere off the coast of British Columbia. They have nothing to look at except the wave-tossed sea. It rains there six months in the year, and it can rain more in two days there than it does here in the whole year. If you think that is a nice prospect to look out at year after year, you are a better judge than I am.

I am emphasizing this case on behalf of the all-year-round permanent men, and not the men who are paid $15 a month to go out and light a light every night. I am speaking for the men who are employed twenty-four hours in the day every day in the year, not the men who attend these petty little lights where they can go out in an hour's time and do everything required. I suggest that these permanent men have a legal claim. I could read the whole act if necessary to impress it on the committee, but the act provides that civil servants shall have three weeks holidays per year, and it does not say that they shall have to provide out of their own pockets for a substitute, transport him over a hundred miles, and be responsible for his errors.

Mr. BRADY: I do not wish to delay the house, but I should like to say a few words on behalf of the lighthouse keepers, not only along the British Columbia coast, but along the Atlantic coast as well. I agree with everything the member for Comox-Alberni (Mr. Neill) has said here to-night. I wonder how many people in Canada realize the lives that are lived year in and year out by these wonderful, heroic people who are guarding our seacoasts. There are twelve or thirteen lighthouses in the constituency I represent, and I visited five or six of them last year and found conditions prevailing which I am sure will appeal to the minister and to the government as deserving of consideration. These people have no holidays; if they need a holiday they must get a substitute and pay him from their slender salaries. These salaries range from $517.50 minimum to a maximum of $2,940 per year. I consider it an absolute duty that these people be given at least a fortnight's holiday, and they should not be obliged to pay the substitutes out of their small incomes. I am confident that the people of Canada one and all would be in accord with any move in that direction.

I visited a certain lighthouse where a man and his wife lived, and they told me a story so pathetic and so realistic that it would touch the chord of any heart that was responsive to any appeal to human kindness. Here is the story: Every month or so the feeling of isolation and loneliness played upon them to such an extent that one or the other would get into a deep fit of melancholy. For some three years neither of them could understand the other, and they lived a tragic life until one day it dawned upon the husband that his wife was not at fault. They agreed upon a compromise whereby when either of them got into one of these melancholy moods, say if the wife refused to get breakfast in the morning and moped around the island rock, the husband would do the work instead. This depression would often last for a week, and then the wife would recover, but a fortnight later the husband might fall into one of these moods. They had tended this lighthouse for six years without any holidays. Surely we are not so hardhearted as to take the attitude that those who hold the frontier, those who endure this isolation, are not entitled to a little consideration. Surely they deserve at least a fortnight's holiday without being obliged to pay for a substitute out of their earnings. I am sure it would meet with the approbation of the Minister of Marine and Fisheries and everybody else who listens to the story.

Mr. EVANS: I brought this matter to the attention of the Prime Minister some time ago and he promised to look into it particularly in regard to the lightkeepers of Greenly island. I hold in my hand a petition presented to the minister and the Minister of Finance last year. The rates of salaries for Cape Race and Sand Head are $3,600. Out of that they have to pay four assistants. The United States salary is $8,520 for the same work. For Estevan point, S.L., W.L., Belle Isle, Lennard island, Pachana and Langara the present salary is $2,940 and four assistants have to be paid out of that amount. For Bird rocks, northeast Belle Isle and Pelee passage, the present salary is $2,820 out of which they have to pay three assistants. This is evidence enough to the committee that this class of servants needs looking into. To

say nothing of the loneliness of their life, I think we should give them a wage that will at least furnish them with a decent living.

Mr. NEILL: Just before the minister replies—and I think the hon. member for Skeena (Mr. Brady), would like an answer to the question of holiday policy before we go on with the question of pay, which is a totally different matter—I should like to remind the committee that we have a relief officer in the case of telegraph operators. The government provides a relief officer who goes around to the various scattered telegraph stations. He relieves this man one month and another man the next. He can work it in at small expense and give satisfaction to the service, because they are always sure of a competent man to do the work.

Mr. GOTT: The substituting lightkeepers would not be detained long at the lighthouses in the constituency represented by the hon. member for Rosetown.

Mr. ADSHEAD: Some time ago the hon. member for Rosetown brought to the attention of the house the question of some reward being given to the lighthouse keepers of Greenly island for what they did in connection with the Bremen. The three lighthouse keepers are at present receiving a salary of $2,100 per annum. It was evident from the applause that came from the house that they endorsed the idea of giving them some recognition in connection with what they did. Has any action been taken in the matter as a result of what occurred on that occasion?

Mr. CARDIN: Notice has been taken of the representations made but so far nothing has been done. We are considering what we can do in the way of recompense to these people.

Mr. ADSHEAD: The matter is not dropped?

Mr. CARDIN: No. In reply to the representations made for holidays being given to the lightkeepers, I am ready to say that I sympathize with the case which has been placed before the committee, but this grant would cost a very large amount. If I am not mistaken, the additional expenditure would be in the vicinity of $200,000 a year.

Mr. NEILL: What for?

Mr. CARDIN: Supposing we grant them twenty-one days' holiday, we cannot get a substitute without paying him at least five dollars a day and there is a certain amount of expense if we make him travel all along the coast. This will bring the cost for each lighthouse to at least $125. I do not know at present how many lights we have in that class, but they are numerous and it does not take a large number of lighthouses to increase very materially the amount of the expenditure. I am not saying that with the view of expressing any opposition to the request made. I am quite ready to look into the matter and to consider it most favourably. But it must be remembered that salaries and allowances to lightkeepers have been increased very materially since 1911. For example, in 1911 the total amount that we were paying for salaries and allowances to lightkeepers was $450,000. For 1927-28 the total had reached $700,000, and this year we are asking for $750,000. When the increases were granted to the lightkeepers, they were granted on account of the exceptional situation in which they were placed and all the facts which have been brought out to-night were taken into consideration at that time. For example, take a man who is in class 1 lightkeeper at Cape Race, Newfoundland. The maximum that he was receiving in 1911 was $2,300, but the maximum in 1927 is $4,700, or more than double.

Mr. EVANS: How many helpers does he have to provide for out of that?

Mr. CARDIN: Two.

Mr. NEILL: For No. 1 class I think the minister will find there are four assistants.

Mr. CARDIN: I have not the number of assistants for that particular place, but for Belle Isle, southwest, the maximum in 1911 was $1,900, and at present it is $3,060. Out of that the man has to provide two assistants. The same scale of increases applies in regard to the salaries of all the others. I repeat that I am giving these details not with the view of showing any adverse disposition in regard to the matter but only in order that the committee may become familiar with the circumstances of the case. I still promise I will look into the matter and if there is any possibility of granting the request, I shall be only too pleased to do so.

Mr. NEILL: I would not like it to go forth that anyone was asking, on a plea of this kind, for an expenditure of $200,000. There must be a very big mistake about that. The total expenditure asked for salaries and allowances for every kind of lightkeeper is $750,000. Many of them would be part time men not

requiring holidays. If giving a holiday of three weeks to half of them—it would not be more than half—is going to cost $200,000, that would be equivalent to giving them two days' holiday a week, not twenty-one days a year, because $200,000 is roughly one-third of the total expenditure. They are not asking that they all get it. A lot of these low paid men, getting two or three hundred a year, and working only an hour or two a day, do not require it at all, so it would not be anything like that sum. From the knowledge my friend from Skeena and I have of the west coast, I do not suppose there are over thirty lighthouses on the west coast, and say there is a similar number on the east coast; that would be an expenditure of something like $5,000 as regards the extra pay.

As to increased wages, I do not think that was put exactly according to the facts. While the expenditure has increased in the period stated by the minister from $460,000 to $750,000, that does not mean that the same number of men are getting that extra amount. It means that there has been a large increase in the number of lighthouses and in the number of men employed therein. Canada has not been standing still in the last fifteen years, and as I say, a great part of that increased expenditure is due to an increase in the number of employees. If the minister will look into the matter I think he will find that the No. 1 lighthouses are compelled to keep four assistants, and it is certainly not the case that the commission when allocating the salaries to these men provided that they should not have holidays, or having holidays, that they should pay for a substitute themselves; otherwise it would be so stated in the act or in the order in council, and that has not been done. As the salaries of the whole civil service have grown under the various orders in council and regulations, and so on, so have those of the lighthouse keepers, but they have not grown out of proportion to the increases in the civil service in Ottawa. I would submit that this is a case where really there is no practical way of logically evading the suggestion that these men ought to get the treatment that I have recommended. I accept the minister's statement that he will look into it, and I hope that that will lead to immediate action.

Mr. SHORT: I am thoroughly in accord with the remarks that have been made by my hon. friend from Comox-Alberni and my hon. friend from Skeena. I think this is one branch of the service that should receive every consideration from the department. I certainly do not think that these men are overpaid; in fact, they are not paid enough. The fact that their salaries have increased since 1911 is no indication that they are being adequately paid to-day. There is not a branch of the civil service where the salaries have not increased very materially, and in some cases more than doubled, since 1911. The cost of living, as everybody knows, has more than doubled since that date, and if there is one branch of the service that needs every consideration and should be well paid for the work it is doing, it is the lighthouse keepers.

I notice that there is a small increase of $10,000. I would ask the minister if that is to cover an increase to the lower paid men. I understand that in the service there are many lighthouses that are not in isolated positions at all, and where the lighthouse tender may live half a mile or a mile away from the light. He goes to the lighthouse at night and lights the light, and then goes home, and comes back in the morning and puts the light out. Many of these men are paid from sixty to one hundred dollars a year for performing this service three hundred and sixty-five days in the year. That does not pay for the cost of the shoe leather. I know of one case in my constituency where the man walks a mile to light the light on the end of a breakwater. It is quite an important light, and the man tells me that he gets $60 a year; this was a year or two ago. I think that this class of men should receive some consideration. The minimum pay for that class of lightkeeper should be $100. We have increased the salaries of the small country postmasters from $60 to $100, and I think the minister might very well take into consideration giving a similar increase to these lightkeepers. It would only be in keeping with the increases that are taking place in the Post Office department.

Mr. CARDIN: The $10,000 increase is an appropriation for salaries in connection with an additional establishment which we are putting into the service. There is nothing here to provide for an increase in the salaries of the lower-paid lighthouse keepers, but I might say that I am impressed by the argument that has been made by my hon. friend in regard to the lower-paid men, and I am quite prepared to look into that question at the same time as the other.

I should like to make a correction. I gave the figure of $200,000 to my hon. friend from Comox-Alberni. It would not be as high as that.

Mr. GUTHRIE: May I say a word in regard to a formal application made to the minister in a document dated February 10, 1928, which I think very well sets out the claim of the lightkeepers' association for some consideration in the way of increased salary. In the first place, it is pointed out:

That the increase of $10 per month granted last year to keepers from class 1 to 10 inclusively, was gratefully received and appreciated, and was furthermore looked upon as an important item in the welfare of those who were thereby concerned. But as regards keepers from class 1 to 5, who have assistants to pay and board out of their salaries, no provision was made about them, and therefore we confidently hope you will this year be kind enough to recognize and grant an increase of $5 per month for each assistant of same.

That is the first claim they make. I see that the number of assistants in classes 1 to 5 is as follows:

Class	No. of assistants
1..	12
2..	2
3..	2
4..	1
5..	1

It is respectfully asked that these assistants be granted an additional $5 per month. These assistant keepers are now paid and boarded by the principal keepers. The next clause in the appeal reads as follows:

The schedule of salaries we are submitting this year on behalf of the "part time" keepers from class 11 to 18 is the same as that submitted every year since 1922, and notwithstanding the many promises made since the above mentioned date, those men are still waiting if something will come, and we again beg leave to call your kind attention to the fact that these "part time" keepers are giving good and appreciable service to navigation, and for which they receive a very poor salary, which is at least 125 per cent less than those paid in other countries. We earnestly hope you will kindly consider our demand favourably and grant those well deserving keepers the schedule we are submitting to you this year.

The minister has the schedule, and I think the increases asked for are very, very modest. The third request reads as follows:

It was resolved, and we hereby humbly submit, that all the keepers of open sea stations who are on duty twelve months in the year are not receiving an adequate remuneration for their services if we consider that in some provinces the stations are closed during the winter months while the former have to bear the coldest months of the year, causing their task to be most trying. We therefore beg to submit that said keepers of open sea stations be given an increase pro rata to their monthly income.

That is on behalf of the lighthouse keepers. There is also an appeal to the minister, although it is addressed to the Minister of Finance, dated February 10, 1928, from the Canadian Brotherhood of Lightkeepers Association. I will read this appeal, for the sake of brevity:

This is an appeal respectfully submitted to your consideration and concerning the lightship captains, as also the captains of the government steamers appointed by order in council, and whose salaries are more than $600 per annum. These civil servants beg leave to state that being willing to pay their contributions such as stipulated in the statutes of the Pension Act, they would deem it a favour if they were granted the privilege of participating in it. One of the most plausible reasons offered as a basic argument favouring such an enactment is found in the fact that both the captains, Leblanc of the White island lightship, and Christensen of the Prince shoal lightship, have retired on their pensions a few years ago, and consequently we see no reason why the others of the class above mentioned should be denied the same privilege of working their way to a similar objective.

Hoping therefore you will be kind enough to give this very important and earnest request all the consideration it deserves,

We beg to remain, hon. Sir,
Yours respectfully,

THOS. M. WYATT,
President,
Father Point, P.Q.

R. W. LINDSAY,
General Secretary.
Isle Verte, P.Q.

I have looked over the schedule of wages attached to these requests. In my humble judgment. Mr. Chairman, the increases asked for are very modest indeed, and I sincerely hope the minister will see his way to grant them.

Item agreed to.

Maintenance and repairs for lighthouses, $900,000.

Mr. COOTE: The minister might give an explanation of this rather large vote.

Mr. CARDIN: This vote, the same as last year, is for the maintenance and repair of aids to navigation, including lighthouses, buoys, fog alarms and other aids to navigation. It also covers the cost of supplies and the labour and materials for repairs.

Mr. COOTE: How many lighthouses are we keeping up?

Mr. CARDIN: 1,617 lights, 11 lightships, 351 fog alarms—

Mr. SHORT: Where it is available has the department ever considered the use of hydro-electric power for many of these small lighthouses? In my constituency we have just spent a large sum of money to generate

hydro-electric power, and the line passes within a very short distance of several lighthouses. I think electric light would be cheaper and much more satisfactory than the use of oil lamps.

Mr. CARDIN: We are already putting that policy into practice in certain places.

Mr. SHORT: In my constituency there are fifteen or twenty lighthouses, and several of them can be served at a very moderate expense by our hydro-electric power system. I think it is well worth the department's consideration.

Mr. CARDIN: To complete the information I was giving to my hon. friend from Macleod (Mr. Coote): 417 gas and signal buoys; other aids to navigation, 8,430.

Mr. COOTE: How much is spent in the different provinces?

Mr. CARDIN: I can give my hon. friend the total number of lightships, fog signals and other aids to navigation for each province: New Brunswick, 1,439; Nova Scotia, 1,504; Prince Edward Island, 2,895; Quebec province, district of Quebec, 861; Montreal district, 1,243; province of Ontario, Prescott district, 701, Parry Sound district, 1,083; Kenora district, 448; Manitoba, 87; British Columbia, Victoria district, 509, Prince Rupert district, 154.

Mr. COOTE: Nothing in Alberta and Saskatchewan?

Mr. CARDIN: Not yet.

Mr. COOTE: How much of this vote was spent last year?

Mr. CARDIN: $893,231 up to March 31, 1928.

Mr. SPENCER: Is any revenue received from shipowners toward the cost of maintaining these lighthouses?

Mr. CARDIN: No.

Mr. COOTE: Will not the minister be constructing some new lighthouses and aids to navigation this year?

Mr. CARDIN: The construction of lighthouses comes under the next vote.

Mr. COOTE: I understand that. It is because the minister is asking for $725,000 to take care of further works that I am asking whether this vote will be sufficient for maintenance, it being the same as last year.

Mr. CARDIN: Very few of the proposed new lighthouses will be ready before next year.

Mr. COOTE: Did we vote anything last year for the construction of new lighthouses?

Mr. CARDIN: I think we did.

Mr. COOTE: The minister has not explained how he will be able to take care of the maintenance of the new lighthouses under this vote.

Mr. CARDIN: Most of the lighthouses that we propose to build will not be ready this year. We will have ample time next year to provide for their maintenance.

Mr. COOTE: Last year I think we voted $783,000 for the construction of new lighthouses. Surely some of them must be completed by this time. How is the minister going to provide for their maintenance out of this vote?

Mr. CARDIN: We will be able to take care of them. Certainly the men will not lose their wages.

Mr. CANTLEY: Referring to the suggestion made by the hon. member for Digby (Mr. Short), I would call the minister's attention to the fact that Pictou is a point in question. There you have a lighthouse and three range lights all within a short distance of hydro-electric power. In fact, the wires pass practically alongside the range lights and very close to the lighthouse. I suggest that the minister look into the possibilities there.

Mr. CARDIN: I will, certainly.

Item agreed to.

Construction of lights and aids to navigation, including regulation of traffic at such places as may be found necessary, $725,000.

Mr. COOTE: Where is this money to be spent?

Mr. CARDIN: First of all we have a general account of $80,000 required to pay the wages of foremen, travelling expenses of engineers and foremen, costs of investigations, examinations and reports; purchase of land; purchase of repairs to plant, et cetera; and operation of Prescott lighthouse depot. For buoy service there is $100,000. It is impossible to foresee just what amounts will be required or to estimate the damage or loss that may occur during the next two winters. However, it is not anticipated that anything out of the ordinary will occur and it is expected that the sum of $100,000 will cover these particular

requirements. For general repairs and improvements and new works, $255,000 is asked for. This amount is required to carry out new works recommended by the lighthouse board and approved by council, and for the necessary repairs already asked for as well as requirements which will develop before April, 1929. Unfinished works will require $40,000. This is needed for works commenced in the fiscal year but which, owing to various causes, may have to be carried over to next season. For aids to navigation, north channel of the St. Lawrence river, an amount of $250,000 is needed. In connection with these aids to navigation, east of the island of Orleans, range lights consisting of two piers with lighthouses will have to be established. It is estimated that $250,000 will be required to cover the cost.

Mr. COOTE: Will the minister give some particulars of the new works that are being constructed?

Mr. CARDIN: The following is a list of new works, improvements and repairs contemplated for the fiscal year 1928-29:

Nova Scotia—
Pearl island, Combined lighthouse and dwelling.
Isaac harbour, New dwelling.
Eddy point, Fog alarm,
St. Paul island, Derrick and slipway,
Flat point, Moving tower,
Guysborough, Unwatched light on beacon.
Guysborough, Light to range with present one.
Sable island W.E., Repairs and painting.
Prince Edward Island—
Cape Whittle, Light and fog alarm.
Charlottetown wf., Repairs west face.
Neguac gully, New dwelling.
Oak point, Moving back light.
Echourie, M.I., Light tower and shelter shed.
New Brunswick—
Long point, Fog horn.
Jemseg, New pole and pier.
Porter point, protection.
Quebec—
Quebec, Repairs to wharves.
Anse aux Canard, Range lights.
Agouanish, Range lights.
St. Marguerite, Range lights.
Cannes des Roches, Light on breakwater.
Riviere Nouvelle, Light on breakwater.
L'Anse a Brilliant, Pole light.
Riviere a Claude, Light.
Bersimis and Outarde bay, Hand horn.
Montreal—
Isle Deslaurier, New pier.
Bloody island, Straightening tower.
Vercheres village, Rebuilding front lgt. pier.
Lotbiniere, Range lights (red).
Ontario—
Batteau rocks, Fog alarm and light station.
Hudson straits, 10 gas lights.
Grosse pointe, New pier.
Lancaster bar, Repairs foundation.
Chantry island, Pointing and whitewashing tower.
Spectacle shoal, New tower.
Spruce shoal, Repairs foundation.
Bronte, New tower.
Gibbons point, day beacons.
Muskoka lakes, 2 lights (red).
Gore bay, Pole light.
Victoria, B.C.—
Amphitrite point, Dwelling and water service.
Cape Cook, Unwatched light.
Shusartie bay, Aga light.
False bay, Small light.
East bay, Small light.
Prince Rupert, B.C.—
Green island, Fog alarm.
Lucy island, Fog alarm.

Mr. COOTE: I must thank the minister for the information given. Is any of this money to be spent in Saskatchewan and Alberta?

Mr. CARDIN: No.

Mr. COOTE: Has the minister had a request to provide certain services on lake Athabaska?

Mr. CARDIN: I understand that we are sending somebody there to inquire about the situation. The same remark applies to Great Slave lake.

Mr. COOTE: Would there be any possibility of work being done this year under this vote if the report showed that it was necessary?

Mr. CARDIN: We shall take care of any work that is urgent unless it calls for a very, very large expenditure. If it were not too large we could take care of it.

Item agreed to.

Maintenance and repairs to wharves, $10,000.

Mr. GOTT: This may not be within the purview of the minister's department, but I am informed by some of the lumber dealers in Essex county that they have not yet been privileged to tender on lumber used in repair work on the docks in that county. I do not see why it should be necessary to travel one hundred miles to get a small supply of lumber with which to make repairs to wharves when this lumber can be purchased close to the point where the repairs are to be made.

Mr. CARDIN: I may say that out of that vote we provide for only small repairs costing up to $50. The larger repairs are made by the Department of Public Works.

Mr. GARDINER: Then why is this item under this department?

Mr. CARDIN: The reason is that once a wharf is completed by the Department of Public Works it reverts to the Department of Marine and Fisheries for administration. We collect the dues on these wharves, and this vote is to provide for small repairs which may be urgently needed. When any serious repairs must be made the work is done by the Department of Public Works.

Mr. GOTT: That is the reason I mentioned it; I thought this came under the jurisdiction of the Department of Public Works. I hope the minister will take occasion to call this matter to the attention of his colleague, the Minister of Public Works. Recently I sent a letter to a firm in Essex county inquiring whether they had been permitted to tender on lumber used for this purpose, and this is their reply:

Your letter of May 9th to hand. In reply we wish to say that we have never had the opportunity of figuring on any government dock in Essex county.

I hope the Minister of Public Works will take cognizance of this situation and see that the lumber dealers in Essex county, whether Liberal or Conservative, have an opportunity to tender on the lumber used for repairing these wharves.

Item agreed to.

Amounts required to pay pensions to pilots, $10,500.

Mr. ADSHEAD: This amount is requested to pay pensions to pilots, and I see that the thirty-five pilots receive only $10,500, which is at the rate of $300 per year. Does the minister think that is enough for a man to live on, or are these pilots expected to apply for old age pension?

Mr. CARDIN: This is not the only pension received by these pilots; from their own funds, collected by fees, they receive an equal amount of $300. This item is the result of certain negotiations which were made with the pilotage association of Quebec when the department took control of the pilotage in that district. At that time, which was some years ago, one of the considerations was that we should pay a pension of this amount to the pilots who were then in the service. It is a part of the contract which was then made.

Mr. ADSHEAD: They are retired?

Mr. CARDIN: Yes.

Mr. ADSHEAD: And they receive a total pension of $600?

Mr. CARDIN: Yes.

Mr. ADSHEAD: They live on that, and a judge cannot live on a pension of $5,000.

Mr. GARDINER: Are the pilots now employed under the superannuation fund?

Mr. CARDIN: Yes.

Item agreed to.

Allowance to harbour master at Amherstburg, for supervision of lights and buoys on the St. Clair river, the Detroit river and lake Erie, and other services in connection with the lighthouse service for the season of navigation, 1928, $600.

Mr. GOTT: My curiosity is rather aroused by this item. I should ask the minister for the information which will show why it is necessary to have one particular item covering the harbour master at Amherstburg, in view of the fact that there are harbour masters in other places from coast to coast.

Mr. CARDIN: I will give my hon. friend the information I have before me in this regard. On the Detroit river and lake Erie some seventeen gas buoys and about fifty-eight other buoys, some of them lighted, and ten winter spar buoys are maintained under contract and under the supervision of the harbour master at Amherstburg, and on the St. Clair river there are five gas lights under his direct supervision. Also the business in connection with the Southeast shoal and Bar Point lightships is to some extent looked after by him, and he assists with the business connected with the maintenance of some of the more isolated light stations at the western end of lake Erie. Under the statute a harbour master's remuneration is derived from harbour dues collected, but the dues at Amherstburg are negligible while the work and responsibility in connection with the maintenance of aids to navigation are quite considerable. This appropriation is to provide an allowance to the harbour master at Amherstburg for services rendered in this latter connection.

Mr. GOTT: What vote would cover the wages paid to other harbour masters?

Mr. CARDIN: There is no vote, because they are paid by fees which they collect.

Mr. GARDINER: Does this particular harbour master collect fees in addition to this $600?

Mr. CARDIN: I am informed that we have no record of that before us, but it is

stated here that he is not collecting very much and that is why we pay him this compensation.

Mr. GARDINER: If it is stated there that he does not collect very much, surely the department should know how much he is getting.

Mr. CARDIN: No doubt we have that information somewhere.

Mr. GARDINER: It does not seem that $600 is very much for the work this man is supposed to do, and I wondered what amount he collected by way of fees.

Mr. GOTT: I know that if the harbour master at Amherstburg were paid by fees he would not draw any salary, but is he the only harbour master in the Dominion who is paid a salary by this government?

Mr. CARDIN: Yes, he is the only one.

Item agreed to.

Marine—meterological service, including magnetic observatory, grants of $500 each to Kingston and Montreal observatories, and allowance of $400 to L. F. Gorman, observer at Ottawa, $300,000.

Mr. GARDINER: Will the minister explain this item?

Mr. CARDIN: This proposed appropriation is to provide for the maintenance of the meteorological service of Canada.

Mr. GARDINER: What is the reason for the increase?

Mr. CARDIN: The increase over last fiscal year is to provide for an extension of the service to meet the requirements of the air board by way of furnishing immediate data with regard to atmospheric conditions, air currents and so on, in particular districts and along particular routes.

Mr. COOTE: How much was spent last year?

Mr. CARDIN: $272,623.

Item agreed to.

Steamboat inspection, $142,980.

Mr. CARDIN: This vote provides for an expenditure, but the government is practically reimbursed through the fees charged for this inspection and the money is paid into the consolidated revenue fund.

Mr. COOTE: Do you inspect all passenger steamboats in Canada?

[Mr. Cardin.]

Mr. GARDINER: Will you give us the income and expenditures for last year?

Mr. CARDIN: They have not been tabulated for last year, but I can give my hon friend an idea from the figures for 1926-27—the income was $135,450.39, and the expenditures amounted to $121,961.

Mr. HARRIS: Does this vote cover the inspection of passenger steamships and life-saving apparatus?

Mr. CARDIN: Yes.

Mr. HARRIS: How many inspectors are there on this work?

Mr. CARDIN: About thirty-four in all.

Mr. HARRIS: How many classes of life-saving apparatus are there?

Mr. CARDIN: I regret I have not the regulations here.

Mr. HARRIS: If I read the reports correctly there is a No. 1 class, No. 2, No. 3, and so on. I am asking particularly with regard to the pleasure boats running on the Toronto-Kingston and Kingston-Montreal lines. Does the department demand that these passenger boats shall have all No. 1 class life saving equipment, or do they still have considerable of what the department terms No. 2 and No. 3?

Mr. CARDIN: Not having the regulations before me, Mr. Chairman, I am not in position to satisfy my hon. friend regarding that. I will be quite ready to give him the information, probably to-morrow.

Mr. HARRIS: To my mind there is not sufficient protection on these passenger boats—I am dealing particularly with the Ontario district—for the travelling public, especially during the tourist season when these boats are overcrowded. I suggest to the minister that this inspection should be reviewed and checked up to prevent the occurrence of a tragedy on our lakes in the near future.

Mr. ROSS (Kingston): What control has the department over the number of passengers carried on boats?

Mr. CARDIN: According to the regulations, the inspector fixes the number of passengers that the boat can carry.

Mr. ROSS (Kingston): And a certificate to that effect is in the boat. But what

control has the department over the boat to see that this is carried out?

Mr. CARDIN: The customs collector at the different ports is supposed to see that the regulations are observed.

Mr. ROSS (Kingston): And that is the only official?

Mr. CARDIN: Yes.

Item agreed to.

Miscellaneous—to provide for the salary of Hon. J. C. Patterson, commissioner to investigate titles of Great Britain to lands in the Arctic seas, $2,400.

Mr. GARDINER: I would like some information regarding this item.

Mr. CARDIN: The Hon. J. C. Patterson was appointed a commissioner to investigate titles of great Britain to lands in the Arctic seas by order in council P.C. 1160, at a salary of $200 per month, payable out of the moneys appropriated for unforeseen expenses. By order in council P.C. 1391 it was provided that Mr. Patterson's salary was to be paid out of moneys appropriated for the Canadian Arctic expedition organized in that year, and later designated as the patrol of northern waters of Canada. No provision being made in the main estimates for the fiscal year 1928-29 for the patrol of northern waters of Canada, some other provision for Mr. Patterson's salary is therefore necessary.

Mr. GARDINER: What is the explanation as to the need for the investigation of these titles?

Mr. CARDIN: He is working up some data and information to ascertain exactly the situation in regard to the lands which are mentioned in the order in council.

Mr. ADSHEAD: In regard to titles to lands of Great Britain?

Mr. CARDIN: Yes.

Mr. ADSHEAD: Why does Great Britain not look after her own titles?

Mr. CARDIN: These will be Canadian lands.

Mr. COOTE: The question naturally arises why Canada should investigate the titles of British lands. That is why we are asking the question.

Mr. CARDIN: Really they are Canadian.

Mr. COOTE: It might be advisable to correct the item and say: "titles of Canada". Now that we are on an equal status with Great Britain I think we should investigate the titles of our lands and Great Britain might investigate the titles of hers.

Some hon. MEMBERS: Carried.

Mr. COOTE: As amended.

Item agreed to.

Civil Government—Marine and Fisheries—salaries and contingencies, $614,615.

Mr. GARDINER: I must protest against the manner in which the Chairman (Mr. Bouchard) is reading these items. We do not know where we are and we cannot hear a word he says. I suggest that unless he speaks louder, some other hon. member should take the chair.

Mr. CARDIN: This is item 16, civil government. The details appear on page 87.

Mr. GUTHRIE: The increase of $4,500 is due just to statutory increases?

Mr. CARDIN: Yes.

Item agreed to.

Fisheries—salaries and disbursements of fishery officers and guardians, fisheries patrol and fisheries protection service, $950,000.

Mr. SHORT: This is in connection with fisheries and as this is Friday, it is a good day to discuss them. I should like to say just a few words in connection with fisheries.

Mr. McINTOSH: How many?

Mr. SHORT: I will not talk too long. I have not a great deal of correspondence to read and I hope hon. gentlemen will give me the same attention that they did the other night. If they wish to make any comments I shall be glad to have them and will answer them as best I can.

Mr. McINTOSH: Make it short.

Mr. SHORT: I will make it very short. Little or nothing has been done by the department of fisheries. I think the minister will agree with me that this is one department that has not received the attention it should receive. Had it received proper attention there would not have been the trouble or the discontent that occurred among the fishermen of the maritime provinces during the past year. When the Duncan report came down, one of the recommendations was that a deputy minister of fisheries should be appointed forthwith. When the discussion took place on that report, the Prime Minister, speaking on March 18, 1927, said, as reported in Hansard at page 1334:

The commission's recommendation with respect to the appointment of a deputy minister whose duties will be confined to what at present constitutes the fisheries section of the Department of Marine and Fisheries will be carried out.

A year and three months have elapsed since that statement was made to the house and no deputy minister has yet been appointed. Had that appointment been made shortly after the house prorogued last year, there would not have been the discontent that there was among the fishermen of the maritime provinces because they would have felt that something was being done for the industry. Nothing is being done for the industry by the department except to carry out the regulations that appear on the statute book or to put new ones into effect. Many of them which they should have carried out they did not carry out and those which they should not, they did carry out. If there is any department which has been neglected, it is the department of fisheries. I say this with all respect to the minister and the deputy. They are great friends of mine; I know they will take in all kindness everything I say, and I think down in their hearts they will agree with me. Both of them are very busy men. The marine department is a very large department and their time is practically taken up with it, the fisheries being left to other officials who have no power whatever. They must report to the deputy and the minister and, as I said before, they are too much engaged in the other duties of the department to bother about the fisheries.

Our fisheries constitute one of our greatest natural resources and if they were properly developed they would be capable of producing double the amount they do now. Last year the production of fish in this country amounted to about $50,000,000, and if we had a department of fisheries that amount could easily be doubled. The fisheries commission that has recently reported has gone further than the recommendations of the Duncan commission. They recommend that a separate department with a minister and a deputy be established. But I am not going to discuss that report tonight because I understand the Prime Minister has already stated to the house that as the government have not had an opportunity of going thoroughly, into the report, no legislation will be brought down this session in connection with the recommendations contained therein. Therefore the matter is not under discussion, unless the minister can give the committee an idea whether the government are going to change their minds or not. Will any action be taken in connection with the report this year? I presume not, because the minister does not answer. I presume they are not going to take any action, because one of the recommendations in the report was that no changes whatever should be made in the different seasons for taking lobsters in various sections of the province of Nova Scotia; that that regulation be made statutory so that it could be changed only by consent of parliament. But since the report was brought in a change has been made and an extension has already been given to one section of Nova Scotia. It is either ten or fifteen days, I do not know which. Evidently, therefore, the government do not intend to pay much attention to that report. Had we had a deputy minister appointed last year, we would never have had this trouble in connection with the fishermen in Nova Scotia and New Brunswick. That commission has cost this country some $85,000. If that money had been spent in creating a separate department—and it would have carried that department for some time—it never would have been necessary to have a commission, because you would have had men in that fisheries department who knew something about the industry, and they would have brought down some remedies for the ills that exist in that part of the country. But the government decided that they would do nothing in that connection, and the result has been great deal of dissatisfaction and unrest among the fishermen of the maritime provinces, as the house is well aware

We feel also that we are not protected against foreign fish coming into this country Perhaps this house is not aware that we import from the United States nearly one million dollars' worth of fish a year. To be exact, last year we imported $911,000 worth of fish from the United States, practically every dollar's worth of which could have been produced in the maritime provinces. There was $540,000 worth of fresh fish brought into Canada from the United States. Most of it came in last spring when prices were very low in the United States, and our duty of only one cent a pound is not sufficient protection to keep that fish from coming in, owing to the fact that the express and freight rates are very much lower from Boston and Portland to Montreal, Toronto and Ottawa than the rates from the maritime provinces, the distance being so much less.

Mr. McMILLAN: Mr. Chairman, I rise to a point of order. We are not discussing the tariff, I submit.

Mr. SHORT: We have to bring in the tariff in order to show you what is wrong with our fisheries. I do not think the hon. member

has read the report of the commission. When we ship this same fish to the United States, we have to pay a duty of two cents a pound. There is no reason why there should be one dollar's worth of fresh fish brought into this country from the United States. The maritime provinces are suffering from lack of markets for their fish. We have been asking this government for the last two years to try to extend our markets for us. Hundreds of thousands of dollars' worth of American fish, the same as we produce here, are brought into this country, and no steps have been taken by the government to relieve the situation. We also imported into this country from the United States $108,500 of dried, smoked and pickled fish, every dollar's worth of which could have been produced in the maritime provinces, and would have been if we had had a duty as high as the American duty. We have not been able to export any of our cheap fresh fish to the United States since the Fordney tariff came into effect. If we had a deputy minister who was a practical man, who knew the conditions as they exist in the maritime provinces and elsewhere throughout this country, and the conditions as to markets, we might get some relief. For the last year and a half the Canadian Fisheries Association have been trying to get this government to help them in advertising fish so as to increase our markets in Canada, but last year the government never contributed one dollar towards that advertising campaign. The year before they did contribute $10,000, and the industry had to put up a like amount; but ten or twenty thousand dollars is not enough to carry on a propaganda of advertising in this country if we are going to increase the sale of our fish, which is one of our great natural products, giving employment to thousands of our Canadian citizens.

Mr. ADSHEAD: How many carloads of fish were shipped from Athabaska to Detroit?

Mr. SHORT: I could not tell you; that is out of my district. Perhaps my hon. friend from Skeena could answer that.

Mr. GOTT: The hon. member for Rosetown ought to know.

Mr. SHORT: It would be in the public interest to appropriate in these estimates a sufficient amount to carry on an advertising propaganda in this country to increase the sale of fish. Had we had a market for our fish there never would have been any trouble with the fishermen. Our trouble has been lack of markets, and the consequence was the fishermen could not make a living. They felt that they had to make some appeal to the public, which they did, and the government finally took notice of it and appointed this commission, which has dealt very thoroughly with the situation.

I see an item of $130,000 to assist in the conservation and development of the deep sea fisheries and the demand for fish. Why cannot a sum be taken from that item for advertising purposes, which would be of the greatest benefit to the country? This same item of $130,000 was in the estimates last year, and only $5,920 out of that $130,000 was expended. The department does not even seem to know how to expend the very small appropriation which they do get for the fisheries. I say, therefore, that they should call in a practical man, a man who knows that business —because they have got the men. They should put in authority a man who knows production, and who knows how fish are sold. Last year they sent two men, Mr. Cowie, of the department, and a Mr. Earle, across to England to look into the question of markets for our fish, but I have not heard a word of what they did. It cost this country several thousands of dollars to send them over there. There is a market for our fish in England, but it is up to the department to develop that market, just as other departments of the government, the Department of Agriculture, for instance, develops markets for the products of the farm. But the department of fisheries has done nothing whatever in that regard. I am told that there is a wonderful prospect for a market for our fresh fish in England. But no single firm can develop that business, and it is therefore up to the government to find a market for our fish, just as it does for other natural products. That is what the Department of Fisheries is for, but absolutely nothing has been done.

I do not want to be complaining, Mr. Chairman, at all. I just want to bring this matter to the attention of the committee for its consideration. I am not blaming the present minister a bit more than his predecessors. We have never had a practical man in charge of the fisheries department. What would the Department of Agriculture think if a professional man was made Minister of Agriculture? They have never done that, and why should we not have a man who knows the fish game in charge of the Fisheries department that you are going to establish? You want a man who knows the industry, and you have such a man on your side of the house, a man who is capable in every way, a man who has been in the fish business all his life and knows it from start to finish. I want to give a word of caution: when this separate department is created do not put in a clerical man who

knows nothing whatever about the business; put in a man who knows the industry, and then you will get some results. I bring this to the attention of the minister in the hope that something will be done so that we will not next year have the same trouble down in our province that we had last.

Mr. McQUARRIE: Mr. Chairman, I desire to refer to the judgment of the Supreme Court of Canada on a reference to it as to the constitutional validity or interpretation of certain sections or regulations under the Fisheries Act, 1914. As was brought out the other day, the judgment was rendered on May 28. I presume the minister has read it carefully. I have a copy here which I received today, and which I have glanced through. What action does the government propose to take to deal with the situation which has arisen by reason of this judgment? I understood the Minister of Justice (Mr. Lapointe) the other day to say that he was giving instructions for an appeal to be taken to the Privy Council. It seems to me that that is not sufficient; something must be done right away, the situation being very serious, particularly on the Pacific coast. When this matter was referred to on a former occasion the Minister of Justice said that pending the appeal the government would not act on this judgment, but I am afraid that the orientals will secure a mandamus and force the minister to issue licenses to them.

I have read the majority judgment of the court. I have not read the dissenting judgments by Mr. Justice Duff, Mr. Justice Migneault, and Mr. Justice Smith. The judgment deals with three questions. The first two refer to cannery licenses. The third question has to do with the authority of the minister to refuse to issue licenses to take salmon and other fish on the Pacific coast. If I may give a synopsis of the judgment, it decides that the act and the regulations thereunder do not at the present time give authority to the minister to refuse a license to any person who possesses the necessary qualifications. The regulations provide that no person shall be entitled to fish without a license. Now, the court declares that that is not sufficient, that the act must give the minister direct and definite authority to refuse a license to any person. In other words, there must be a discretionary power in the minister. The Minister of Justice may go on with his appeal to the Privy Council, but in the meantime the situation in British Columbia will be alarming, to say the least, if all the Japanese who have been refused licenses are going to receive them now, and in view of the judgment I do not see how the minister can refuse to grant them licenses.

To meet the situation I suggest, even supposing the judgment is sound, a remedy is available and should be taken advantage of during the present session. It would mean an amendment to the act giving the minister discretionary powers to refuse licenses. That is all that is necessary, and it could be enacted without taking up a great deal of the remainder of the session. Of course, I am aware that the Prime Minister (Mr. Mackenzie King) has stated that no further legislation will be introduced, but I think this matter is of such vital importance that it should be dealt with at once.

Mr. CARDIN: Mr. Chairman, the government has decided to appeal to the Privy Council. I may reassure my hon. friend on another point. So long as there is an appeal to a higher tribunal the judgment of the lower court is of no effect. Consequently the situation remains as it was, the judgment of the supreme court can have no effect until it is affirmed by the Privy Council, and in the meantime we shall carry on in the usual way. So my hon. friend need not be afraid of the alarming developments to which he has referred.

Mr. NEILL: I am very glad to hear the minister express his opinion in this matter, both as a minister and a lawyer. While I would have preferred to see an amendment made to the Fisheries Act—and I think this is the course that ultimately will have to be taken—yet at this late stage of the session the decision announced by the minister will perhaps be as effective as we could wish.

As to the remarks of my hon. friend from Digby-Annapolis (Mr. Short), of course he was entirely out of order; he was talking on an item that had nothing to do with the subject. It should have been brought up on the civil government estimates. However the hon. member has been allowed to deviate from the straight and narrow path and I may be allowed to do the same for a few minutes. I endorse what he has said as regards the appointment of a deputy minister. We were promised that, if not the year before last, certainly last year. The legislation has been passed and I see no reason why it should not be carried out.

Mr. CARDIN: It will be.

Mr. NEILL: It would make for efficiency in the service. The Duncan report also recommended it and we in British Columbia are anxious to have the same thing. I would

go further, again following the Duncan report, and say that we in British Columbia are in sympathy with the idea of having a commissioner for the east and one also for the west—men who would live, respectively, in the maritime provinces and in British Columbia and who would necessarily be familiar with the local conditions of the industry. As my hon. friend has indicated, they would be able to formulate policies ahead, so to speak, of their urgent necessity and not wait until the industry was almost in the ditch. They would foresee trouble and devote themselves to the providing of remedies. Speaking for British Columbia and particularly for the district I represent, I hope that before long we shall see the Department of Fisheries established under the deputy minister.

Mr. McQUARRIE: I want to refer to another matter. Yesterday we listened to the hon. member for Comox-Alberni speaking in regard to the conditions of men employed in the life saving stations in British Columbia. He referred to their pay and also to the fact that they are not under the Civil Service Commission, being thereby deprived of certain privileges which otherwise they would enjoy. There is another class that comes directly under this item; I refer to the patrol boat employees on the Pacific coast. I have from time to time made representations to the department, and representations have also been made by the Amalgamated Civil Servants' Association of New Westminster in the same connection. These men are very much underpaid, it seems to me, and more than that they have been deprived of certain perquisites which they formerly received. They formerly received food when they were out on their work; they got provisions; and they have been deprived of these. They were not granted any increase of pay when other civil servants received an increase; it was stated that they were not permanent employees. All I can say in that connection is that a great many of these men have been in the employ of the department for upwards of five, ten and fifteen years. To say that they are only temporary employees seems to me rather ridiculous. They are not given any holidays at all; nor are they entitled to any superannuation. They work from seventy to eighty hours a week for five months of the year and during the remaining months they work a minimum of forty-four hours per week. I do not think the government is treating the civil servants of this country at all fairly in a great many ways, and this particular class have been very badly treated. There is no reason whatever in the stand taken by the department, that these men are not entitled to further consideration. Their salaries are most inadequate and I would impress upon the minister the necessity for reveiwing the condition of these men. I would also ask that he do something to give them fair treatment. It was my privilege to bring the matter to the attention of the minister personally, but I am afraid he has not gone into it very carefully, because he cannot defend the stand which the department has taken.

Mr. GARDINER: Will the minister explain the increase?

Mr. CARDIN: The flat increase of $120 given last year was paid out of the special appropriation; this year it is included here. It amounts to $9,500. This year the annual increases amount to $1,860. Two new boats for the Atlantic coast are required; one for investigational work, $12,000 and one to replace hired boats for the Grand Manan district for which we are paying $600 per year. The new boat will cost about $2,000 and will pay for itself in less than four years. This amounts to $14,000. There are also new boats for the Pacific, one to replace the Swan, built in 1908 and which is worn out; the other takes the place of a boat which was burned last fall. At $6,000 each these amount to $12,000. There is a new engine for another vessel; this amounts to $3,000. This makes up the $40,000 increase.

Mr. GARDINER: But I understand there is an increase of $90,000.

Mr. CARDIN: We had a supplementary voted at the opening of this session for last year amounting to $50,000.

Mr. GARDINER: Is there any of this money spent in the prairie provinces?

Mr. CARDIN: Yes.

Mr. GARDINER: How much?

Mr. CARDIN: The expenditure in Manitoba last year was $16,618.96; Saskatchewan, $18,588.66; Alberta, $21,391.73. This is for fishery officers.

Mr. GARDINER: What are the duties of these officers?

Mr. CARDIN: They are administering the fishery laws and seeing that the regulations are observed.

Mr. COOTE: We often hear complaints about the number of inspectors in the Department of Agriculture, and I was just wonder-

ing, for the purpose of comparison, how many inspectors are included under this vote.

Mr. CARDIN: In the three prairie provinces there are three district inspectors, fifteen overseers and twenty-four guardians.

Mr. COOTE: What is the duty of an overseer? Does he oversee the inspector?

Mr. CARDIN: No, he sees that the regulations in his district are observed. He has charge of a particular district.

Mr. COOTE: Would the minister just go a little further and tell us what he does in that district? What is the difference between an inspector and an overseer?

Mr. CARDIN: The inspector is the more important man. There is one inspector for each province, but he cannot see to all the details and supervise all the districts under his control. The men working under him are the overseers, who are given certain districts to look after, and these overseers have under them the guardians, who are supposed to see that the regulations are observed.

Mr. COOTE: Are these guardians full-time men?

Mr. CARDIN. No, they are only seasonal men.

Mr. GOTT: Mr. Chairman, I call your attention to the fact that it is eleven o'clock.

Mr. CARDIN: They are paid only the rate prevailing in that locality.

Item agreed to.

Progress reported.

INTERNATIONAL PEACE

MULTILATERAL TREATY PROPOSED BY THE UNITED STATES—CORRESPONDENCE TABLED

Right hon. W. L. MACKENZIE KING (Prime Minister): With the permission of the house I should like to lay on the table the correspondence relating to the proposal for a multilateral pact for the renunciation of war. This includes the reply of Canada to the invitation of the United States.

Mr. GARLAND (Bow River): May I ask the Prime Minister if he will be prepared to provide an opportunity for a brief statement with respect to these papers?

Mr. MACKENZIE KING: I think my hon. friend will find when he sees the correspondence that it contains about all that can be said in the way of a statement.

Mr. GARLAND (Bow River): Does the correspondence contain a statement of government policy in connection with this question?

Mr. MACKENZIE KING: It contains a statement of the position of the Canadian government.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Saturday, June 2, 1928.

The house met at eleven o'clock.

PRIVATE BILL

LONDON AND PORT BURWELL RAILWAY COMPANY

Mr. W. H. TAYLOR (Norfolk-Elgin) moved:

That Bill No. 58, an act to incorporate the London and Port Burwell Railway Company be placed this day in its position on the order paper for third reading.

Mr. STEVENS: Mr. Speaker—

Mr. SPENCER: May I ask the hon. member what he considers the place of this bill should be?

Mr. SPEAKER: Is the hon. member asking that question of the Chair?

Mr. SPENCER: I am asking the hon. member, Mr. Speaker.

Mr. LAPOINTE: That would be for the officers of the house to say.

Mr. MANION: Does this motion require notice?

Mr. SPEAKER: No; under standing order 45 no notice is required in the case of private bills but if amendments are made then under standing order 113a notice is required.

Some hon. MEMBERS: Carried.

Mr. DENIS (Joliette): The motion reads "in its position". I should like to know what those words mean. I have no objection to the bill being placed on the order paper but it cannot have precedence over other bills now on the order paper.

Mr. SPEAKER: Is that a point of order?

Mr. TAYLOR: I am willing to take your ruling, Mr. Speaker, as regards the position the bill should take on the order paper.

Mr. SPEAKER: Yesterday the motion was made by the hon. member for West Elgin (Mr. Hepburn) for the third reading of this bill. Thereupon the hon. member for Frontenac-Addington (Mr. Edwards) rose and moved the previous question. The previous question was negatived. What does that imply? It means simply that on that day the bill could not be read the third time. In my humble opinion, however, it should not lose its position. It was not "killed;" it was only superseded and therefore should retain the position it held last night. The bill was not in committee of the whole. Standing order 15, subsection 4 reads:

After a private or public bill has been considered on Tuesday or Friday evening and debate thereon has been adjourned or interrupted at nine o'clock, it shall be placed at the foot of the list of such bills on the order paper.

That was not the case in the present instance. The Speaker was in the chair, and the bill was merely superseded by reason of the previous question having been negatived. Consequently it keeps its place on the order paper, and I so rule.

Mr. DENIS (Joliette): It keeps its rank?

Mr. SPEAKER: It keeps its rank because, as I have said, it was not "killed". The situation is the same as though the bill had stood. If an hon. member had said "stand" the bill would not have lost its rank. The bill was paralysed—figuratively speaking—yesterday, but to-day it is revived.

Mr. MANION: It seems to me, Mr. Speaker, that when the house last night voted that the question be not now put, the inference is that the house had no wish to decide upon the bill at all.

Mr. LAPOINTE: No.

Mr. MANION: Not at that time. I am not objecting to its being reintroduced, but I do submit that the bill should go to the bottom of the list and not be placed at the top.

Mr. SPEAKER: Perhaps I should observe that the implication of "the previous question" has been always a moot question. Cushing, who has written several chapters on the point, has this to say:

When this motion was first introduced, the question was put in this form, "that the main question be put?" and, if resolved in the negative, the main question was suppressed, and could not again be moved for the whole session. The form of the question was afterwards changed (it is said on the suggestion of Sir Harry Vane), to that which it now bears, namely, "that the main question be now put?" and the operation of it, if resolved in the negative,—

As the motion in this instance was last night.

—is to suppress the main question for the day only.

And further:

If the previous question is decided in the negative, namely, that the main question shall not now be put, the effect of this decision is, that the same question cannot be moved again the same day, but may be on any subsequent day.

But the motion resumes its position automatically the next day. I have cited Cushing, but May and Bourinot are both of the same opinion. The motion therefore stands where it was yesterday. Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Carried.

Motion agreed to.

INDUSTRIAL AND INTERNATIONAL RELATIONS

Motion for concurrence in report of committee.

Mr. C. R. McINTOSH (North Battleford) moved:

That the third and final report of the select standing committee on industrial and international relations, as amended by instructions of the house, be concurred in.

Mr. STEVENS: This motion is not on the votes and proceedings. Surely it requires notice. As soon as I got my votes and proceedings this morning I consulted it but I could not find any notice of the motion.

Mr. SPEAKER: Has notice been given?

Mr. McINTOSH: The house has virtually had notice for over two weeks. There is but a slight amendment in what is asked to be concurred in now as compared with what was submitted for concurrence days ago.

Mr. SPEAKER: Strictly speaking notice must be given. In the absence of notice the motion stands.

Motion stands.

UNITED STATES FLAGS IN CANADA

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): I wish to ask a question of the Prime Minister (Mr. Mackenzie King), referring to a press dispatch from Saranac Lake, New York, appearing in the local newspapers today intimating that a complaint had been made that American flags were torn from a Saranac Lake tourist party's automobile in

Montreal and trampled upon by a resident of that city on May 30. Will the government consider the suggestion made by the Native Sons of British Columbia that legislation be introduced making it compulsory that all foreign automobiles while in the Dominion of Canada, carrying or displaying a flag of their own country, should carry and display a British flag of like size?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have not had an opportunity to consider the suggestion. Personally I do not like the idea of compulsory legislation in matters of this kind. I should think that a useful purpose might be served by conversations between the legations in Washington and Ottawa as to the practice which each country might follow in these matters of international courtesy. The question might be dealt with more effectively in that way than in any other. I shall have pleasure in opening a conversation towards that end.

SUPPLY

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

DEPARTMENT OF MARINE AND FISHERIES

Fisheries—building fishways and clearing rivers, $20,000.

Mr. ROSS (Kingston): May I ask the minister to explain the work done under this vote?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): This appropriation is for the purpose of removing obstructions to fish ascending rivers and streams to their spawning areas and building fishways in dams across such rivers and streams. Particularly in British Columbia, log jams are forming continually and frequently become so complete that the ascending salmon are unable to get past them. In addition to that, natural obstructions are sometimes encountered which prevent the salmon from reaching the excellent spawning areas higher up the stream. Experience has proven that the removal of these obstructions invariably results in substantial increases in the runs of fish. In British Columbia during last year an expenditure of $11,260 was made. The list of the places where this money was expended is rather long; does my hon. friend desire that list?

Mr. ROSS (Kingston): No. There is a very important matter in conection with this item to which I direct the attention of the minister and of the department. While the run of salmon in British Columbia is very important, there is a certain difficulty on the rivers running into Hudson bay. Power companies are being allowed to build dams and obstructions on these rivers without giving the fish an opportunity to pass up in the spawning season. This may be a provincial matter as far as the construction of the dams is concerned, yet the construction of these obstructions prevents the run of fish into Hudson bay. The minister and the department will find that a number of power dams are being erected in that part of the country with no arrangement made to permit of the passage of the fish. This is important not only to the province, but to the Dominion as well.

Mr. MILNE: I would like to draw the attention of the minister to the fact that on the White Mud river, at the town of Gladstone, Manitoba, the Canadian Pacific Railway constructed a dam in order to provide water for their tank. In this dam there is no adequate means for the passage of the fish. This matter has been brought to the attention of the department for at least fifteen or eighteen years, and nothing has been done. It is only on very rare occasions, when the water is extremely high, that the fish are able to get over the dam. In ordinary years, when the ice goes out with comparatively low water, the fish come up to the bottom of the dam and remain there; they cannot get up the stream, where they desire to go. I draw this matter to the attention of the minister in the hope he will endeavour to have something done. There are many settlers above the dam who desire to obtain these fish in the spring, but on account of the dam they are unable to do so. I hope the minister and his department will look into the matter and see if something cannot be done to permit the fish to get up the stream in spring as they desire to do.

Mr. CARDIN: We have had one fishway built at that place but the technical officers advise that this is a very difficult situation to deal with. However, we propose this summer to send an engineer to look over the situation and advise us as to the possibility of coping with it. As far as my hon. friend from Kingston is concerned I may say that when a dam is built on a river the company is obliged to build a fishway according to the regulations established by the department.

Mr. ROSS (Kingston): But still these dams are being built with no arrangement of this kind. This is very important, because the spawning grounds of the fish are destroyed

and the settlers will suffer later. There are no fishways in these new dams which are being built for power purposes in that part of the country.

Mr. CARDIN: Has my hon. friend any particular river in mind?

Mr. ROSS (Kingston): I cannot give them all, but I can mention one, the Matagami river.

Mr. CARDIN: The law gives us power to impose upon the companies the obligation to build fishways in all their dams according to plans and specifications aproved by the department. Of course, it may be that the river to which my hon. friend is referring is in a province which administers its own fisheries.

Mr. ROSS (Kingston): While that may be true and the site of this dam may be within a provincial jurisdiction, yet the effect is on Hudson bay, so the matter becomes federal also.

Mr. CARDIN: I see the point.

Mr. BLACK (Halifax): I want to add to what has been said with reference to these dams. As far as the province of Nova Scotia is concerned the construction of fishways is entirely overlooked, and some of our best rivers are destroyed because there is no fishway in the dam and consequently not a single fish can get up to the spawning grounds. This not only deprives outsiders of their sport but also deprives the people living along those rivers of an opportunity of employment and of the means of earning very considerable sums of money during the fishing season. There is one river in particular, a very excellent salmon river, which has been absolutely destroyed because of a dam built across the river without a fishway. That applies to a great many of our rivers, but when these matters are brought to the attention of either the federal department or the provincial department we are told that they will look into it, and that is the end. I protest against these dams being built across the rivers with no proper provision to permit the salmon to pass up to their spawning grounds.

Mr. CARDIN: I am very much surprised at the criticism of my hon. friend from Halifax, because I am informed by the director of fisheries that we are paying very close attention to this work in the maritime provinces and particularly in Nova Scotia. I am told that a certain number of these fishways would be of no effect at all in view of a change which has taken place in the conditions obtaining on several of the rivers, but in order to be in a position to inquire I would like my hon. friend to give me the name of the river to which he has just referred.

Mr. BLACK (Halifax): I was referring to the East river, Sheet Harbour. I may say that I would be delighted to spend two or three days with the minister if he would care to come down to that province. I would take care of him and put him up and show him the conditions which prevail, so that he could verify what I have been saying.

Mr. McQUARRIE: May I ask the minister if any further work is contemplated in clearing out Hell's Gate on the Fraser river, above New Westminster? The minister is perhaps aware that in 1913 the river was completely filled by a mountain slide caused by the operations of the Canadian Northern railway. Since 1913 there has not been a large run of sockeye salmon. Previous to that time in a big year, which occurred every fourth year, we had packs of sockeye salmon which ran up as high as a million cases. A case of sockeye salmon is worth about $16, and perhaps more. Since that time the highest pack that we have had on the Fraser river has been about 50,000 cases. I think the minister will realize the loss there is to the country by reason of the depletion of the run of sockeye on the Fraser river. It just happened that this slide took place during one of the big runs, just before the spawning season, and the salmon could not get through. It was understood that the rock had been removed from the bed of the river to allow the salmon in after years to proceed to the spawning ground, of which there are hundreds of thousands of acres above that point, but some of the people out there, and more particularly the Indians, are not satisfied that the river has been properly cleared. I believe that recently there has been some investigation made by engineers of the department, but I have not heard with what results. I do not know what is proposed to be done but it seems to me it is a point that should receive special consideration.

Mr. CARDIN: We have had working at this particular point, a board of engineers composed of engineers of the provincial and federal governments, but a report has not yet been made by that board. My hon. friend may rest assured that this matter has not been forgotten, and is being looked into. We realize the importance of it.

Mr. McQUARRIE: When did the engineers start work?

Mr. CARDIN: About a year ago.

Mr. McQUARRIE: The reply that these reports are indefinitely delayed is not good enough. When I was complaining about the depletion of the sockeye run on the Fraser river I was told that the biological board was making investigations. I asked when we might expect a report from that board and I was told possibly in ten years or so. This means a big loss to the country, and it seems to me that the engineers have had sufficient time to make a report. If the river has not been cleared it should be cleared out immediately.

Mr. CARDIN: I am informed, Mr. Chairman, that it is very important that we reach a proper decision. If a mistake is made, according to the information given to me by the technical officers of the department, it would mean the ruination of the whole fishing industry in that section. We are taking every precaution to make a complete study so that proper recommendations may be made.

Mr. McQUARRIE: I would like the minister to explain that because, as I understand it, it is just a question of taking out rock which fell into the bed of the river. What other question is involved there? How can that industry be seriously damaged when it has been almost completely wiped out already?

Mr. CARDIN: It may be very easy to say that it is only a matter of taking out a certain amount of rock, but I am told by the director of fisheries that if we take out a certain amount of rock at certain places it may change the direction of the river. At the present time a certain number of fish are going up that river, but if rock is taken out at certain points it will create such a current that the fish will be unable to pass through it.

Mr. McQUARRIE: You could not change the direction of the river at that point by anything short of an earthquake. If the minister had seen the river I think he would agree with me.

Mr. CARDIN: The currents would be changed.

Mr. BLACK (Halifax): I would like to mention the Indian river in Nova Scotia. This river gave up to flies over 200 salmon the last year it was fished, but because of the dam, not a fish is to be had in it to-day.

[Mr. Cardin.]

Mr. CARDIN: I will send my hon. friend a complete statement regarding the two rivers he has just mentioned.

Mr. BLACK (Halifax): A large development is being carried on in the Mersey river in Queens county, where a number of dams are being constructed. This is a valuable river and I would ask that special attention be given to it.

Item agreed to.

Fisheries—to assist in the conservation and development of deep-sea fisheries and the demand for fish, $130,000.

Mr. PRICE: To assist in the conservation of fisheries, and the demand for fish from deep sea waters, I would like to call the attention of the minister to something needed for the benefit of the fishermen in my constituency. At Cape Bauld considerable difficulty has been experienced for some years in protecting the fishing boats owing to lack of shelter facilities. The government built a pierhead about 100 feet long, but it is not long enough to give the protection required. There should be an extension of at least 100 feet to this pierhead in order that protection would be afforded the small fishing boats during rough weather. Considerable destruction has taken place there, both to boats and motors, and the fishermen feel that more business would be transacted and they would have a better opportunity of carrying on deep-sea fishing if this pierhead was extended. I think this could be done with an expenditure of about $10,000 or $12,000. I have previously called the attention of the department to this pier, and I would again suggest that this work be carried out. I realize that it would have to be done in co-operation with the Department of Public Works, and I would also direct the attention of the Minister of Public Works to this point. It is something that is really required. About $75,000 worth of lobsters alone go over this wharf every year, and a considerable quantity of potatoes are shipped —from twelve to fifteen thousand barrels. This expenditure should be made there in order to assist the farmers and the fishermen, and I ask the minister to consider this and see if something cannot be done to relieve the situation there.

Mr. NEILL: I am sure I will have the support of every justice-loving member in this house in the matter I propose to bring up, and especially those from the maritime provinces, and more particularly from the

province of Nova Scotia. If the members will look at the foot of this page, they will see these words:

Authorized by statute — fishing bounty, $160,000.

Mr. SHORT: We have not come to that item yet.

Mr. NEILL: I am going to speak on it under item 241, because we are not allowed to speak on a vote authorized by statute and it concerns the same matter. My hon. friends will, I am sure, be surprised to be told that, inadvertently no doubt, the province of Nova Scotia has been robbing the province of British Columbia of the sum of $80,000 annually for the last forty-six years. This is no phantasy; it is founded on law.

Mr. BANCROFT: Is that why the British Columbia members want Hell's Gate opened?

Mr. NEILL: You cannot give Hell's Gate away, but you can give this away unless some action is taken now. The act is now chapter 74 of the revised statutes of Canada, 1927, and it is called the Deep Sea Fisheries Act. It was passed in 1882, that is forty-six years ago. What did the act do? It provided that an annual grant—I wish the committee to note that word—not a bounty, a grant, of $160,000 a year be paid. Where was that grant obtained? By looking at section 2 we find that it is to be taken out of the consolidated revenue fund of Canada. Mark that, Mr. Chairman. There was not some earmarked fund set aside, but the money was to be taken out of the consolidated revenue fund of Canada. What was to be done with it? I again quote section 2. It was to be used—

To aid in the development of the sea fisheries of Canada, and the encouragement of the building and fitting out of improved fishing vessels, and the improvement of the condition of the fishermen.

That is the fishermen of Canada. The act under section 7 took power to make regulations, as follows:

The governor in council may, from time to time, make such regulations as he deems necessary or expedient respecting the payment of the said grant and the manner in which applications for the same or any portion thereof shall be made.

And so on. It is just the regular phraseology that allows the minister to make regulations for the carrying out of the act. But it is an axiom of law—and I do not need to repeat it here—that parliament can give power to a minister to make regulations under an act, but those regulations must always be merely in an administrative capacity for carrying out the act. They are confined entirely to the administration of what is in the act. It is absolutely ultra vires and impossible for parliament to confer, and it never does confer by an act of that kind, legislative powers on a minister; that is to say, he cannot under those regulations go out and make legislation or change the legislation concerning which he is authorized to make regulations. Just as recently as yesterday the hon. member for New Westminster (Mr. McQuarrie) quoted a reference to the supreme court the other day of a matter in connection with British Columbia fisheries, and a great deal of the argument turned on that point. The judge who gave his decision alluded particularly to the fact that the Fisheries Act under a similar section gave the minister power to make regulations but not power to legislate.

But what the minister did in this case under the regulations was practically the same as if he had made a new act. He might as well have said that this money should be given for the production of cabbages or sheep or something of that kind because, by means of regulation, he changed the whole spirit and intent of the act. I am not speaking about the present minister, of course, because this thing has been going on for forty-six years. By provisions made under the regulations the act was confined practically entirely to the maritime provinces and particularly Nova Scotia. They dared not do this in so many words because that would have been too raw, but they introduced, in connection with the application, language which practically confined the act to Nova Scotia. I notice they forbade applications to be made for this so-called bounty—it is not a bounty; it is a grant—by anyone engaged in fishing for salmon. One would suppose that fishing for salmon would come under the category of deep sea fisheries. I also find that they made provisions whereby people who went lobster fishing in Nova Scotia were qualified as being engaged in deep sea fisheries, although I do not think they go out so far to sea to trap lobsters as they do on the coast of British Columbia where we have trollers that go out thirty or forty miles to sea to catch salmon. That was the way in which the thing was worked. In addition to the provision against salmon taking it did not even allow British Columbia fishermen to qualify where they were engaged in cod or herring fishing. In other words they said indirectly what they could not and dared not say directly, namely, that British Columbia

was not to share in this grant which was announced to be entirely for the development of the deep sea fisheries of Canada.

A week or two ago I asked the government whether it was true that this money had been spent entirely on the Atlantic coast and the answer I got was yes. I also asked whether the government would take steps to see that the fishing industry on the Pacific coast got its fair share of the money and the answer I received was this:

As the bounty is based on the interest on Canada's share of the award made under the fishery articles of the treaty of Washington, 1871, and as the said articles apply to the Atlantic coast only, the payment is restricted to that coast.

That is a very nice answer if you want to believe it, but you do not have to. In the first place it is a grant, not a bounty, and it is so specified in the act. I am not talking about what happened in 1871; I am talking about the act which was passed in 1882. When I am told that it is based on something that happened in 1871, I am reminded of an incident that happened in British Columbia. There was a case up in the supreme court and the lawyer who was arguing it happened to have been in the legislature at the time the particular act under discussion was passed. He insisted on telling the judge how he knew that the legislators when they passed the act intended such and so and meant such and so. He would say: "I was there and I know what the intention of the legislators was." Finally the judge got a chance to put in a word and he said: "Probably you were there and probably you know what the intentions were of the legislators, but unfortunately the government forgot to bind you up with the act. I have only the act before me and I must decide the law according to the act." That is the case here. We have nothing to do with the intention or what somebody thought or did not think in 1882. We have simply the act to bind us. I have a letter from an official of the department making a very valiant and desperate attempt to justify the action of the government in years past. He writes in part:

The fishing bounty—

I object to the word "bounty".

—grew out of the award of the Halifax commission which was made under the provisions of the Washington treaty of 1871.

And so on. I do not need to go into the details about the Washington treaty. I will say simply this. There were matters between the two governments and the two bodies of fishermen, American and Canadian. The United States government agreed to pay the Canadian government a sum of money, which I think was $4,500,000, in consideration of our selling or giving them certain rights for their fishermen. In other words, Canada sold a little part of the rights of Canada, but my rights and your rights were sold just at the same time, as well as the rights of the fishermen of Nova Scotia, because they gave the Americans certain rights which were Canadian rights and they parted with a portion of those rights for $4,500,000. Very properly they took that money which belonged to the whole of Canada, just as the fish belonged to the whole of Canada, and placed it where? In a fund earmarked for this thing? No. It was placed in the consolidated revenue fund of Canada and we all know when money is placed there it is used entirely for the general good of Canada. The argument is used in the letter written by the department that this money was given to compensate the fishermen for their partial loss in sharing the privilege and therefore they were entitled to the interest derived from those sums. In the first place it was not given for that purpose; it was given to the whole people of Canada and not to one section of the people of Canada.

Let me give a very appropriate illustration. When the same conditions obtained in connection with the sealing award, they made a treaty between the United States and Canada, and the American government agreed to pay over a certain amount of money year by year from the proceeds of the sealing, and a considerable sum down in cash, but they paid that over to the government of Canada, and it went into the consolidated revenue fund. Parliament, it is true, did take a very small sum and pay compensation to some sealers who had been immediately put out of business, but they held, and are holding to-day that that sum was paid for some rights belonging to Canada, and that it properly went into the consolidated revenue fund. However, that is more or less beside the point. The argument that I make is that whatever was thought or intended or wished at that time was not put into the statute. They say: It "grew" out of the treaty of 1871. Well, it took eleven years to grow, because the act was not passed till 1882, and all I am concerned with, and all we are concerned with here is, what did the act of 1882 say? For those eleven years that money lay in the consolidated revenue fund, and the interest was devoted to the common use of the finances of Canada, and there was no question of it being earmarked for anybody at all. They did not think of

that then. It was only in 1882, possibly because of some political exigency—I do not know—or perhaps because it was thought wise policy—at any rate they decided to vote $160,000 a year for the development of the sea fisheries of Canada, and that money has been spent, not for the benefit of the sea fisheries of Canada, but for the benefit of one small portion of the sea fisheries of Canada. Consequently we have been robbed, to put it in a blunt way, of our share of that money for that period.

It will be said that our fisheries were not in existence at that date, but that is not so. The salmon fishing of British Columbia had achieved considerable prominence even at that time. The trouble was that British Columbia was numerically inadequately represented in this house, and we suffered in consequence. When I was a child, being one of the younger members of the family, I suffered much from the theory largely believed in by my parents, and especially by my older brothers, that everything went to the older brother, and he had all the rights and privileges that were going. That feudal idea has disappeared now, and we in British Columbia, one of the younger members of the Dominion family as perhaps we are, feel that we are entitled to our fair share and to strict justice in this matter. I am asking, not for fair play, not for equity, not for a compassionate arrangement, but just for that bare legal justice that we would accord even to an enemy alien in the darkest days of the war, for surely we would not refuse bare justice to anyone. We are not asking for a refund of our share of the $160,000 for forty-six years, which would be a considerable sum, or that we should get this amount exclusively for the next forty-six years. We are prepared to take a bigger view. We will make a grand gesture and say: Keep what you have got; we will not ask you how it was obtained, but we say that in the future we should share in the allocation of this money in proportion to the needs of the growing output of our fisheries and whatever is most urgent as between the two sides of the continent.

That the government themselves anticipated something of this kind will be found by referring to section 6 of the act which provides that the Minister of Marine and Fisheries, whenever he deems it expedient to cause inquiries to be made in connection with any matter with respect to the grant or the payment thereof, shall direct that the inquiries be made.

There are many problems both on the Atlantic and the Pacific in connection with which this money could be far more wisely spent than in giving this trivial bounty of one dollar to one man and six dollars to another. That does not do them any practical good, and it does not develop the sea fisheries of Canada. Take the British Columbia coast, for instance. There is a problem out there upon which a portion of this money could well be spent. The salmon going into the Fraser river go past our shores, but before they reach the Fraser they pass through Puget sound, where they are caught in enormous numbers in traps run by Americans who catch the big end of our Fraser river fish. If we did away with that, we would be in a position to make a treaty to-morrow with the United States. That is the stumbling block between us to-day. The United States are willing that we should have a close season and build up the Fraser river fish, but they want to take three-quarters of the catch in the future, as in the past. If we could develop this—some individual men have tried to do it, but they cannot afford to do it—if it was proved that these fish could be caught in our straits by gill nets—there are conditions of tide and current that govern fishing there—before they reach the United States traps, that would weigh heavily with the Americans, and we could make a treaty with the United States in six months.

There is another problem. That is in connection with the big pilchard industry that we have been developing in the last few years. The question will arise sooner or later whether these fish should not be caught out in the open sea instead of waiting until they get into the narrow inlets, where they are caught in such numbers that there is danger of scaring them away.

Then in connection with the trolling of salmon. No attempt has been made to trace the salmon, to find out where they come from, where they feed in the ocean, and in what way they approach our shores. That would be of great practical benefit to the fishing industry, and it would be worth fifty times a little hand out to a fisherman here and there. But I am not asking for any details. We are asking that in justice, and under the law as it stands in the act of 1882, a fair share of this money should be allocated to British Columbia or the Pacific coast in the future.

Mr. SHORT: I have been very much interested in the remarks made by the hon. member for Comox-Alberni, but surely he is not serious in the argument that he is attempting to put up for the Pacific coast, that British Columbia should participate in the bounty.

Mr. NEILL: Not a bounty, a grant.

Mr. SHORT: It is a bounty. It was always understood that it was a bounty. It has been paid for the past fifty years. This sum of $160,000 represents the interest, as the hon. member well knows, on the award that was made at Halifax in 1878.

Mr. NEILL: How should I know that? Where do I find that?

Mr. SHORT: The records show it. That was before there were practically any fisheries on the British Columbia coast.

Mr. MacDONALD (Cape Breton): It was before British Columbia was a part of the Dominion.

Mr. NEILL: British Columbia came into the Dominion long before 1882.

Mr. SHORT: It was in 1878 that the award was made, and it never was paid. The government never decided to pay this bounty to the maritime provinces and Quebec until 1882, and consequently we claim that there is interest of $160,000 for three years which is still unpaid and is still due to the fishermen of the maritime provinces. My hon. friend laughs, but there is no question about that. We have a well established claim to that money. The hon. gentleman well knows what the American government paid this money over to the Canadian government for. It was for certain privileges in regard to fisheries on the Atlantic coast, not on the Pacific coast. There were no fisheries on the Pacific coast at that time that amounted to anything, and the government did perfectly right in paying this bounty because the award was made for that purpose, and that purpose only. It has been paid for the past fifty years and it seems rather out of place now for a member from British Columbia to come forward, fifty years after this matter has been decided, to make a claim for the fishermen of British Columbia. I really cannot think that my hon. friend is serious in his demand, and I trust he will not press it, because it can only bring up a fruitless discussion. I am sure he is not going to take advantage of any little technicality there might be in connection with the act and claim for British Columbia something that the province is certainly not entitled to. I am confident that we on the Atlantic coast would never think of making a claim for anything relating to the fisheries of the Pacific coast; and we expect of course the same treatment from our friends in British Columbia. I do not think this matter is worth discussing further, because it was settled years and years ago and, as I say, the maritime provinces still claim that the interest for the three years from 1878 to 1881 is due to us, amounting to-day to over half a million dollars. I hope the government will decide that that sum shall be distributed among the fishermen of the maritime provinces.

Some hon. MEMBERS: Carried.

Mr. NEILL: Oh, no. I want an expression of opinion from the minister, but first of all I want to point out the absolute fallacy of my hon. friend's argument. He says: Everybody knows about this, it has been understood for fifty years. But when did age ever lend dignity to a wrong? If his argument is sound, see the extraordinary situation with which we are faced. If he has no better argument than to say I am striving for a technicality, then I submit my claim is proved, and I stand or fall by the act of 1882. Somebody says that British Columbia was not a member of the confederation at that time.

Mr. SHORT: This award was made in 1878.

Mr. NEILL: But I am talking of the act of 1882 which started this grant to our friend, and which now, not unnaturally, he wishes to retain when someone proposes to take it away from him. If I am not mistaken, British Columbia went into the union in 1871, but I am not quite sure.

An hon. MEMBER: Yes.

Mr. NEILL: But I am sure it was in the union a long time before 1882, I am sure we had fisheries then, and I am sure we are entitled to a share of this money. If the minister is not prepared to make a statement I will ask the Minister of Justice (Mr. Lapointe), not for a legal opinion, for I know he will wriggle out of it—I do not need a legal opinion; I have consulted some of the best legal minds in Canada on this subject, and they say that legally I am absolutely right—but, if the Minister of Marine and Fisheries cannot see his way to make a statement, then I ask the Minister of Justice to say if he will issue a fiat to enable us to test this matter in the Exchequer Court of Canada, and so ascertain whether we are relying on a technicality or not.

The CHAIRMAN: Item 242—

Mr. NEILL: No, Mr. Chairman, you are not going to proceed until I get an answer from the Minister of Marine and Fisheries or the Minister of Justice.

Mr. LAPOINTE: I am sorry, but I have just come in and do not know what my hon. friend is talking about.

Mr. NEILL: His colleague sitting beside him is fully acquainted with the matter and can easily tell him.

Mr. CARDIN: I am afraid, Mr. Chairman, that I am not in a position to satisfy the request made by my hon. friend from Comox-Alberni (Mr. Neill). I am inclined to think that the practice which has been followed for the past fifty years has resulted in a certain interpretation of the statute regulating this matter. It is true that the statute does not state specifically that the money is to be distributed solely among the fishermen of the maritime provinces, but the interpretation placed upon this law by all governments since that time leads me to believe that the real intention of the law—the spirit—has been understood as giving this privilege or advantage to the fishermen of the maritime provinces. In fact, the whole thing arose out of a difficulty at the time, which interested only the maritime provinces. As has been stated, the treaty of Washington gave certain advantages to the fishermen of the United States, and certain reciprocal advantages were given to Canadian fishermen, but at the time it was thought that the balance of these advantages rested with the Americans. A joint board was appointed to investigate the matter, and it decided that the Canadian fishermen of the Atlantic coast—they were the only ones concerned in the negotiations—were to a certain extent prejudiced by the treaty, and the United States government paid four million dollars to the Dominion government by way of compensation. This money was paid in 1878. Since that time we have been paying the interest to the fishermen of the Atlantic coast. Reading the statute, not according to the strict letter but according to the spirit as interpreted by successive governments since that date, and taking into account the circumstances which gave rise to the legislation, I think it is fair to assume that the fishermen of the Atlantic coast are the people whom it was sought to compensate; and if the award was made for that purpose, it is only fair that those fishermen should be given the full advantage of the interest from that fund. I quite understand that from the purely legal point of view my hon. friend would be capable of making an argument—

Mr. NEILL: Hear, hear.

Mr. SHORT: But only an argument.

Mr. CARDIN: —but I should not like him to entertain the idea that in the application of our laws and regulations we forget their spirit and the circumstances existing at the time any case was dealt with. Those who suffered as a result of this treaty are, in my opinion, the people who should receive the compensation; that is only a matter of justice.

Mr. GARDINER: Will the minister give the committee some information as to how this bounty is distributed?

Mr. CARDIN: We distribute about $160,000 annually. One dollar is paid for each boat of a certain length which is used by the fishermen. Each fisherman must catch a certain quantity of fish to entitle him to the bounty.

Mr. IRVINE: What is done to conserve our deep sea fisheries?

Mr. NEILL: Perhaps the member for Wetaskiwin (Mr. Irvine) will allow me to finish this subject?

Mr. IRVINE: Certainly.

Mr. NEILL: I have this one word further to say in connection with the matter. If that was the spirit of the legislation when it was passed in 1882 the legislators must indeed have been chock full of spirit, or why did they not say so? Why was it not so expressed in the act? I cannot conceive of a body of legislators, passing an act like that, stating something entirely different from their supposed intention. As to the suggestion that because this thing has been going on so long it had better go on a little longer, I would remind the house of a recent example where this suggestion was not followed. I refer to Quebec's claim on Labrador, a claim that had been made for the last sixty years, but the Privy Council did not say: Well, having gone on so long the claim is valid. No, on the contrary, they said they would interpret the claim according to law. That is what I am asking the minister to do in this case, to adhere to the strict letter of the law. I may also say that in my view the suggestions I have made for the spending of this money would do far more good to our deep sea fishermen than giving a dollar to one man here and a dollar to another man there. That is not doing any good either to Nova Scotia or to any other part of the country. I want to ask the minister one more question. In view of the powers given him under section 6 of the act, would he be inclined to cause an inquiry to be made into the matter? That at least would give us some useful information.

Mr. CARDIN: At pages 66 and 67 of the fisheries commission's report, it is recom-

mended that the law be amended to meet the situation and obviate criticism. The idea is particularly to meet the objection of my hon. friend.

Mr. NEILL: That is another proof that my contention is correct.

Mr. SHORT: How much does the minister propose to spend of this amount? This vote has been in the estimates each year, but last year only a small portion of it was spent—some $5,800. Out of this item an amount might very well be spent to create a demand for deep sea fish by means of advertising throughout the country. The money could not be spent in any better way. For two years the department spent $10,000 annually in conjunction with the dealers in the industry and a largely increased demand for fish was the result. The government should take out of this vote a sufficient sum—not a trifling amount like $10,000—to advertise deep sea fish throughout the length and breadth of the country. I understand that last year a small amount was used to put on a few collecting boats for the purpose of gathering up the fish in outlying districts and making it accessible to the market. How has that worked out? Was it satisfactory, and if so, is it the intention of the department to put more boats on this year so as to find a market for fish from the outlying districts?

Mr. CARDIN: Out of this vote we certainly could provide for some measure of advertising. Last year we contributed $10,000 to an organization and this has proved satisfactory. We can increase that contribution and this vote would cover the expenditure. Most of the money spent under the vote, which is relatively new, is intended to assist the marketing of fish.

Mr. SHORT: Only $5,800 was spent last year.

Mr. CARDIN: The vote has been increased materially in the last few years. We are using the money to help the marketing of fish as well as to collect fish caught in small places where there are no facilities for transportation. That fish is brought to the more important centres where it can be marketed more readily.

Mr. SHORT: Is it the intention to increase that this year?

Mr. CARDIN: Yes; we propose to extend that service.

Mr. SHORT: I understand that not a dollar was spent last year in advertising.

Mr. CARDIN: It was the year before.

[Mr. Cardin.]

Mr. IRVINE: Is this vote intended to conserve deep sea fish or deep sea fisheries? It is not clear.

Mr. CARDIN: Deep sea fisheries.

Mr. IRVINE: What does that mean?

Mr. CARDIN: We encourage the fishermen and try to develop markets. Where fish can be marketed fresh, the fishermen make much better returns; hence it is desirable to extend the areas that can be served by fresh fish marketing. To this end an experiment was made in fish collection along a portion of the coast of Guysborough, from Pickerton to Canso. Two boats were employed for the work early in July, and the service was continued until the end of the year. Towards the end of October a third boat had to be employed for a time to keep up the work. Each boat made three return trips per week, giving the coast a collection service every second day. This is more particularly contemplated to help those fishermen who are operating in small ports or on certain sections of the coast where there are no facilities for the transportation of fish. We are assisting them in bringing their fish to the more important markets where it can be disposed of.

Mr. MacLEAN (Prince): Were those boats equipped with cold storage?

Mr. CARDIN: No.

Mr. IRVINE: What was the total value of the fishing industry in the maritimes last year?

Mr. SHORT: $16,000,000, I think.

Mr. CARDIN: In the vicinity of $20,000,000.

Item agreed to.

Fish culture, $442,000.

Mr. IRVINE: Has this to do with deep sea fishing?

Mr. CARDIN: No.

Mr. IRVINE: In Scotland the idea was prevalent among the fishermen that the trawlers destroyed the fishing beds as well as the fish. Has the minister taken cognizance of that situation? I believe that trawlers are active on the coast just now.

Mr. BARBER: I should like some information regarding a matter I brought up last session; I refer to the depletion of streams and rivers of British Columbia, particularly the Chilliwack river. It was intimated that the department had already taken action in regard to stocking that river with steelheads. What progress has been made in the restocking of these streams with game fish?

Mr. CARDIN: The director of fisheries informs me that he is not in a position to give details, but generally speaking the work is followed up.

Mr. ROSS (Kingston): Will the minister tell us if any new work has been undertaken in regard to fish culture? I think this is the most important work of his department, and I would like to know if he has done anything new.

Mr. CARDIN: An appropriation was made in 1927-28 for building five hatcheries, but it was not found possible to complete the survey work required in selecting sites in time to have these hatcheries built. In addition, the Windsor hatchery is to be replaced and new hatcheries are to be built, one on the Lesser Slave lake, having to do with white fish. Then there is a trout hatchery on Waterton lakes.

Mr. ROSS (Kingston): Are these new hatcheries?

Mr. CARDIN: Yes.

Mr. ROSS (Kingston): Not some of the five which were proposed last year?

Mr. CARDIN: The appropriation last year was not sufficient to complete the work on these five hatcheries, and in addition the survey work was not completed. Hatcheries will be also located in northern Saskatchewan, Antigonish, Yarmouth and Windsor, and we propose to spend $175,000 on this work.

Mr. ROSS (Kingston): Following that, a more important point is whether the department has changed its policy in regard to the deposit of fry and fingerlings. There is a further item in the estimates to provide for fish culture in connection with the biological board, and there has been a great deal of constructive criticism to the effect that the department should adopt different methods. Has any other method been adopted in regard to the deposit of fry and fingerlings?

Mr. CARDIN: I am informed that the department is studying the matter in conjunction with the biological board, but no definite change in procedure has been adopted. I am also informed that in certain places one system is more profitable than another, but all the work is carried on in conjunction with the board according to what is best in view of the circumstances.

Mr. ROSS (Kingston): The trouble has been that the suggestions of the board never have been carried out. Let me point out that in the United States a different policy has been adopted. We are still continuing the deposit of fry and fingerlings in regard to pisciculture, and these fry and fingerlings are being destroyed, causing great waste. The United States has adopted a method by which these fingerlings are taken by separate clubs and kept for several months before they are finally deposited in the streams. I am only directing attention to that fact because this discussion is now open, and this is a subject which is worthy of a great deal of attention. Waste has occurred in the past in this regard, and I think Canada should get more in line with modern methods in the distribution of fingerlings and fry.

Mr. CANTLEY: Following the remarks of my hon. friend for Kingston, from my own experience, I am convinced that there is no doubt that we are wasting our time and our money in putting out fry and even fingerlings up to three and four inches in length. I might tell the minister that for four years in succession I have deposited some millions of fry in a lake the conditions of which from the point of view of fish culture, judging from a report made by the minister's own officer, are ideal. However, I have not seen any result whatever. That corresponds with the experience of scores of others not only in Nova Scotia but practically all over Canada where that work has been carried on. As the last speaker said, this question has been very freely discussed in the United States, and it is the opinion in that country that to deposit fry and small fingerlings is simply to waste effort, time and money. If we are going to attain any results we must keep these fry in the hatcheries or in some other place close by until they reach sufficient maturity to be able to defend themselves against their natural enemies, of which there are many. In other words, it is useless to put trout and salmon fry into our streams and liberate them under a length of say six inches, or more in some cases. I think that has been amply demonstrated, and I hope something will be done to remedy the enormous loss which we are suffering every year through the continuance of a practice which has proven valueless.

Item agreed to.

Salaries

To provide for a director of publicity, fisheries branch, $3,420.

To provide for one head, western division, fisheries, $3,120.

To provide for one head, eastern division, fisheries, $3,120.

Mr. SPENCER: Are these new positions?

Mr. CARDIN: Yes.

Mr. GARDINER: What will be the duties of these men?

Mr. CARDIN: These are new positions to meet to a certain extent the recommendations of the fisheries commission. We propose to have a director of publicity. We had a publicity and marketing division some years ago, but when Mr. Conlon left the service the position was discontinued. The commission recommends the re-establishment of such a position, the need for which has made itself evident from time to time in recent years. We also wish to provide for an officer in western Canada and also one in eastern Canada more particularly to look after the fisheries in these sections.

Mr. SHORT: This item is to provide for a new publicity service?

Mr. CARDIN: Yes.

Item agreed to.

Fisheries — Marine Biological Board of Canada—further amount required, $62,100.

Mr. ROSS (Kingston): Is that an increase over the amount in the main estimates?

Mr. CARDIN: Yes.

Item agreed to.

To provide for the payment of a bounty for the destruction of hair seals in tidal waters, $25,000.

Mr. SPENCER: Was a similar amount spent last year?

Mr. CARDIN: A sum was spent last year, but it was taken from the conservation vote.

Mr. WOODSWORTH: Will the minister explain the method used in the destruction of these seals?

Mr. CARDIN: The fishermen kill them any way they can, and we pay them when they account to us.

Mr. WOODSWORTH: It is a bounty?

Mr. CARDIN: Yes.

Mr. GARDINER: How much per head?

Mr. CARDIN: $3.50.

Mr. IRVINE: What is a hair seal? I never saw a seal that did not have hair.

Item agreed to.

To provide for the expenses of a commission to enquire into the radio broadcasting situation throughout Canada and to advise as to the future administration, management, control and finance thereof, $25,000.

Mr. IRVINE: I understand the minister gave the committee assurance yesterday that he was changing his attitude regarding the decision on the cancellation of the Bible Students Association's license, and for that reason I was wondering what this commission was for. Am I correctly informed that the minister has decided to reconsider his decision in respect to the cancellation of that license?

Mr. CARDIN: That is not exactly what I said. This vote provides for the acquiring of the necessary information before changing the whole situation regarding broadcasting. We want to inquire in England, the United States, and Canada as to the best means for Canada to adopt in dealing with radio broadcasting. We want to have this information before coming to parliament with a bill nationalizing the system, or some such method. We want to get the benefit of the experience of others before doing this. I said that I would have no objection to this commission looking into this particular case to see if any real injustice had been done.

Mr. IRVINE: Do I understand the minister to say that he will see that that is done?

Mr. CARDIN: Oh, yes, I will.

Mr. HEAPS: Is this commission to be of a departmental character?

Mr. CARDIN: Not necessarily. I have not made up my mind as to whom I will appoint. The main object is to get information; we will try to appoint a commission which will be qualified to get the information we need.

Mr. WOODSWORTH: The commission will be entirely advisory; nothing administrative about it?

Mr. CARDIN: Oh, no, absolutely advisory.

Sir GEORGE PERLEY: I quite agree with the desire of the minister to have a commission for this purpose. This is a matter which affects everybody in this country, and a proper inquiry by a commission would be most helpful. I would suggest to the minister that this commission ought to be appointed differently from many of the commissions heretofore; it should be a non-partisan commission. The members should not be selected on political grounds, but for their qualifications to give this question serious study. This is a question in which Conservatives are just as much interested as Liberals. This is not an inquiry into a partisan matter, and I hope the minister will not follow the plan which has been followed with some other commissions in appointing a man purely for political reasons.

Item agreed to.

To provide for compassionate allowance to J. B. Fontigny, father of Ovila Fontigny, formerly a member of the crew of the C.G.S. Shamrock, $3,050.

Mr. KAISER: Vote No. 476 provides for a compassionate allowance to a member of the crew, and this vote provides for an allowance to the father of a member of the crew; why that distinction?

Mr. CARDIN: It has been the practice, not only in my own department, but in other departments, to settle these difficulties according to the law existing in each of the provinces. The amount provided for in vote No. 477 is according to the law in the province of Quebec.

Mr. PETTIT: Why the difference in the amount?

Mr. CARDIN: I cannot explain the difference, but I would say that the amount in vote No. 476 is satisfactory to the parties concerned.

Item agreed to.

To provide for the construction of an ice breaker for Hudson strait, preliminary amount required, $500,000.

Mr. PRICE: Where is this ice breaker to be built?

Mr. CARDIN: Tenders will be called for as soon as the plans are complete.

Item agreed to.

To provide for the construction of a new ice breaker for service in the St. Lawrence river, preliminary amount required, $400,000.

Mr. CANTLEY: I notice a difference of $100,000 in the amounts set aside for these two boats, one for the Hudson strait and the other for the St. Lawrence. Are we to understand that the boat for the Hudson strait is to be 25 per cent more powerful or more effective than the boat for the St. Lawrence?

Mr. CARDIN: It is estimated that the ice breaker for Hudson bay is going to cost over $1,000,000, and the other one will cost in the vicinity of $600,000; it will be a smaller boat.

Mr. MANION: When does the minister expect to have this boat ready for the Hudson bay? Is it needed at once?

Mr. CARDIN: We are told that it will take a year to build that ice breaker, and it has been represented to us that it will be needed by that time.

Mr. STEVENS: You will be shipping wheat then.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Agriculture—live stock, including grants to exhibitions, feeder shows, etc., $1,480,000.

Mr. FRASER: I want to ask the Minister of Agriculture what arrangement he has made for the settlement of the claim that Mr. Pendrell Smith of Kamloops has against the department? I have had this claim up with the minister now for more than two years. It is for a certain salary for certain work done by a member of his department, which salary the minister refuses to pay. I should like to have the thing finally and flatly settled.

Hon. W. R. MOTHERWELL (Minister of Agriculture): My recollection is that Mr. Smith was holding down two jobs, and that is contrary to the usual practice in government circles. So he was deprived of one salary, which was a very modest one and the smaller of the two, in connection with car inspection, the maximum salary for which would be about $200 a year at that point. That is just my recollection of the circumstances. The claim of Mr. Smith was that some back pay had been retained. After going into the matter very carefully we considered that his claim was not well founded. I told my hon. friend a few days ago that I would have it reviewed, but in the rush of the last few days of the session I have not yet succeeded in doing that.

Mr. FRASER: The minister says that the action taken is on account of his holding two positions. I should like to know on what grounds he bases the statement that he cannot pay a man for two positions in the same department. Is it contrary to the provisions of the Civil Service Act?

Mr. MOTHERWELL: I understand that is contrary to the provisions of the Civil Service Act. At all events the Civil Service Commission declines to make two appointments go to the one man.

Mr. FRASER: I want to read to the minister section 17 of the Civil Service Act which applies to the matter. Section 17 reads:

> In the absence of special authority of parliament no payment additional to the salary authorized by law shall be made to any deputy head, officer, clerk or employee permanently employed in the civil service in respect of any service rendered by him, whether in the discharge of his ordinary duties of office or of any other duties which may be imposed upon him, or which he may undertake or volunteer to discharge or otherwise perform.
>
> 2. Nothing in this section is intended to prohibit the payment to any officer, clerk or

employee of a separate annual salary from each of two or more departments or distinct branches of the civil service in respect of separate duties performed for each of such departments or branches respectively, if one of such salaries is not sufficient to compensate him for his whole time, and if the aggregate salaries do not, in the opinion of the deputy head, concurred in by the commission, exceed reasonable compensation for the discharge of all the duties so performed.

I want to tell the minister that the total salary earned by this gentleman for the two positions was about $825 per annum. Does he consider that is sufficient salary for a man for a whole year? Both of these are seasonal occupations; neither of them extends throughout the year. Out of that amount of $825 per annum the minister is deducting $146 because the man is employed in two different branches of the same department. The officers of the department are absolutely certain of the fact that the services have been faithfully performed. They are anxious to pay the money and the heads of the department refuse to pay it. The duties do not conflict in any shape or form.

Mr. GOULET: How many months would he work?

Mr. FRASER: I am not sure, but I think about five months in the whole year. The duties start in about August and they end in the beginning of the year when the fruit season is over. The stock car inspection work, I imagine, continues throughout the year. The salary which he should receive for this work but of which he is denied payment amounts to from $15 to $20 a month. He was appointed first as a stock car inspector, receiving an average of $15 to $20 a month. Afterwards the Civil Service Commission advertised for a junior fruit car inspector for the Kamloops district. This is a seasonal occupation lasting about five months. This gentleman, as I say, was at that time occupied as inspector of cars of live stock at a salary of $15 to $20 a month. When the position of junior fruit car inspector was advertised he sent in his application and he stated on it that he was temporarily, part-time employed as stock car inspector. The application was accepted with that statement on it, and he was appointed as fruit car inspector at a salary of $125 per month for the season, which I understand is about five months of the year. This information was before the department when the appointment was made. He carried on both of these duties for the five months and he was not advised until after the expiration of the five months that he would not be paid

[Mr. Fraser.]

the amount he was earning from time to time for the inspection of stock cars. That has been refused from that time till now. The gentleman, as a matter of fact, has been discharged by the department for some reason. I do not know what the reason is and I am not inquiring about it. It may be a very good reason for all I know. The point I am making is that when his appointment was made it was definitely stated to the commission and to the department that he was a part-time employee and they raised no objection to that at the time. They allowed him to go on for five months making these inspections of stock cars and they now refuse to pay him something like $146, which he has earned. They also neglected to notify him that he would not be paid for the inspection of the stock cars. Had they so advised him, he would have refused to inspect them. The department is absolutely satisfied in regard to the inspection of the cars. The work was well done and yet they refused to pay him. Under the circumstances the department surely cannot refuse to pay this gentleman. The minister quotes the Civil Service Act as his authority for refusing to pay this sum, but my interpretation is that there is nothing in the section to prevent the payment.

Mr. ROBB: Before the minister replies, may I point this out generally for hon. gentlemen who are supporters of the government as well as for our opponents politically, including my hon. friend who has quoted the Civil Service Act in support of his argument? There is another regulation under the Civil Service Act which might be very helpful for the house on all sides to remember, and that is that any employee of the government, in any capacity, who lobbies through a member of parliament runs the risk of losing his position.

Mr. FRASER: That has no application to this case because the man has already lost his position. He has lost it for some work in regard to an election which the government says is objectionable.

Mr. ROBB: I thought he was lobbying for an increase.

Mr. FRASER: No, he is lobbying for money that he actually earned and which the officials of the department say they are absolutely willing to pay, and the man should be paid, but the minister refuses to pay him.

Mr. MOTHERWELL: It is some time since I reviewed the case, therefore the details are not so clear to me as I would like to have

them in order to make a specific statement, but I remember this much, that the accountant of the department claimed that this claim could not be paid. I suppose it could be paid by bringing down a special appropriation, if we decided to do it, but under the law and under the regulations that govern the accounting, the accountant claimed that it could not be paid. In any event—I do not want to take advantage of it—this difficulty about stock cars and an appointment to the fruit branch does not come under this item, but under the next one. In the meantime I will give my hon. friend the assurance that as soon as the session is over—I cannot promise it before the end of the session because we are too busy to justify our taking on any more inquiries—we will have this alleged claim thoroughly reviewed and we will do the very best we can for my hon. friend's friend, but no more than is coming to him.

Mr. FRASER: It is not an alleged claim. I cannot allow the minister to get away with that. There is another point. I would not have brought up this case on the floor of the house had I not been working on it for two years and that is as far as I have been able to get yet. With all due respect to the minister and all due deference to his opinion, I think it is about time that a claim of that kind was settled. After having followed this thing up in two different sessions, and getting this information from the department, if I had any reason to believe that the claim was not founded on justice I would not bring it up on the floor of the house; that is a certainty. The man did the work, and that is recognized by the officials of the department.

Mr. MOTHERWELL: We will look into it.

Mr. FRASER: They would have had to pay somebody else if he had not done the work, and they did not advise him that he would not be paid until after he had done the work. He has only been paid $825 for the whole year, and then you deduct $146 for this stock car inspection. It does not seem fair to me, and the minister knows it does not seem fair to him.

Mr. MOTHERWELL: We have no desire to hold anything back.

Mr. FRASER: I agree that you do not desire to do it, but just the same you have done it and you are doing it now.

Mr. MOTHERWELL: No, we have not done it.

Mr. VALLANCE: This is rather a large item and I notice an increase of $175,000. I would ask the minister if out of this $175,000, he is providing grants for class B fairs.

Mr. MOTHERWELL: No, Mr. Chairman

Mr. VALLANCE: I should like to ask the minister why he is dropping the grants for class B fairs.

Mr. MOTHERWELL: The story is somewhat a long one, and it is pretty near lunch time, but I will do the best I can. The first year after I had the honour to have charge of this department I looked into the matter of grants to all the fairs quite thoroughly and I tabled a return this year dealing exhaustively with grants both for winter and summer fairs all over Canada.

Briefly, before the war there was a federal grant of $50,000 to a perambulating Dominion fair, which was held in practically every province. During the war that grant was stopped, and in lieu of it certain grants were given to the larger fairs throughout Canada, which were subsequently classified into class A and class B fairs. This was done purely as a war measure because of the difficulty the fairs found in financing. During the war it was at one time thought of suspending all these exhibition grants in order that the federal government and the governments of the provinces might confine their attention more particularly to war purposes, but it was decided eventually to give grants to a number of the medium sized fairs and interprovincial fairs, running up to two or three hundred thousand dollars in the aggregate. That was done as a war measure and as a war measure only. In 1922 I gave notice to these fairs that the grant must be dropped off, but I promised that until their finances were in better shape we would continue to pay the grant for two or three years. That was done, but at the end of the two or three years, we extended the period, and in fact extended it on three different occasions. Now, ten years after the war, surely the smaller fairs, many of which are not entitled at all to a federal grant should be able to get along without our assistance. It was never intended that the federal government should duplicate the provincial grants for these comparatively small fairs. So the proposal is to drop the grants for these smaller fairs and continue the grants for the larger fairs that are interprovincial in character, such as those at Vancouver, New Westminster or Victoria, in British Columbia; in Alberta, Edmonton and Calgary; in Saskatchewan, Regina and Saskatoon; in Manitoba, Brandon and I understand that Winnipeg is coming in before long, and when it does it will also be entitled to the grant; in Ontario, Ottawa, Toronto and London; in Quebec, there are three, and in the maritime provinces one each. After reviewing the whole field, that was the arrangement that we decided to come to in regard to federal

grants all over Canada, based largely on population. If we continue the grants to the smaller fairs of which Saskatchewan has some five and Alberta three or four, there is no place to get off at, and we might just as well give the grant to hundreds of similar fairs. In lieu of the $50,000 that was given by the federal government to the perambulating fairs immediately before the war, we are now giving $85,000 to these seventeen class A fairs of an interprovincial character, while the other twenty-two fairs, which are the smaller ones, will have to be taken care of like other smaller fairs are by the provincial government. In the last ten years I notice that the provincial governments in anticipation of the government dropping the grants to these smaller fairs have increased their grants, in many cases by two or three thousand dollars.

Mr. GARLAND Bow River): The Minister of Finance gave us a statement of policy which was entirely new, I think, to the house; it was certainly new to me. I would like to have him clear the matter up a little more definitely. As I understood it he said that lobbying amongst the members for an increase in salary was liable to lead to the dismissal of the person lobbying. Is that correct?

Mr. ROBB: That is my understanding of it.

Mr. GARLAND (Bow River): Does that apply to organized efforts to secure increases of salary, for example, to the federal charwomen's association?

Mr. ROBB: Oh no.

Mr. GARLAND (Bow River): It does not apply to the organizations.

Mr. ROBB: To the individual.

Mr. GARLAND (Bow River): Does it apply to judges lobbying amongst the members? I ask the minister for a straight answer.

Mr. ROBB: It may have prejudiced the case.

Mr. KAISER: I think we had better confine ourselves to the case under discussion instead of trying to deal with several cases at once. We are discussing the matter of advances to fairs under this particular item. The minister says these grants were war-time grants. Well, in Ontario we would be rather inclined to ask the minister why such conspicuous fairs as the Kingston industrial exhibition, the Belleville exhibition, the Stratford fair, the Peterborough industrial exhibition, the Renfrew fair, the South Victoria fair at Lindsay and the South Ontario fair at Oshawa, were absolutely overlooked.

Mr. McLEAN (Melfort): Is the hon. member correct in saying that the Peterborough fair was overlooked? The hon. member for Peterborough told me two years ago his fair was not overlooked.

Mr. KAISER: Two years is a short time to you, but a long time to most other people.

Mr. McLEAN (Melfort): All the same, Mr. Chairman, I submit that if the hon. member is inaccurate he should correct his statement. Peterborough fair was not overlooked.

Mr. KAISER: We have only two minutes to discuss this matter; do let us have one minute to ourselves.

Mr. McLEAN (Melfort): You have had a good deal of the time of the house this session, and I do not think you need complain if you are asked to correct an inaccuracy.

Mr. KAISER: These fairs give prizes of four thousand dollars in compliance with the act, but they are receiving no grant from the Dominion. But we notice that fairs in some other parts of the Dominion are being looked after; for instance, in Alberta. We find grants of fifteen hundred dollars made to the following fairs—Camrose, Lethbridge, Red Deer, Stettler and and Vermilion. We find in the other provinces a similar condition, fairs receiving grants, although those fairs by no means compare either in their prize list or public patronage to the least of the fairs that I have mentioned. Now, I claim that these outstanding fairs in Ontario should be given consideration and receive grants at least equal to those made to fairs in all other parts of the Dominion.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Agriculture—live stock, including grants to exhibitions, feeder shows, etc., $1,480,000.

Mr. BARBER: As a representative of British Columbia I wish to protest against the cancellation of the grant to class B fairs. We have not been receiving this grant in British Columbia, with the exception of the Victoria fair. I submit that we have not been fairly dealt with, but I do not wish on that account to see the grant withheld from the other provinces. We find that Lloydminster,

Melfort, Prince Albert, Weyburn and Yorkton have all received a grant of $1,500 in the last two years. This money could not be better spent than in assisting these agricultural associations, and the only regret we have is that the grant has not been extended to the other provinces. The province I refer to particularly is British Columbia. Many of these class B fairs have had a hard struggle to exist during the last few years, and a grant of even $500 or $1,000 represents to them the difference between success and failure. The fair in Fraser valley has had a very difficult time financing. This fair in our district and those elsewhere are important to agriculture, for they not only create an interest in agriculture in the districts concerned, but they act as feeders to the larger fairs. I am sorry that the minister decided to cut out the grants to these smaller fairs. Alberta and Ontario have received some grants and Saskatchewan has received a number. I wish the minister would reconsider his decision even if the grant were smaller. He should extend the grant to these small fairs.

Mr. MOTHERWELL: Is the hon. member speaking of Kamloops?

Mr. BARBER: Well, Kamloops might be included, although my remarks referred to Fraser valley. I am speaking of the class B fairs. I understand that there is $4,000 worth of prizes. What is the qualification?

Mr. MOTHERWELL: We have no record of any class B fair in my hon. friend's riding.

Mr. FRASER: I am interested in the Kamloops fair.

Mr. MOTHERWELL: There is nothing in the return in respect to Kamloops.

Mr. FRASER: There is none there; why not?

Mr. MOTHERWELL: That is the question. If we are to continue to certain fairs the grant made for ten years as a war measure, we are going to have the question from every quarter of the house, "why not?" until we have "why nots" all over Canada. The only answer in that event would be to give them the grant, duplicating the provincial grant.

Mr. FRASER: What I am interested in is this: what is the qualification for a grant to a fair of that kind—the class B fair? What must the association do to qualify for the class B fair grant?

Mr. MOTHERWELL: At the outset they had to put up $2,500, but they got so hard up trying to qualify that a great many of them became broke and the directorate had to go bond or sign notes at the banks to carry the thing along. The result has been that in the last six years they have been given the grant unconditionally; we just asked them to go and pay their debts and square up their obligations with the banks and elsewhere. That is the condition under which the grant has been given to the class B fairs. Now they have had an opportunity in the last six years, through these unconditional grants, to get out of the hole they got into trying to qualify for the grant.

Mr. BARBER: Did the department experience any difficulty in British Columbia?

Mr. MOTHERWELL: I am informed by my deputy that there are no B fairs in British Columbia.

Mr. FRASER: There has been no fair at Kamloops in the last two or three years. I do not imagine there are any financial difficulties at all, such as the minister speaks of. They are proposing this year to put on a fair, and my question is directed to the minister for the purpose of ascertaining accurately what the qualification is now. What will entitle them to participate in the grant?

Mr. MOTHERWELL: Just go and get out of debt.

Mr. LUCHKOVICH: What is the grant to the class A fairs in Edmonton, Calgary and such cities?

Mr. MOTHERWELL: $5,000, if they qualify.

Mr. LUCHKOVICH: That is, to each of these cities?

Mr. MOTHERWELL: That is the maximum for which they can qualify. If they do not qualify for that amount they get whatever less is coming to them.

Mr. LUCHKOVICH: What is the total sum given to Toronto? I understand there is a grant every year of $35,000 extended over a term of years.

Mr. MOTHERWELL: Yes.

Mr. LUCHKOVICH: Are there any other grants given to this fair?

Mr. MOTHERWELL: There is $35,000 for the royal fair over a period of twenty years; that was provided by statute last year. Then there is $25,000 for ten years provided by order in council of our predecessors in the year 1921.

Mr. ADSHEAD: Did Calgary earn the whole grant last year?

Mr. MOTHERWELL: I think so; the return will show it.

Mr. LUCAS: Is the minister cutting out all grants to B fairs?

Mr. MOTHERWELL: Yes.

Mr. McPHEE: Representing a district in which there is a class B fair I protest against the cancellation of the grant to this class. The Yorkton fair board spent thousands of dollars establishing a plant which is a credit to the district and to the province as a whole. They give a large amount of money in prizes, and in the judgment of those who have attended the fair there as well as fairs in class A centres, these class B fairs, from an agricultural point of view, are superior to the class A fairs. I for one will protest against the cutting out of the grant to class B fairs. If the minister will let us go through this vote of $1,480,000 item by item I think we shall be able to cut it down sufficiently to enable him to continue the grant to class B fairs.

Mr. FANSHER (Lambton): What is the annual total grant to Toronto?

Mr. MOTHERWELL: The regular grant to the Canadian National Exhibition, outside the special ones to the royal, is $5,000.

Mr. GARLAND (Bow River): What is the total of all the grants?

Mr. FANSHER (Lambton): The total of all grants, statutory and otherwise, which Toronto gets yearly?

Mr. MOTHERWELL: Does my hon. friend mean the royal winter fair or the Canadian national exhibition?

Mr. FANSHER (Lambton): Take them both.

Mr. MOTHERWELL: The Canadian national exhibition gets $5,000 and the royal winter fair gets the aggregate of those amounts which I gave, $35,000 for twenty years from 1927 and $25,000 for ten years from 1921.

Mr. GARLAND (Bow River): Does that cover all the amounts granted to both Toronto fairs?

Mr. MOTHERWELL: In order to answer that question I would have to consult the return which was brought down.

Mr. GARLAND (Bow River): I have not seen the return.

Mr. LUCAS: Would the minister say how much was paid last year to the class B fairs?

[Mr. Motherwell.]

Mr. MOTHERWELL: We paid $33,000, twenty-two fairs at $1,500.

Mr. VALLANCE: And how much to the class A fairs?

Mr. MOTHERWELL: Roughly $85,000; if the seventeen fairs all earned a full amount, that would be the total.

Mr. VALLANCE: It seems to me that if the Department of Agriculture are still determined to spend that $85,000 on fairs, I am with the hon. member for Yorkton in believing that this money could be spent to better advantage in giving assistance to class B fairs rather than to the class A fairs.

Mr. DONNELLY: In rising to say a few words on this item I rather associate myself with the hon. members from British Columbia. I understand that these class B fairs were organized about ten years ago to assist certain small fairs. These fairs have been receiving that grant steadily every year since that time, but there is no chance for any other fairs to get into that class. If your constituency happened to be old enough to have a fair in existence at that time it was put in this class, but if that was not the case you were left out and you must stay out in the cold. I happen to represent a constituency which unfortunately was not old enough to have a fair at that time, and we are left out. I do not see why these people should continue to expect that grant forever, just because they have been receiving it for the last few years. In my constituency we have two or three fairs now which are as large as the average class B fair and in fact larger than the majority, but we do not get anything. Either the department should set a standard by which to judge all these class B fairs and so let them all in, or shut them out entirely. If we are to have class B grants let all the class B fairs receive it.

Then with regard to the class A fairs, held at Toronto, Regina, Saskatoon, Brandon, Edmonton and Calgary, these fairs are not very hard up; they are making quite a bit of money every year and could get along very well without this grant. I am in favour of cutting them out also; cut them both out and put them all on the same footing. I do not see why the smaller fairs, such as I have in my constituency, should be unable to get any grant while the big fairs receive $5,000 which they do not need.

Mr. SPENCER: I wish to add my protest against the grants to class B fairs being cut down or taken off altogether. These fairs are doing about as much good as any other fairs;

they are doing a lot more good than the smaller class C fairs, and their work is equally valuable to that done by the class A fairs. According to the minister's figures the class A fairs receive $85,000 per year, while the class B fairs have been receiving about $33,000. That covered twenty-two fairs, which are doing educational work as valuable as that done by any other fairs, and there is not the slightest doubt that if this grant is cut down or taken off altogether many of these fairs will be forced to drop to class C, and will be unable to continue with the valuable educational work they are doing at present. Therefore I would ask the minister to reconsider his decision, and if he cannot give the amount given in past years let him at least give part of it. If he cannot continue the grant for any length of time let him tell this house for how many years he can continue it, in order to give these fair boards all over the country an opportunity gradually to adjust themselves to this condition.

Mr. MOTHERWELL: My hon. friend's presentation is so fair that I feel he is entitled to a reply. I am not going to quarrel with his remarks regarding the class B fairs and their relative usefulness, but the same arugment could be made as between class C fairs and class B fairs. Every fair is said to be doing work equal to that of the fairs in the class higher, but you could go on with that argument until you got to the end of the alphabet. Even then the class Z fair would make exactly the same claim, that it was doing work equal to that of the class Y fair. Where would you get off in this alphabetical enumeration of our fairs; where would you stop? I contend that there is no place to stop as between A and Z except after A.

It has been said that we should cut out the grants to the class A fairs, but where would that leave us? Supposing we proceeded to do that with all these fairs from Amherst to Vancouver and Victoria; we would naturally start with the smaller ones, and out would go all the western, maritime and Quebec fairs. That would leave the largest of all, the Royal Agricultural Winter Fair at Toronto and it gets $60,000 a year now, $10,000 more than was given to all the fairs before the war. Therefore you would naturally gravitate back and have the $50,000 formerly spread over Canada given to the biggest fair at Toronto.

It has been suggested that we should do away with grants to this fair, that we should finish with them all. Unfortunately we have promised them $35,000 a year for twenty years by statute. Are we going to default on that obligation? The government which preceded us promised them $25,000 a year for ten years, to start their prize list and to help them get on their feet. Are we going to default on that obligation also? So we find that $60,000 is obligated to the Toronto winter fair, and we must live up to those obligations. Then, if you cut out all the rest of them, is this parliament to continue to expend the amount of money spent annually before the war, and $10,000 in addition, and concentrate that amount in Toronto? I can imagine what this house and what the country would say if we adopted that policy. Consequently, will anyone offer a solution better than the one we have enunciated? I am open to suggestions; my staff and myself have discussed this question for six years, and while it would be a delightful sensation to hand out all the money all the fairs wanted, as head of the department I have some responsibility to the treasury and to the government as a whole as well as to the people throughout the country, to administer this money in such a way that I can justify the expenditure. I cannot justify the duplication of provincial fairs from one end of Canada to the other. While I am at it I will point out that it was distinctly understood, when the original grants were given to these B class fairs, that it was a war measure. I would point out the policy of the government regarding this war measure assistance in other respects. One of the first grants eliminated was the one under the Agricultural Instruction Act (an immediate pre-war measure) at the termination of a ten year period of administration. The amount of the annual grant was $1,100,000 and that was eliminated in two years. The same thing may be said with regard to the road grant, running over a period of ten years. This was eliminated in two years and there was no prolonged process of probation to get the people familiarized with it. Then the federal loans wth regard to the building of houses were eliminated, and the Prime Minister has stated that the technical education grant will be eliminated. What we are proposing to do with regard to B fairs is exactly in line with the government's policy on the other war measures to which I have referred. As I have said many times, if we do not eliminate these grants there will be no getting off place on the down grade to the smallest exhibition in this Dominion. If you start cutting off A fairs you land up against the only one left, the one in the city of Toronto, and that is granted by statute.

I know it is not an easy thing to take things from people. We know what that is when we try to take tariffs from the manufacturers. Whether it be a manufacturer or an agricul-

tural exhibition, they are all hard to wean. They all object to being weaned, and you know what we say about the manufacturers when there is a little cut downwards in the tariff. They holler and we say: "Oh, you are hard to wean; whenever you get hold of a nipple you want to hang on to it." These exhibition associations—B fairs—apparently want to put themselves in the same position; because we give annual assistance for ten years they want to hang on to that down to eternity. They are putting themselves in exactly the same position as the manufacturers who complain about tariff reduction. There is a time for weaning both infants and calves, and manufacturers and exhibition associations. With all due respect, Mr. Chairman, and I am speaking seriously now, if this is not done now it will mean further procrastination. You will not have twenty-two B fairs, you will have one hundred and twenty-two before two or three years have passed. I have four of these fairs in my own province. The hon. member for Willow Bunch (Mr. Donnelly) has spoken for the fair at Assiniboia; the member for Assiniboia could speak for Estevan, the hon. member for Humboldt could speak for Humboldt, and I could speak for one at Melville. You would naturally think I ought to have some say in these matters, and especially with regard to the B fair in the town of Melville.

Mr. ADSHEAD: How did Toronto come to get such a hold on the dipper?

Mr. MOTHERWELL: Because it is an exhibition representing the whole Dominion. Practically every province pays one-half the freight rate on exhibits to Toronto; they recognize it is the outstanding exhibition of the Dominion of Canada, both the Canadian national and the royal.

Mr. STEVENS: It is also international.

Mr. MOTHERWELL: This was pointed out last year when we were putting through the bill authorizing the grant to the royal winter fair. It was not being paid to the pure bred Tories of Toronto, but to the owners of pure bred cattle in this Dominion. We had to have the fair somewhere, and there was no city which had proved its right to it as much as the city of Toronto. That city has the size, the hotels and the buildings to lend itself to a fair of this kind. I know it was not an easy matter, Mr. Chairman, to get it through, but I recognized that it was the best and proper place. It is not my fault if they are all Tories.

[Mr. Motherwell.]

Mr. FANSHER (Lambton): I am not in accord with increasing the grant to the Toronto fairs, as has been done yearly. To my mind there has been no attempt made to wean these Toronto calves. It is like the tariff, when they are situated in the large centres there is no attempt made to wean them. We remember that the grants were increased to Toronto last year, but what was done? It seems that the Department of Agriculture had only a certain sum of money at its disposal, and in order to give so much extra to Toronto certain things had to be lopped off. What was lopped off last year? Among others, the grant under the pure-bred sire policy was cut off, the policy which laid the very foundation of the exhibition we are trying to establish in Toronto. The Minister of Agriculture was like a farmer who would sell his seed grain to build a granary.

Mr. MOTHERWELL: We have a much better substitute for that policy.

Mr. FANSHER (Lambton): We lopped off the grant to the pure-bred sire policy, and we took the money saved there and gave it to Toronto.

Mr. MOTHERWELL: That is not so.

Mr. FANSHER (Lambton): We only have so much money to spend, and that was the net result of it anyway. My plea is that there should not be the centralization that we are having to-day. If we need more money let us have more money spent by the Department of Agriculture, and not cut off these B fairs or abandon such policies as the pure-bred sire policy in order to be able to give a larger grant to Toronto.

Mr. MOTHERWELL: That has been said so frequently that apparently my hon. friend believes it to be a fact. It was decided, and they accepted the decision six years ago, that the grant would be eliminated by a gradual process of reduction. This was extended three times, and here they are at our door again through the medium of our hon. friends. I do not object to that—they must keep themselves right with their constituents, as I must keep myself right with the whole country—but to say that we lopped off—to use my hon. friend's own terms—the grant in respect of the bull loan policy to build a fair at Toronto, or to increase the grant, is nothing but absolute nonsense. If my hon. friend desires to know where this extra vote is going, he will find that we have provided a substitute policy for the one which was eliminated, and which proved to be unsound.

It performed a good work, but any good thing eventually becomes capable of being abused, as that was. There is another policy substituted whereby any province may come in. This policy provides male animals, whether it be bulls or rams or boars, to the people of the respective provinces and we are prepared to carry half of the loss up to 15 per cent. The provinces of Saskatchewan, Manitoba, Alberta, British Columbia and Quebec are now in line to take advantage of this policy, which is a much better one. As far as Toronto is concerned, is my hon. friend really proposing to repeal the act we passed last year? We cannot repudiate what we did last year with respect to Toronto, even if we wanted to.

Mr. FANSHER (Lambton): My whole argument is that the Minister of Agriculture seems to have so much money to spend, and in order to give more to Toronto he takes it from other well deserving fairs and well deserving works in connection with his department.

Mr. MOTHERWELL: That has nothing to do with it at all.

Mr. FANSHER (Lambton): I am not objecting particularly to Toronto getting what she does, but these other grants should not be wholly eliminated in order to benefit the Toronto fair. The others should receive attention as well as Toronto. The minister should pay more attention to that and not so much to centralization.

Mr. MOTHERWELL: My hon. friend seems to talk reasonably. How would he suggest that we solve the problem? There are these fairs spoken of by the hon. member for Willow Bunch (Mr. Donnelly) and many others. Two hon. members from British Columbia want further recognition and if we continue these grants to class B fairs, nothing in the world can prevent the grants being extended to all the smaller fairs until they are all covered throughout the Dominion. The other method is to cut them all out. I pointed out how impossible that was because one of these grants was authorized by statute, and we cannot cut them out without repudiating our statute of last year and the order in council which was passed by my hon. friend the member for Victoria (Mr. Tolmie) and his government with respect to the prizes. I think it was a very creditable thing to do and it gave a start to one of the finest exhibitions not only on this continent but anywhere in the world.

Mr. LAVIGUEUR: I would ask the minister how the grant to the Quebec exhibition compares with the grant to the Toronto exhibition?

Mr. MOTHERWELL: They would be the same if Quebec had the exhibitions, but I believe they have a lesser number. Of course we can have only one royal fair. We cannot have two fairs of that description in Canada. We must concentrate on one and make it an outstanding one, and it happens to be in Toronto.

Mr. LAVIGUEUR: What is the amount of the grant for the Quebec exhibition?

Mr. MOTHERWELL: Does the hon. member mean the city of Quebec?

Mr. LAVIGUEUR: We have only one exhibition, the Quebec provincial exhibition.

Mr. MOTHERWELL: There is a $5,000 grant. They have attained the maximum and there is a special grant of $3,000 for restoring the building, the same as was done in the case of Amherst.

Mr. LAVIGUEUR: Does the minister know that the Quebec provincial exhibition asked for this federal grant on many occasions? A number of the other provinces got the grant twice but Quebec never got it. When the time came to hold the Dominion exhibition in the province of Quebec we were told that the government had decided to discontinue the grant. Owing to that fact, would it not be possible that the grant for the Quebec provincial exhibition be increased this year?

Mr. MOTHERWELL: Of course Toronto did not get it until last year either.

Mr. LAVIGUEUR: They got it before. We never got it.

Mr. MOTHERWELL: The live stock men were desirous of having one big live stock exhibition and it had to be somewhere. It could not be up in the heavens very well, as it was in Toronto. It could not be down in the bowels of the earth, because Toronto is recognized as "Toronto the good". It had to be somewhere and I do not know of any other city than Toronto that has earned the right to it by its record of the last fifty years in holding exhibitions.

Mr. LAVIGUEUR: Owing to the fact that Quebec was refused the federal grant of $50,000 of some years ago, when the turn of Quebec came for the Dominion exhibition, would it not be possible to decrease the grant to the Toronto fair this year and to increase the Quebec grant?

Mr. MOTHERWELL: When the only Dominion exhibition was a perambulating affair, the grant of $50,000 was given and I understand Quebec got that grant.

Mr. LAVIGUEUR: No.

Mr. MOTHERWELL: My deputy is not very sure whether they did or not, but if they did not, it was because they did not at the time have an exhibition large enough to entertain the crowds. Montreal has never, in my time at least, taken a very active interest in holding these exhibitions and when the big commercial centre of Canada did not take it in hand, of course they may have passed up the grant. But my understanding was that they got the Dominion exhibition. I know British Columbia, Manitoba, Saskatchewan, Alberta and all the rest of the provinces got it except Prince Edward Island, and they did not have accommodation for it.

Mr. LAVIGUEUR: The province of Quebec never got the federal grant. The reason why Montreal does not recognize an exhibition is because we have these provincial organizations in the city of Quebec. It is a provincial exhibition. As I stated a few minutes ago, when we asked for the federal grant, it was the turn of the province of Quebec to have the Dominion exhibition, but we were told that the government had discontinued the grant. After the other provinces had received the grant we were refused it. Under the circumstances it is only reasonable that the grant to the Quebec exhibition should be increased to some extent.

Mr. McMILLAN: At this point I should like to make a protest. I made it before to the minister and the department and I was promised favourable consideration, but so far I do not know that it has been given. I refer to the holding of the royal winter fair. It is being held at the very worst season of the year so far as the farmers are concerned and if there is any one class which we should expect this fair to benefit, it is the farming community. It is held every year just about the time they are housing their live stock and this makes it impossible for them to get there in sufficient numbers.

Mr. MOTHERWELL: There are a number of exhibitions being held and the situation is just the same as that of the circuit in any other part of Canada. Some of them have to be first and some of them have to be last. That is a law you cannot get away from. Chicago fits in with Toronto and they fit in also to some extent with Ottawa and the other winter fairs that are held about that time, for instance, at Chatham and the ones in the maritimes. You cannot disregard the interests of other fairs and other countries, because many of the exhibits go from Toronto right to Chicago and before a circuit is arranged all the boards are taken into consultation. It is the same as any other circuit of fairs, these class A fairs or other fairs. Certain attractions come to the fairs and we have to arrange with them so that they can be circuited with the least possible expense and the best results all round.

Mr. McMILLAN: This is a consideration but it is not very encouraging. Is it not a fact that a most vigorous protest has been made on the part of many of the live stock men?

Mr. MOTHERWELL: That is right.

Mr. McMILLAN: It would appear that not very much consideration has been given to the protests made by the live stock man. In all the explanation the minister has given there is no reason why the date should not be changed by a week or so.

Mr. MOTHERWELL: The matter was thoroughly threshed out from every aspect particularly because of the advanced time of the year—the 24th of November last year —when it started. That is wintertime with us. You have to make the circuit to suit the convenience of as many fairs as possible, but of course it is not possible to please everybody. Would my hon. friend rather have the royal winter fair earlier?

Mr. McMILLAN: Just before the Chicago fair.

Mr. MOTHERWELL: That is when it is now. After the royal winter fair, they load up their cars and away to Chicago.

Mr. McMILLAN: I think some time elapses between the two, and that was considered by the live stock association when they entered their protest.

Mr. MOTHERWELL: My deputy informs me that what I stated is correct, that there is just enough of an interim between the Toronto fair and the Chicago fair to allow the exhibitors to get their cars loaded up at Toronto and get nicely settled in Chicago.

Mr. ROSS (Kingston): I find it rather difficult to distinguish between the class A and the class B fairs, and I think the only way I can get the information I want is to ask the minister as to each of these fairs I see mentioned in the Auditor General's report.

I would like to ask the minister if the fairs mentioned here will continue to receive assistance from the federal department. The first is the Cobourg horse show.

Mr. MOTHERWELL: No; that was not a B class fair, just a special horse exhibition.

Mr. ROSS (Kingston): The Eastern Canada live stock union?

Mr. MOTHERWELL: That is not a fair. It is the corresponding association in the east of the organization they have in the west.

Mr. ROSS (Kingston): This item in the Auditor General's report is headed "Exhibitions and Fairs." The next one I would ask about is the London and Western fair.

Mr. MOTHERWELL: Yes.

Mr. ROSS (Kingston): Central Canada?

Mr. MOTHERWELL: Yes.

Mr. ROSS (Kingston): Ottawa winter fair?

Mr. MOTHERWELL: Yes.

Mr. ROSS (Kingston): Peninsula winter fair?

Mr. MOTHERWELL: Yes, that is at Chatham. It was not held for a year or two, but I understand they are holding it now.

Mr. ROSS (Kingston): Peterborough industrial?

Mr. MOTHERWELL: No. That was one of the B class fairs.

Mr. ROSS (Kingston): Canadian national?

Mr. MOTHERWELL: Yes.

Mr. ROSS (Kingston): The feeder cattle show?

Mr. MOTHERWELL: Where?

Mr. ROSS (Kingston): It does not say. That is what I want to know.

Mr. MOTHERWELL: Yes, that grant will be continued.

Mr. ROSS (Kingston): Where is the show held?

Mr. MOTHERWELL: One at Winnipeg, one at Moose Jaw, and one at Calgary.

Mr. ROSS (Kingston): I thought these grants covered only Ontario.

Mr. MOTHERWELL: Winnipeg is not in Ontario.

Mr. ROSS (Kingston): The open air horse parade?

Mr. MOTHERWELL: That is in Ottawa.

Mr. ROSS (Kingston): Is that grant continued?

Mr. MOTHERWELL: It may be. It is a very small contribution.

Mr. ROSS (Kingston): The provincial winter fair?

Mr. MOTHERWELL: I do not recognize it by that name. Will my hon. friend say where it is?

Mr. ROSS (Kingston): It gets $6,000. I hope it is in Ontario.

Mr. MOTHERWELL: We do not know it by that name in the department.

Mr. ROSS (Kingston): This information came from the department to the Auditor General.

Mr. MOTHERWELL: It has not been christened properly there.

Mr. ROSS (Kingston): I am not responsible for the christening. What about the royal agricultural winter fair?

Mr. MOTHERWELL: Yes, that is in Toronto.

Mr. ROSS (Kingston): The bacon hog competition?

Mr. MOTHERWELL: Yes.

Mr. ROSS (Kingston): The horse-breeders club, is that grant continued?

Mr. MOTHERWELL: Yes.

Mr. DUNNING: You have done very well.

Mr. ROSS (Kingston): The Minister of Railways says that we have done very well, but I would point out there are only twenty-four little items here for Ontario whereas there are seventy-nine for Saskatchewan.

Mr. DUNNING: But read the total of the Ontario items, including the royal winter fair.

Mr. LUCHKOVICH: When the hon. member for South Huron spoke of the royal fair I recalled the bill which the Minister of Agriculture brought down last year, in speaking to which he said that his chief purpose in introducing it was to extend further assistance and encouragement to the live stock industry of Canada. It would appear that the only encouragement to the live stock industry in Canada is given through the Toronto fair, but I think that the agricultural industry in this country receives just as much encouragement, if not more, through the large number of small fairs that we have out in the west, especially the B circuit fairs. One of the members in a little conversation I had

referred to the Toronto fair as a national fair, but so are all these fairs national in that they are doing a good work and helping a national industry in this country. We have a fair in Vegreville, which is a national fair to my way of thinking, in that it does help considerably a national industry in this country. I do not know when the minister first gave these people intimation that the federal grants would be discontinued, but I do know that the Vegreville exhibition association has got into pretty bad straits because of the financial obligations it has incurred, and which it is not able to meet at the present time. I do not wish to repeat the arguments which most of the members have made here to-day, because it would be superfluous. But I do say that it is very unfortunate that these grants are being discontinued to the B circuit fairs. They are doing a great work, and a work that is just as much national in its character as the Toronto fair.

Mr. MOTHERWELL: I wrote to the departments of agriculture in Alberta, Manitoba and Saskatchewan to find out what they had done with respect to their respective fairs in anticipation of the federal grants being dropped. Everybody knew that this adjustment was going to take place, because they had been given warning, and in anticipation of our dropping these grants the provincial governments in some cases were raising theirs. That was not done in all cases, because some fairs had got into hard circumstances, trying to keep up with the Joneses, and they could not earn a larger grant from the provinces. I would point out to my hon. friend that Vegreville got $985.83 in 1918 from the provincial government, and in 1927 it received also from the provincial government $2,426 for its exhibition alone.

Mr. SPEAKMAN: I should like to say one word on this subject, which I think is rather important. As I understand the minister's contention, and I recognize the difficulty of his position, these grants are being withdrawn on two main grounds. The first is that they were given in the first place as a war measure, when conditions were not normal, and now ten years after the war these grants are being dropped. The second is that continuing these grants would make it almost impossible to draw the line between B class fairs, C, and so on all down the line, and would involve the minister and his department in a tremendous amount of obligation. I have had a little experience, as most of us have had, having been in the west for forty years or so; I have visited the different kinds of fairs we have, and I know the work they are doing. We have in my constituency a number of small fairs, in addition to one B class fair in Red Deer. I also have been glad to attend the larger fairs in the larger centres whenever I had the opportunity, and I have been endeavouring to see to what extent the money has been spent to the best advantage, and generally what value the country has been getting from the money expended under these grants.

Mr. MOTHERWELL: You mean federal grants?

Mr. SPEAKMAN: Yes, to see where the money was spent to the greatest advantage; not for providing amusement, but for actually improving the quality of our live stock and the standard of farming throughout the country. As I understand it, that is one of our greatest national works. From that point of view I do not think it is very difficult to differentiate between what we call B fairs and those further down the list. I suggest it would be well to set a certain standard to which those B fairs must attain or else lose the grant. My experience is that the smaller fairs are purely local in their character; they are attended by the farmers in the district, who bring in their stock for competition. But the B fairs are more than local, they draw their exhibits from all over the province, and sometimes from other provinces. In other words, as an object lesson in quality of stock they stand pre-eminently above the smaller and purely local fairs. In that respect they come more nearly to a parity with the large provincial fairs whose grants are being continued. From that point of view I believe it would be sound policy within reasonable limits—and no one can say that $33,000 in grants to the smaller fairs throughout a country like Canada is an unreasonable expenditure—to treat as permanent the grants to those fairs which are endeavouring to improve the quality of our stock and our methods of farming.

Then there is another thing to be taken into consideration—and undoubtedly it was regarded at the outset—the financial position of these fairs and their opportunities of obtaining money from other sources. Those sources are very few, and the principal are of course the gate receipts. Those gate receipts are becoming more and more dependent on the side shows, the grandstand performances and other circus features, which, regarded from the proper point of view, are not educational agriculturally. The more nearly the fair approaches the proper type, the type

intended as an educational factor, the type intended to give an object lesson to the whole country as to the class of farming carried on and the quality of stock raised, the more nearly it approaches the ideal. And it follows that the less stress laid on what I term the purely circus features, the side shows and so on, and the more on stock judging and the other important factors, the smaller, as a whole, will be the gate receipts. At Calgary and Edmonton we find the gate receipts running into the tens of thousands of dollars, paid for the most part by people not five per cent of whom ever go near the stock and farming exhibits. Those people attend to see the grandstand performances and to look at the side shows, the circus and the fireworks. But those two fairs are allotted grants which they do not require in anything like the same degree as the smaller shows, because the very nature of the extraneous attractions at the big fairs swell the gate receipts.

I recognize the difficulty confronting the minister, but in the interests of the Dominion he should do his utmost to build up the basic industry to the highest point possible by encouraging the production of better stock and the bringing together at these fairs of samples of that better stock from all over the province and from the other provinces as well. To this end I suggest that it would be sound policy to make permanent what was commenced purely as a war measure; and to do away with or lessen the difficulties of the smaller fairs I suggest he should stipulate the conditions under which grants will be made, thus giving all possible encouragement to those fairs to develop stock-judging competitions, which would be of great educational value to our agriculturists and stock men. This policy in my opinion would be preferable to the policy that is being pursued right now of putting a premium, so to speak, on the side show and circus features of these fairs to the disadvantage of the great basic industry of agriculture.

Mr. MOTHERWELL: What would my hon. friend do with such a case as that referred to by another hon. member, the Willow Bunch fair, which has grown up from infancy—would he let that class of fair in?

Mr. SPEAKMAN: Instead of the $33,000, I think $100,000 would be well spent in grants to fairs that live up to the proper conditions, that is, so conduct their operations as to educate the people in improving the quality of their stock and their methods of farming.

Mr. MOTHERWELL: But would he permit such fairs to come in as B fairs?

Mr. SPEAKMAN: Yes.

Mr. MOTHERWELL: You would have them by the score.

Mr. SPEAKMAN: Well, I would welcome them if they lived up to all the conditions that I have stated, and I think the money would be better spent.

Mr. MOTHERWELL: Another question. Every time I have a conference with any agricultural association, particularly provincial, I am implored to cut out overlapping of activities. Well, the further we go with these grants the more we overlap the provincial grants. That is the one outstanding complaint from the provincial departments of agriculture, that our work is overlapping theirs. Now, if I take the advice of my hon. friend, good as it is, I would be overlapping more and more every year. And I want to assure my hon. friend that we could not stop at the point he indicates—the C fairs think they are as good as the B, and the result is that in a democratic country such as this, where you have to hearken to the electorate, there is no place to stop until you get to the bottom, the smallest and most humble exhibitions in the Dominion. That is my experience.

Mr. SPEAKMAN: I realize the objection to overlapping. I realize, too, that if that objection was carried to its logical conclusion there would be no federal department of agriculture at all. But to my mind that overlapping could be better avoided by the minister saying: We will take over as a federal obligation those fairs that reach the proper standards, and the provinces can devote their whole attention to the smaller fairs. In other words, subdivide the territory. Then each authority could do better work, and there would be no overlapping.

Mr. MALONEY: In my opinion, Mr. Chairman, my hon. friend from Red Deer (Mr. Speakman) is quite sound in his views. The weak spot of the ministers' policy appears to be that by encouraging Toronto and the other large exhibitions he is centralizing the whole system. If you consider the exhibits at, say, the Toronto exihibition, you will find that eventually, if this policy is continued, the small breeder will be forced out, because he cannot compete with any hope of success against the millionaire who to-day takes up stock-breeding as a hobby. The idea of making grants to the large centres rather than

to the small is in my opinion not in the interests of agriculture. The hon. minister spoke wisely when he stated that if he continued giving to one fair after another he would be accused of overlapping; but I think he might very well overcome that objection by handing his grants to the provincial ministers of agriculture, with the stipulation that they must be distributed among a certain class of fairs. In that way he could not be accused of overlapping provincial work. I will give him the experience of Renfrew. He has in that county one fair which is decidedly class B and which is perhaps, next to Toronto, one of the best and most representative fairs in the province of Ontario. It is in the town of Renfrew. That fair never received a grant from this government as a class B fair. When I see towns in the west, one-third the size of Renfrew, with fairs whose prize lists do not compare at all with the prizes given at Renfrew, but who nevertheless receive grants, I can say only this, that the policy that has been pursued has been indeed unfair. There has been no overlapping so far as Renfrew is concerned. In the town of Arnprior—

Mr. McLEAN (Melfort): Does the hon. member consider that it is the towns or the agricultural districts that are entitled to such a system?

Mr. MALONEY: I am speaking now of exhibits, the total value of exhibits.

Mr. McLEAN (Melfort): Agricultural or industrial?

Mr. MALONEY: This is related to live stock. It is an agricultural fair, but this particular branch has reference to live stock exhibits. What I have said with regard to Renfrew applies with almost equal force to the town of Arnprior. Neither of these fairs ever received any consideration from this minister, or from any other minister for that matter. After all, it is the small breeder, the man who takes an interest in the breeding of stock in the small centres on different farms, to whom we must look in the long run, and not to the millionaire who is interested in stock breeding as a hobby. If we wish to encourage the breeding of stock broadcast, then I say to the minister, hand over to the various departments of agriculture in the provinces a certain sum each year, that money to be distributed in conjunction with grants given provincially, and let the class be stipulated. If the minister continues as he has been doing in the past, we will make a demand for Renfrew, and many demands will be made from this province for fairs which deserve and have deserved grants which they have not received.

Mr. MOTHERWELL: Is my hon. friend in favour of Renfrew receiving a federal grant?

Mr. MALONEY: Absolutely.

Mr. MOTHERWELL: That proves what I say. If we continue these grants to B fairs every fair like that of Renfrew will want a grant.

Mr. MALONEY: I have advised you how you may overcome the difficulty. Give a substantial grant to each provincial department and let them distribute the money. If you do not feel equal to distributing it, leave it to those who know the situation and let them distribute the money.

Mr. MOTHERWELL: That would be an unusual way.

Mr. McLEAN (Melfort): I have a great deal of sympathy with the minister in the position in which he finds himself. He is suffering to-day and has been for some time, as the result of an unwise economic policy adopted in the past, a policy which in my opinion cannot be justified on its merits. I refer to the policy of assisting certain fairs and withholding assistance from others. That is something that developed out of conditions over which probably no one had any considerable control. I agree with the minister that the condition should be remedied, but where I object to the procedure of the minister is in the method he seeks to adopt by which to remedy the injustice that exists. I find myself in much greater accord with the hon. member for East Lambton (Mr. Fansher). That hon. member enunciates a principle which is absolutely sound throughout the country; that is, that it is not to those who need assistance the least that assistance should be given, but rather the centres which are doing genuine agricultural development work, and who stand most in need of assistance. There is and has been for many years in this country a tendency to encourage large places and large enterprises at the expense of smaller and growing communities, whether rural or urban. By this means a great deal of the wealth of Canada has been concentrated in cities and problems have arisen, from that concentration, in connection with industrial development. And we are now threatened with the same condition in relation to the development of agricultural fairs. It is abso-

lutely wrong for us to give large sums of money by way of assistance to fairs which financially do not require any assistance at all, while at the same time we cut out the aid to smaller places which are functioning well in the interests of improved agriculture, particularly as regards stock and grain growing. The fairs which are receiving assistance under the head of class A fairs have not been enumerated, but we are told that the Toronto fair gets $5,000. Now, everyone knows that the Toronto fair has been earning profits, not at the rate of $5,000 a year but something like from $40,000 to even $200,000 a year for many years back. One or two years ago I put on record in this house the net earnings and profits of the Toronto national fair. Not long ago I saw the figures brought up to date, showing that the profits have increased largely in the past two years. They do not need that $5,000 in the slightest degree. The royal fair at Toronto is probably in a different position, but even here we see the result of a wrong system—the concentration in one city of $60,000 per annum for the promotion of agricultural interests of the Dominion. At the same time we are cutting out the smaller sum of $33,000 spread throughout the Dominion. The statement has been made by the Minister of Agriculture to-day—and it is right—that $50,000 was spent before the war in a perambulating fair. Possibly that was entirely justified. If I remember correctly, though, it was the intention that after the perambulating fair had visited every province in Canada that branch of endeavour should not be continued.

Mr. MOTHERWELL: I don't think it.

Mr. McLEAN (Melfort): That is my memory; I do not argue the point however. I accept the word of the minister.

Mr. MOTHERWELL: I understand from my deputy that you are right.

Mr. McLEAN (Melfort): Yes; generally I can trust my memory to a certain extent at least. The province of Prince Edward Island was not able to take advantage of that grant by reason of local conditions. Now, what situation do we find to-day? We are told that the $33,000 must be cut down because there is no stopping place. I agree with the minister that there would be no limitation unless restrictions and regulations were framed in regard to the number of these fairs. But in connection with the larger fairs, what is the situation? Something like $275,000 is being spent now in the encouragement of the larger fairs. The hon. member for Red Deer a moment ago observed—I cannot recall his exacts words, but I will give his meaning—that these larger fairs consist largely of industrial exhibits, sideshows, entertainments, stampedes and other features perhaps worse than any of these I mention, while the agricultural element constituted the minor feature. Anyone watching people going into these large fairs will see them make at once for the sideshows, the grandstand, the horse races and that class of entertainment. But if he visits the barns, as I invariably do when I go to a fair, he finds within a short distance of them the absence of any crowd. There is no competition there; no one is jostling anybody off the sidewalk. The crowds do not concentrate around the barns. Yet we find that to-day these fairs, where this condition prevails, are getting the sum of $275,000 as against $50,000 voted once in each province in connection with a perambulating fair. If the argument is sound that grants to the class B fairs should be discontinued because the assistance was given as a war measure, the argument is five times as forcible in relation to these other fairs. I think it would be a wise move either to abolish the grants altogether or to continue them on the basis of a perambulating grant to the provinces, to be repeated every nine years, at approximately the rate paid before the war. The minister has a serious objection against the smaller fairs increasing in number so as to become an embarrassment to the Dominion treasury, yet I find that to-day he is inviting another city to stage a fair and apply for this grant. The minister says he understands Winnipeg proposes to come into this class later on, and that if she does she will be entitled to the larger grant. I suggest that in view of the very important work being done by the smaller fairs, this grant should be continued. It is very small, hardly worth fighting over, but these fairs are doing good work and they should continue to receive this assistance.

Before I sit down perhaps I should draw a contrast between the larger and the smaller fairs. In the district which I have the honour to represent, a district 180 miles wide by 500 miles from north to south, there is an area of about 100 miles by 60 miles which is well settled agriculturally. In that district there is one class B fair to which stock are brought from all over that district. Farmers and their families and associates can come to that fair on any one of the three days for which it lasts. It costs a man living fifty or sixty miles away very little to put himself and his family into his car, drive to town, pay the admission for himself and his

family and have a full day's enjoyment and entertainment. I regret that even small fairs seem to think they must have entertainment, but at any rate a man visiting that fair has a long day's entertainment and education in viewing the stock and exhibits. Then he goes to his car and drives home with his family, arriving there in plenty of time to take up his work the next day.

Contrast that with the fairs in the large cities. If a man desires to go to the fair he finds it very difficult to take anyone but himself; it is expensive both in time and in money as well as inconvenient for himself and his family to be away from home for so long. The smaller fair overcomes that difficulty entirely. The argument is made that the larger fairs are interprovincial, and that their exhibits are received from the different provinces. That is so, but the smaller fairs obtain exhibits from provinces just as far distant. Many exhibitors at the smaller fairs make the statement that they are able to do much more business in the selling of live stock than is the case at the larger fairs, because the farmers from the surrounding districts come to the small fairs and devote their time to a study of the live stock, and they are much more at liberty to discuss business and consider the purchase of live stock as foundation stock than are the farmers who attend the large fairs.

I think it is important that we continue for some time this assistance to these fairs. I do not think the department can go on indefinitely increasing the grants to any fairs which may apply for them; personally I should like to see the grants cut down, because I think this is a provincial responsibility. However, so long as the large fairs receive something like $275,000 a year I object to the smaller fairs being cut out of the $33,000 they now receive. Two years ago these grants were reduced about forty per cent on the ground of economy and because the money could be used to greater advantage elsewhere, and very little objection was made. If the grants to the larger fairs were reduced in the same way and abolished next year I think it would be all right, because then the provinces would have to attend to this matter. No doubt there is considerable overlapping, and I agree with the minister that it is a bad policy for the government to be spending money on the same objects for which the provincial governments are spending money, but I do not think this is the best way to stop the practice. Something should be done, and I should be glad to see a definite policy of reduction put into effect.

Mr. MOTHERWELL: I think if we are to abide by the understanding which was reached we should either pass this vote, and apparently we are not ready for that yet, or ask that the committee rise and report progress, which I now do.

The CHAIRMAN: Shall the item carry?

Some hon. MEMBERS: No.

Mr. GARLAND (Bow River): I have some further remarks to make, Mr. Chairman.

Progress reported.

On motion of Mr. Mackenzie King the house adjourned at 4.20 p.m., until Tuesday, June 5.

Tuesday, June 5, 1928

The house met at eleven o'clock.

ATHABASKA ELECTION

CONCURRENCE IN REPORT OF PRIVILEGES AND ELECTIONS COMMITTEE

On motion of Mr. J. J. Denis (Joliette) the second and final report of the select standing committee on privileges and elections was concurred in.

PENSION ACT AMENDMENT

NON-CONCURRENCE IN SENATE AMENDMENTS

Hon. J. H. KING (Minister of Health) moved:

That a message be sent to the Senate to acquaint their honours that this house agrees to their amendments to clauses 4, 5 subsection 4 (1), 5 subsection 4 (3) inserted, 24, 29, 32 subsection 6 and new clause A, and disagrees to their amendments to clauses 2 (a), 7, 12, 25, 30, (10), and 31 to bill No. 289, an act to amend the Pension Act, for the following reasons:

Because in respect of clause 30, subsection 10, the amendments made by the Senate differ in form and substance from those made by them to clause 5, subsection 4 (1) and are likely to cause confusion and misunderstanding in their interpretation. There is no objection to requiring the approval of the commission or of the board before the payment of accounts, but the right to question expenditure must lie with the minister who is responsible to parliament for the proper use of the moneys with which he is entrusted.

This safeguard is implied in subsection 4 (1) of clause 5 as amended by the Senate in the provision that the commission shall be attached to the department. There is no such safeguard provided in the amendment by the Senate to subsection 10 of clause 30. The board should not possess a greater control of expenditure than that given to the commission. It is considered that the situation would be clarified and the two bodies placed upon an equal footing in this respect if an amendment similar to that made to subsection 4 (1) of clause 5, were made to subsection (10) of clause 30. The subsection would then read as follows:

"The board shall be attached to the department and the expenses required to be incurred

for the discharge of its duties, including the salaries of its officers, clerks, and other employees shall, on approval by the board, be paid, out of the moneys provided by parliament."

Because in respect of clause 12, while this house concurs in the amendments made by the Senate as to the special tribunal that is to consider cases claimed to be specially meritorious it is not clear what course must be followed by the applicant before he presents his application to such special tribunal. The term "entitlement" as used in the amendments made by the Senate is not defined by the Pension Act. There are several cases which might properly be made the subject of an award of a compassionate pension or allowance which are obviously not pensionable as a matter of right under the Pension Act. If it is intended that before applications are made to the special tribunal, the applicant must first apply to the commission in all cases, even if obviously not provided for in the Pension Act, and must make a further application to the board only in those cases, where, under the Pension Act, an appeal lies to the board, it is considered that such intention would be made clear by deleting the words "and in which entitlement has been refused by the commission, and by the board where the right of appeal exists" as contained in the amendments made by the Senate and substituting therefor "and in which pension has been refused by the commission, or if an appeal lies to the board, both by the commission and by the board".

Because in respect of clauses 2 (a), 7, 25 and 31, this house adopted these clauses unanimously. They were based upon the report of the special committee of this house on pensions and returned soldiers' problems, who were unanimous in their findings and recommendations. The said committee held forty-seven sessions and heard representatives of various soldier organizations throughout Canada, departmental officers, the chairman and officials both of the commission and of the board. The report of the special committee was concurred in unanimously by this house. The clauses are designed to remove grievances which the special committee considered well founded and to extend the payment of pensions to persons who ought to be entitled thereto. The amendments to these clauses made by the Senate are considered to be not in the public interest.

Because in respect of clause 7, under the provisions of section 11a of the Pension Act, although pension is paid to a member of the forces in respect of the aggravation of an injury or disease existing prior to enlistment resulting in disability where such aggravation was attributable to or was incurred during military service, yet no pension is payable to the dependents of such member of the forces on his death unless it is proved to the commission that such aggravation was itself the cause of his death, the object of this house in passing clause 7 was to provide for the payment of pensions to the dependents of such member of the forces on his death where the aggravation although not itself the cause of his death was a substantial factor in causing it. The clause is easier of application than the present law and would give a greater latitude to the commission to award pensions in accordance with the fundamental principle of the Pension Act that a pension shall be paid to the dependents of a deceased member of the forces if the death of such member took place during or was attributable to his military service.

Because in respect of clause 25 it is considered that the provisions of section 32 of the Pension Act, that no pension shall be paid to the widow of a member of the forces unless she was married to him before the appearance of the injury or disease which resulted in his death, are too wide in their extent. While it is in the public interest not to pay a pension to a woman who married a member of the forces in the expectation that she would receive a pension upon his death, it is not in the public interest or just that pensions should be denied to all widows who come within the class described in section 32. Nor is it in the public interest that members of the forces who have suffered disability by reason of military service should be in a different position as regards marriage from other members of the forces. The object of this house in passing clause 25 was to provide pensions in deserving cases, at the same time providing necessary safeguards. It is considered that difficulties of interpretation and application might be overcome by providing that a pension shall be paid to the widow of a member of the forces, notwithstanding her marriage to him after the appearance of the injury or disease which resulted in his death, provided that such marriage took place prior to the coming into force of the Pension Act of 1919, or that at the time of such marriage the member of the forces was not over forty years of age, was not in receipt of a pension in respect of the injury or disease which resulted in his death, and was not seriously ill.

Because in respect of clause 2a, which defines the term "appearance of the injury or disease" as the same is used in section 32 of the Pension Act, it is considered that the provisions of the said section ought not to extend to the widow of a member of the forces who was married to him after the appearance of an injury or disease and after such injury or disease had been reduced sufficiently to permit him to serve in a theatre of actual war, provided the marriage was prior to the recurrence of such injury or disease.

Because in respect of clause 31 under the provisions of section 51 of the Pension Act the only question on which an appeal lies from the decision of the commission is as to whether the injury or disease or aggravation thereof resulting in disability or death was attributable to or incurred during military service. The object of this house in passing clause 31 was to widen the scope of appeal. It is in the public interest that the returned soldiers and their dependents should have confidence in the administration of the Pension Act, and this object would have been accomplished by providing for a review by the board of decisions of the commission where applicants felt themselves aggrieved. It is considered that an appeal should lie to the board on decisions made, for example, under the provisions of sections 12, 30, 32, 33, 34 and 39 of the Pension Act. Clause 30 would have provided an appeal and an opportunity of correcting error, subject to the proviso therein contained, on such questions. By reason of the amendments by the Senate no such appeal is allowed.

And that the Clerk do carry the said message to the Senate.

He said: In moving that we disagree with the Senate amendments referred to I wish to say that a great deal of consideration was given the amendments to the Pension Act by a special committee of this house, who unanimously reported in favour of the bill which was presented to this house, and adopted unanimously by the house. The matter is one which deals with a great social problem of the Canadian people, the care of the men and the dependents of the men who served overseas. There has been at all times a desire among the Canadian people to do full justice to the returned soldiers and their dependents, who served the Canadian people during the war overseas. This bill was sent to the Senate and has been returned to this house with certain amendments; certain sections considered important by the House of Commons have been deleted. We think the matter of sufficient importance to disagree with these changes, and I therefore move that this message be sent to the Senate in order that they may have an opportunity of reconsidering the sections which they have deleted and the other changes they have made.

Mr. C. G. POWER (Quebec South): I wish to say only a word or two regarding this motion, referring to the particular clause which asks the Senate to reconsider its decision with respect to widows who had married ex-soldiers after the appearance of disability. The underlying principle laid down by those who first looked after pension legislation was that any woman who married a soldier after he had been injured or had incurred illness on service, would not upon his death be entitled to a pension. This clause has been considered too restricted and committees of the House of Commons, and the house itself, have on four separate occasions passed legislation to amend the act with respect to this very deserving class of widows.

This year the committee brought in a unanimous report which was concurred in unanimously by the house, and when the discussion took place in this chamber there was no difference of opinion on the principle. The amendment of the committee apparently did not satisfy the members of the Senate, who stated that it was unworkable and that it was perhaps too broad. However, for the first time, I learn that members of the Senate have agreed in principle that, with proper safeguards, the widow who in good faith married a member of the forces who returned from overseas suffering from an injury or disease contracted on service should receive a pension. There is no difference of opinion with regard to the principle, and it seems to me that if the Senate and the House of Commons have agreed in principle, surely we should be able to find some formula or phraseology which will give a pension to this most deserving class of people. That is the situation as it stands to-day. I freely admit, as chairman of the committee, that fault might be found with the amendment which was sent up to the committee, but I am not prepared to agree that it was altogether unworkable, nor am I prepared to agree that it was too broad. If an injustice is being done a certain class of persons in this country, it is preposterous to go to the country and say we know the injustice is being done but the united wisdom of the House of Commons and of the Senate is incapable of formulating a provision to rectify it.

We have had informal conferences—perhaps they were not constitutional—at which members of the committee, the Minister of Pensions and Health, the Minister of National Defence and members of the house have appeared before the Senate committee. Due to the emphatic and blunt pronouncement of my hon. friend from Kingston (Mr. Ross) we were able to save one clause from the wreck, that which did away with the limitation of time for making application for pension.

If this house is unanimously of the opinion that a clause should be inserted in the bill to provide for this class of people, we should be able to say to the house, with the assistance of the officers of the Department of Soldiers Civil Re-establishment, that the members of the committee on pensions are prepared to make any suggestion and to discuss the whole question with the members of the Senate or of the Senate committee. More than that, any member of the house who knows the Pension Act is prepared to offer his services. The leader of the opposition, a gentleman of high legal standing, and, may I say without irony, a master of phraseology and a moulder of words, would I am sure be only too glad to join with members on the other side of the house to discuss this question with the members of the Senate in an effort to find a solution of the difficulty.

Mr. JEAN J. DENIS (Joliette): I have just one word to say before this motion is allowed to pass. It has been my privilege in the past to be chairman of a committee similar to the one that was sitting this year, and it is needless for me to say that I am in entire sympathy with the desire to give due recognition to the rights and privileges of the soldiers; I want every returned man and his family to receive the pension to

which they are entitled. On the other hand, I am against what you might call the speculators; the country must be very careful to see that this class of people are not included in the amendments passed each year.

It must be remembered that in the United States after the civil war a very serious state of affairs developed. I will not go into details because the facts are well known to everyone. I might however point out that at present the amount that the country is paying for pensions to returned soldiers and their dependents is several million dollars more that it was, say, five years after the war was over. One would imagine that ten years after the conclusion of the war the amount paid for pensions should begin to decrease; but it is not decreasing, it is increasing every year. I have not the exact figures under my hand but I know them practically by heart. About five, six or seven years ago we were paying $31,000,000, $32,000,000, $33,000,000 a year, whereas now we are paying $40,000,000 a year. Therefore I think parliament should be very careful in the passing of legislation all the time enlarging the number of pensioners. No doubt it is on that principle that the senate rejected part of the bill that was passed by the Commons. In resuming my seat I wish to repeat once more that I am in entire sympathy with returned men and I want them to receive all the good the country can give them, but I am not in sympathy with those who may, under cover of being dependents of returned men, be preying on the country's generosity.

Motion agreed to.

SOLDIER SETTLEMENT ACT AMENDMENT

The house resumed from Monday, May 14, consideration of Bill No. 288, to amend the Soldier Settlement Act.—Hon. Mr. Forke—Mr. Johnston in the chair.

The CHAIRMAN: The last time the bill was before the committee all the sections were adopted.

Bill reported, read the third time and passed.

SUPPLY

DEPARTMENT OF RAILWAYS AND CANALS

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

Railways and Canals—chargeable to capital—Hudson Bay railway and terminals: construction and betterments, including E. B. Jost at $2,500, $6,500,000.

Mr. LUCAS: Will the minister give an explanation of this appropriation?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): Perhaps a brief statement regarding the progress being made and what is contemplated in the current fiscal year would be advisable at this stage. In 1926, as the committee will remember, the Hudson Bay railway consisted of 332 miles of railway which had been constructed ten to fifteen years previously and which had gone completely out of condition. The original ties on the road were all of native spruce and they had all rotted in the intervening period. A large proportion of the construction being over muskeg country, the embankment had gone very badly out of condition. The telegraph line was completely destroyed. There were no water facilities and no engine terminal facilities at any point on the line.

It will be remembered that at the session of 1926 provision was made in the estimates for the rehabilitation of the existing line of railway. That work has since proceeded and it is now well toward completion. Engine terminal facilities have been provided at the commencement of the line at Le Pas and at mile 137, and another engine terminal is now under construction at mile 327. In addition steel has been laid beyond mile 332 to mile 356, which is the present end of steel, six miles beyond the Limestone river. It will be remembered that last year there was placed in the estimates a further appropriation to complete the reconditioning of the existing track and at the same time an intimation was given to the house that an investigation would be conducted during 1927 regarding the matter of ocean terminals. That investigation, as was announced in the house last session, was conducted by Mr. Frederick Palmer, president of the British Institution of Civil Engineers. I had the privilege of accompanying Mr. Palmer on the journey to Hudson bay. He and his assistant also spent some time here on the first trip to this country, going through all the records of the department in relation to the whole enterprise, and coming back again in the month of July and early August to make an actual inspection of Nelson and Churchill on the ground. As a result of that work, Mr. Palmer reported very emphatically in favour of making the terminus of the Hudson Bay railway, Churchill, rather than Nelson. His report was published by the government immediately and was given very wide circulation. I think every member of the house received at least one copy of it, and a number of members more than one, and therein are set out the economic reasons for the recommendations made.

Briefly I can summarize them by saying that there is no question in the mind of Mr. Palmer or of any of the Canadian engineers who accompanied the party that Churchill can be more cheaply, more economically developed into a safer port than Nelson. If in the subsequent discussion further information is desired than that brief statement, which I think a careful reading of the report on the part of any member will confirm, I shall be glad to give the information.

With regard to the extension of the railway to Churchill, the construction work is in the hands of the Canadian National Railways in the same manner as the reconstruction of the original track. The Canadian National has let the contract for the grading of the last piece of line from the present end of steel to Churchill.

The vote asked for this year is $6,500,000, of which $3,500,000 is for railway purposes and $3,000,000 for port development. It will be understood that in making arrangements for the construction of the port a large portion of the initial expenditure must necessarily be on equipment to do the work. I may say that every effort was made to get ready for active construction work at the port during the fall and winter of 1927. Immediate instructions were given, following the confirmation by the government of Churchill as the terminus, to have the dredge Kennequhair which was built many years ago for Hudson bay service, and which was then at Halifax, transferred to Churchill during the fall of 1927, the idea being that if a dredge could be placed at Churchill during 1927 it would be immediately available for work in the season of 1928. Hon. members will understand the difficulty of attempting, with our present knowledge of navigation conditions, to get into the bay before the month of July, it is not practical to expect that a dredge shipped into Churchill in the month of July or August could accomplish very much in the way of dredging work in the season during which she travels from the Nova Scotia coast to Churchill. Unfortunately, although the Kennequhair was sent to Churchill, it was necessary, in a storm in the north Atlantic, in order to save the lives of the crew of the tug and the crew of the dredge, for the tug to cut the hawser after three days of very stormy weather, and consequently the Kennequhair was lost. That has rendered it necessary to provide new dredging equipment, and in all probability that will involve some delay in the completion of the dredging work at Churchill. Every effort is being made by the department to speed up the work consistent with the necessary provisions for safety. It is not an easy task to construct a great engineering enterprise so far from our normal business and industrial bases, and particularly is that the case with respect to floating equipment, because it must of necessity be sent in by sea, and there is the limitation of the navigation conditions as we presently know them in that regard.

[Mr. Dunning.]

The department conducted an investigation into the loss of the Kennequhair, and we cannot attribute blame to any individual with respect thereto. The loss was incurred not in the straits or in the bay, but in the waters of the north Atlantic. There was, if my memory of the report serves me aright, a continuous storm for three days. The dredge was being towed by the tug on a hawser, a leak developed and this gradually increased until on the third night it was not deemed safe to allow the crew to remain on the dredge. Consequently, when it became dark, those members of the crew who were on the dredge were transferred by orders of the navigator to the tug for their safety, and during the night it became necessary to cut the hawser and let the dredge go. She sank immediately. These are things, of course, which we must expect occasionally in attempting enterprises of this character. We hope for better luck in the future.

During the winter arrangements were made to transfer as much as possible of the useful equipment at Nelson to Churchill. For that purpose Lynn tractors, commonly used in large lumbering enterprises, were employed, and a large amount of useful material has been transferred overland from Nelson to Churchill in order that it may be available during the coming summer. Hon. members who are familiar with the sea will understand that the first job to do this summer is to arrange for some landing facilities at Churchill, some temporary pier construction in order that the vessels arriving there may unload economically instead of having to transfer in deep water to smaller boats or scows. The material is being assembled for that purpose, and it is proposed this year to send in approximately 13,500 tons of material by sea. It is hoped by the time the material reaches Churchill that the force now there, with the material now there, will have a temporary pier constructed in such a manner as to enable all material to be unloaded in the most economical fashion.

That is all I have in mind at the moment. I expect a number of inquiries, and shall endeavour to give as much further detail as the committee may desire.

Mr. CANTLEY: Would the minister be good enough to repeat at what point the dredge was lost?

Mr. DUNNING: I have not the exact latitude and longitude, but it was in the north Atlantic, a considerable distance off the Labrador coast.

Mr. EDWARDS (Frontenac): How many miles is it from the end of steel to Churchill, and what is the estimated cost to complete the line to Churchill? Secondly, how far would it be from that line when completed to Nelson? The line was originally intended to run to Nelson, but has been diverted to Churchill. Does the government contemplate building a line to Nelson from the main line running to Churchill?

Mr. DUNNING: I am just looking up the exact figures which are contained in Mr. Palmer's report. These were all carefully checked, and I prefer to use them rather than to rely on my memory. The diversion to Churchill occurs at a point seventy miles from Nelson, the line turning north at that point to Churchill.

Mr. EDWARDS (Frontenac): That would be the nearest point on the line to Nelson?

Mr. DUNNING: Yes, that is mile 356 from Le Pas, where the northward turn occurs. From that point it is 154 miles to Churchill and 68 miles to Nelson.

Mr. EDWARDS (Frontenac): What is the estimated cost of completion of the line to Churchill?

Mr. DUNNING: The extra capital cost over and above what it would cost to build the line to Nelson is what my hon. friend is asking for?

Mr. EDWARDS (Frontenac): No.

Mr. DUNNING: I will give that figure first; it has a bearing on the other. It will cost $5,085,000 more to build the line to Churchill than to Nelson. These are the figures of the Canadian National engineers. The total cost—I am sorry I cannot put my finger on this figure just now.

Mr. EDWARDS (Frontenac): If you had the cost to Port Nelson you could figure it out.

Mr. DUNNING: Yes. It is between seven and eight million dollars, but I prefer to be absolutely accurate.

Mr. EDWARDS (Frontenac): The other part of my question was: Does the government contemplate building the sixty-eight miles from that point to Nelson, as well as the line on to Churchill?

Mr. DUNNING: Not at the present time. Whatever may eventuate in the future we cannot foresee. If my hon. friend will read the whole engineering report with respect to the two places—

Mr. EDWARDS (Frontenac): I have—

Mr. DUNNING: It is possible. With the great development taking place in the northland at the present time, he would be a bold man indeed who would venture to state definitely that the line never would be built to Nelson. In view of the remarkable occurrences now taking place in that part of Canada, I prefer not to commit myself to stating that the line to Nelson will never be built. It may be, but for the present we cannot see any immediate necessity for it. Now I have the figures for my hon. friend. The railway to Nelson would cost $2,458,000, that is, from the point of junction, the cost of the railway to Churchill would be $7,543,000, the difference between the two being the figure I previously gave.

Mr. IRVINE: Some months ago, Mr. Chairman, I noticed in the press a report to the effect that the government had taken steps to prevent speculation in real estate at the new port of Churchill. If the report is correct, I wish to congratulate the minister and the government. I think we all agree that the real estate speculation which has characterized the development of town sites in the west is something which is not healthy and, if preventable, it would be a great advantage to the general public. If the report is substantially correct, I desire to ask the minister what steps he proposes to take. I should like to know also if he is making an experiment with respect to this particular townsite—I think the time is ripe for it—which would prevent all such speculation as in the past took place in the west.

Mr. DUNNING: Well, Mr. Chairman, I can indicate to the committee the steps taken up to now. Immediately on the selection of Churchill as the Hudson bay port one of the problems the department had to meet was with respect to the land ownership there. There was a certain amount of land on the west peninsula—on which most of the works will be situated—which had been owned by private parties for many years. The great bulk of the land was still in the crown under the Department of the Interior. I felt that

considerable difficulty might arise, especially due to the fact that a large portion of the privately owned land was distant more than four miles from the point at which the port works would be situated. I may say frankly to my hon. friend that I visioned all sorts of possibilities of enterprising individuals offering lots for sale at Churchill which the unfortunate purchasers, later would find were approximately four miles from the port itself, and with the resultant trouble which always follows that sort of thing.

An hon. MEMBER: As in a lot of western towns.

Mr. DUNNING: Yes. It was deemed wise—the government accepted my recommendation in that regard—to expropriate all the privately owned property on the east peninsula at Churchill, and the present situation is that no private individuals own any property there. The Hudson's Bay Company has a certain area reserved on the west peninsula, on the other side of the harbour. I may say that an adjustment has not yet been made with the owners of the property expropriated. The department is endeavouring to secure some basis upon which to make a settlement. Failing that the matter will be dealt with in the usual way through the exchequer court. It is rather a unique case, of course, because I suppose the privately owned property could be said to be practically worthless unless and until the port works and railway are built. However, it will be for the exchequer court to determine what compensation should be paid. The pioneer settler who homesteaded there had faith that that was the proper port for the Hudson bay. While he is dead and gone, I do not think this parliament would like to see those who have succeeded him robbed of the results of his pioneer faith. However that may be, no doubt the exchequer court will pay due regard to all the considerations which should be taken into account. It is true that a substantial portion of the property has passed out of the hands of the original owner, Mr. Beech, and the Beech estate, and the ownership of lots is scattered in the subdivision. As to what will be done in the future, I know my hon. friend would like to see the government embark on an experiment of a town in which there was no private ownership.

Mr. GARLAND (Bow River): Hear, hear.

Mr. DUNNING: I cannot say as yet if it will be possible for us to work out anything of that sort in connection with the development at Churchill. The whole matter is under consideration. It is not the intention of the government to dispose of any property to private individuals until the port development is thoroughly planned and we can see clearly what should be the next step in the development.

Mr. GUTHRIE: May I inquire of the minister what arrangement, if any, has been made with the province of Ontario with regard to the right of way which was granted through Dominion lands to Port Nelson in 1913? If my memory serves me right, there was a strip of land five miles wide running from the boundary of Ontario to Port Nelson, the idea being that the province would have the opportunity of building the Temiskaming and Northern Ontario railway up to Port Nelson if she so desired. Does that arrangement carry to Churchill at the present time, or has any new arrangement been made with regard to it?

Mr. DUNNING: I am advised that the old arrangement with regard to the right of way to Port Nelson lapsed some time ago. But however that may be, there would be no objection, indeed quite the contrary, to making such arrangements as might be necessary to enable the government of Ontario to extend their Temiskaming and Northern Ontario railway to Churchill if that government should so desire at any time. My information is that they are presently heading in the direction of James bay towards Moose Factory, rather than towards the west coast of the bay.

Mr. GUTHRIE: I understood we made a grant of the right of way. Were there any conditions attached to it that would cause it to lapse? I remember very well the discussion that took place here by reason of this territory being given to the province of Manitoba.

Mr. DUNNING: The condition was that if they went on within a certain period the right existed. But in any case I can assure my hon. friend that we will have the whole matter looked into, and if it is necessary to extend any rights in that regard arrangements can easily be made. I am personally very doubtful of the desirability of giving one province a corridor five miles wide through another province. It would in my judgment be quite sufficient for the purpose of the province owning the railway if it were permitted to acquire a sufficient amount of land within the adjoining province to enable it to build its railway to the point it desired to reach. That has been done with respect to the Temiskaming and Northern Ontario railway entering the

province of Quebec. It now enters that province, and although it has no corridor five miles wide it has of course the usual right to build a railway, which I am quite sure is satisfactory to the government of Ontario. In any case I assure my hon. friend that no difficulties will be placed in the way of the extension of the Ontario government railway to the port of Churchill if there is a desire that it should reach there.

Mr. GUTHRIE: It would be the province of Manitoba to whom we should have to go if Ontario so desired. I understand that this territory has now been made a part of the province of Manitoba. If we build a railway in Manitoba we shall have to go to that legislature.

Mr. DUNNING: My hon. friend forgets that the land over which the line would pass is still in the crown in the right of this Dominion.

Mr. GUTHRIE: What right should we have to build a line in Manitoba?

Mr. DUNNING: By securing permission from this government, just as the province of Ontario did in connection with the Temiskaming and Northern Ontario railway when it was desired to go into the province of Quebec. There was legal action in the matter, afterwards settled; and the Temiskaming and Northern Ontario railway did secure the right to enter upon crown lands in the province of Quebec—crown lands which in that case were in the right of the province.

Mr. GUTHRIE: What is contemplated in the way of port expenditure at Churchill? Can the minister give us an estimate of what expenditure will be necessary to render the port satisfactory?

Mr. DUNNING: In engaging Mr. Palmer to make an investigation we asked him, in the letter of engagement, to give estimates based on a minimum port development. Perhaps I had better read the terms of the letter. This was what Mr. Palmer was asked to do, and it is the basis of the figures I am about to present:

> What we have in mind as an initial test development—and this is suggested more for your guidance than as a conclusive and limiting instruction—would be the provision of accommodation in either harbour for six cargo ships in port at one time, with working berths for three of the six; the estimated draught of the vessels to be not less than twenty-six feet. The minimum development projected at each port should, of course, be capable of such progressive extension as future requirements might dictate.

On that basis the harbour works at Churchill are estimated by Mr. Palmer to cost $8,450,159.

Mr. ARTHURS: Including elevators?

Mr. DUNNING: That includes provision for an elevator having a capacity of a million bushels. In that connection I might say, particularly for the benefit of members from the west who are interested in the handling of grain, that my idea was that to start with, in an initial test development, it would be better to plan for a fast handling low capacity elevator which could subsequently be added to by means of additional storage as the route developed. But to start with, my calculations and those of the department indicated that a million bushel storage plant, with very fast handling capacity—the fastest which is at present in use—would be the most economical and satisfactory equipment.

Mr. BLACK (Halifax): Has the minister ever made any estimate of the total cost of the Hudson Bay development, embracing: the railway, port development, the money already expended there, the cost of bridges, aids to navigation and development in the straits? In other words, what is the estimated total cost of everything in connection with that development until it reaches, say, the eastern or the southern end of the strait, that is, the entrance to the strait from the Atlantic?

Mr. DUNNING: In that regard I can give information only as it affects the Department of Railways and Canals. The work on the straits is being conducted, as my hon. friend knows, by the Department of Marine. I have before me information relating to the Department of Railways. To date, since the inception of the Hudson Bay undertaking in 1911, there has been expended on the railway and port combined—everything—the sum of $28,333,711.72. That is up to March 31 last. As to the cost of completion, that is of course a matter of not so great certainty; but to complete the railway it is estimated that $7,543,000 will be required, and to complete the port $8,450,000. Roughly, therefore, the estimates would indicate that about $16,000,000 more will be required to complete the whole project, over and above what has been expended up to March 31 last.

Mr. BLACK (Halifax): Will it be in order for me to ask that the minister obtain from the Public Works department the cost of their expenditure?

Mr. DUNNING: It would be the Department of Marine and Fisheries, whose minister is not here. I can tell my hon. friend, however, as regards expenditures by any other department, that they commenced only last year. The vote in the estimates last year and, I believe, also in the supplementaries, for the Department of Marine and Fisheries in connection with work on the straits represents the total expenditure up to date under that department. I believe the house has since voted in the main estimates of the Department of Marine a further sum for the completion of the work now going on in that regard.

Mr. GARLAND (Bow River): I wish to refer to a point raised by the hon. member for Wetaskiwin (Mr. Irvine), and to support the implication of his remarks, as to the minister having made so extraordinary and, shall we say, encouraging a statement as the one he did with respect to the holding of property at Churchill. If I recollect rightly, the press reported him as having said that he did not intend to allow speculation in land at Churchill, or words to that effect. I do know that this remark was received with a great deal of pleasure and approval by a large body of citizens, economists and others, throughout the country. One great curse of all western Canada, as the minister himself knows, has been the appalling and unjustifiable speculation especially in city property of almost every kind. If the minister can prevent that in Churchill he will have performed a great service not only to his own department, but to the development of the port itself. If the rapid development of that port is to be forecast now and is to progress in the future, it will depend upon the absence of too heavy capitalization in land. If we can turn that money into the proper channels of development work and so on it will help to a very large degree, but when answering the hon. member for Wetaskiwin the minister stated that he was not certain that he could carry out the implied plans.

Mr. DUNNING: No, my hon. friend did not understand me correctly.

Mr. GARLAND (Bow River): I hope the minister will make that quite clear in a moment. At any rate, he did not make any statement as to what definite plans had been made with respect to the future. All he did say was that they had expropriated the land on the east peninsula and I take it that now all the property within a certain area, the extent of which the minister has not yet said, is in the possession of the crown. I am trying to encourage the minister, and I would like him to go a little further in this matter. I think he has announced a departure from the old, orthodox method which will mean a great deal to western Canada in the development of that north country, and if only he can be strengthened in his present state of mind to the degree where he will develop plans for the development of Churchill along these lines he will be doing a great deal for western Canada. Now I hope he can give us a little further information with respect to what he had in mind in this matter.

Mr. DUNNING: I am sorry my hon. friend misunderstood me, and possibly he has misunderstood the press statement to which he has made reference. The difficulty with which we were faced when Churchill was selected was an immediate difficulty with respect to the evils of speculation. Private individuals did own property at Churchill. What I was referring to then and what I am referring to now is the trouble which arose in that regard immediately Churchill was selected. Immediately the announcement was made an official of the department was sent to the land titles office in Manitoba to file the necessary expropriations. My hon. friend will realize the importance of that if for a moment he will imagine what would have happened before now if that action had not been taken. That was the point I had in mind. As to what we should do for the future, that I intended to leave for more mature reflection, having regard to experience elsewhere in regard to similar matters, but I did desire and the government desired to prevent the sort of thing which certainly would have happened before now if the privately owned property had not been expropriated in the first place.

As to the plans for the future, I will admit that since that time I have been studying various methods which have been applied elsewhere in the world with respect to experiments of the character indicated by my hon. friend. Frankly, there is nothing in existence that I can find which is quite as ideal as some of my hon. friends would desire in that regard. Particularly is the development of anything of that sort difficult when you bear in mind that the whole of the property for thousands of miles around is owned by the crown. If my hon. friend will also bear in mind the attitude of the public towards property owned by the crown, from his experience in the west he will know that it has proven virtually impossible to prevent people from squatting on crown property, where it exists in large areas such as is the case around Churchill. One of the great problems in

evolving any plan for the development of Churchill along such lines as my hon. friend has in mind is that wherever crown property has existed in this country in large area, in practice it has been found impossible to prevent people from simply going in, sitting down and taking possession without acquiring any real rights and certainly no speculative rights, hindering development such as my hon. friend has in mind.

At this stage I only desire to say, without in any way discouraging the idea that something of an experimental nature might be carried out, that at present we are studying the possibilities of the situation; further than that I cannot go at present. It is much more difficult than our friends who possess these ideals indicate. Perhaps some of them who hold these views might give us something in the nature of a constructive scheme and tell us how it would work in relation to a municipality which is under the jurisdiction of the province, and which must be so—how it would work, for instance, having regard to matters of property and civil rights in the province of Manitoba. All these things must be studied. It is one thing to state a great ideal; I love to do so myself, but it is another thing to plan the steps which must be taken to make that ideal practical.

Mr. GARLAND (Bow River): I think in respect to this matter of squatters the minister has exaggerated the difficulties more than we have exaggerated the benefits of this scheme. Really the squatters do not present a very serious problem in the handling of that territory, not only the municipality of Churchill itself but the surrounding country. If any difficulties did arise with respect to them, however, even if such were possible, a modification of the regulations respecting squatters' rights would be very readily acquired. In any case, the squatter does not possess title to the land, nor can he acquire title except through the crown.

Mr. DUNNING: I mentioned that.

Mr. GARLAND (Bow River): So even if the whole territory were surrounded by squatters the title is in the crown, and the crown can determine upon what terms the land may be further used by these persons. At the present time I am not going to enter into a discussion of a practical method by which this scheme can be applied; it is too late in the session for that, but I am going to meet the minister in this way: I am going to send him in writing a plan which has been worked out before and which may be applicable to the Churchill situation. I hope he will take it into consideration; I feel sure he will, because on the whole I think he is rather inclined towards a little experiment in this matter, and if the suggestion is at all practical I think he will accept it.

Mr. DUNNING: That is right.

Mr. GARLAND (Bow River): I think the minister is in the proper mood with respect to that suggestion, so I will be pleased to accept his offer and will send him a written statement which may be of use.

Mr. DUNNING: I would be pleased if my hon friend or any other member on either side of the house who has any ideas with regard to that form of development would write me with respect to it. Perhaps this is a fitting opportunity for me to say further, here in this house where it will get major publicity, to individuals who desire to go to Churchill, that we cannot accept them for the next couple of years. I am being pestered by men of all professions, all trades and all occupations to be allowed to go to Churchill. At present Churchill is purely a development proposition; the department must arrange to feed everyone who goes there; we must provide doctors and hospitals and so on, and we simply cannot undertake to let private individuals, no matter in what business they may be engaged, go there until matters are further advanced than they are at present.

Mr. CANTLEY: Does the minister say he will not permit citizens of Canada to go to Churchill? How can he stop them if they want to go?

Mr. ADSHEAD: May I ask a question? Was not a very good experiment carried on at the town of Banff, where the whole town is owned by the government and there are no private owners of property?

Mr. DUNNING: I am interested in the example of Banff and it is being studied, but I am afraid it will not apply quite as well as we might desire. My hon. friend from Pictou took me up wrongly; I did not say we would not permit people to go there; I said that our facilities for taking them there were limited. If my hon. friend desires to go and will walk in, or go in by ship, we cannot prevent him, but even to him I would submit that it is unfair to ask us to feed and look after him once he gets there.

Mr. CANTLEY: I am not asking that at all. I am simply taking objection to the statement of the minister that he would not permit people to go to Churchill. I do not like that word.

Mr. EDWARDS (Frontenac): How much land at Churchill does the government claim to own, and under what authority?

Mr. DUNNING: It should be understood that the government owns all the land there.

Mr. EDWARDS (Frontenac): Under what authority?

Mr. DUNNING: I guess it was purchased when the Hudson bay territory was purchased.

Mr. EDWARDS (Frontenac): From whom? The Hudson's Bay Company never owned any land there.

Mr. DUNNING: We will not enter into a discussion of that, but the fact is that the crown does own all the land on the east peninsula.

Mr. EDWARDS (Frontenac): I take exception to that. I say they do not own it and never have owned it, and I ask the minister on what authority he makes that claim?

Mr. DUNNING: I took my legal advice from the Department of Justice. When the Department of Justice advised that the crown owned all that land, except the small portion which had been previously alienated to private interests, expropriation proceedings were taken under the Railway Act.

Mr. EDWARDS (Frontenac): I was simply trying to get an expression of opinion from the minister of the authority under which the Dominion of Canada claims ownership to any of that land. I would suggest that the minister spend a little of his spare time looking that up.

Mr. DUNNING: I have been more or less intimately associated with the problem for a number of years, and I do not think this is the place to discuss it. At the present time the Dominion does claim the right of administration over the lands in question, considering them crown lands.

Mr. IRVINE: Could the minister give us the acreage which has been expropriated by the government?

Mr. DUNNING: I am trying to convey to the committee the fact that the government owns the whole thing for thousands of miles around there.

Mr. IRVINE: There were some private squatters, or something of that kind.

Mr. DUNNING: They have been entirely eliminated; the whole thing is expropriated. In view of the fact that it is an irregular peninsula, it is very difficult to give the exact area, but the expropriation proceedings dealt with the area including the whole of the east peninsula at Fort Churchill. This peninsula is four miles from the point to the base, and the base is constantly widening, and at present is close to three miles across. I would point out to my hon. friend that all the land is vested in the crown, subject, of course, to what my hon. friend from Frontenac is now saying.

Mr. GARDINER: What was the acreage which was expropriated from private interests?

Mr. DUNNING: There was the original Beech homestead of 160 acres, and, due to some exchanges which took place years ago, a few additional blocks in the surveyed portion of what was then the townsite of Fort Churchill. I am sorry to say that I cannot give the exact area, but I do not think it would amount to two quarter-sections; the original homestead of 160 acres, and some small additions.

Mr. BANCROFT: Could the minister give us some information as to the result of the investigation into the ice conditions in the strait? I know it does not come under his department, but he will probably be familiar with that.

Mr. DUNNING: The Department of Marine and Fisheries, aided by an interdepartmental committee, conducted work in the the strait, aerial and otherwise. The report of the work has already been published, and I think is in the hands of every member, and if not it can be secured at the distribution office as it is printed. It is undesirable to go into great detail, particularly on a matter not under the jurisdiction of the Minister of Railways, but it is sufficient to say that the result of last year's investigation indicated that commercial navigation through the strait was possible up to the first day of December.

Mr. McGIBBON: Will the minister be good enough to tell us the ice conditions as of the 5th of June at Port Nelson and Fort Churchill?

Mr. DUNNING: There is ice at both places.

Mr. McGIBBON: About six or eight feet thick?

Mr. DUNNING: I could not say as to that.

Mr. PETTIT: As stated in a previous session, I am in favour of the construction of this railway commonly known as the Hudson Bay railway, and I am persuaded in my own mind that Fort Churchill is the proper selec-

tion as a port. May we however be assured by the government, through its minister, that the development of the port and the expenditures there will depend upon and be guided by the duration of the season in which the straits are navigable, and that the investigation of the straits will extend over a period of at least five years so that we may have an average of the duration of the season and so be in a position to determine whether the navigation of the straits is feasible from a commercial standpoint?

Mr. DUNNING: My hon. friend has stated very succinctly what is the basis of our whole undertaking, and I am in position to say that if last year's investigation has revealed the average condition, then the facilities provided for Fort Churchill will soon prove to be inadequate. Please remember that qualification. No man can say definitely whether one year's condition will prevail, but my hon. friends have only to visualize what is possible with navigation to the 1st of December to see what will be the result.

Mr. EDWARDS (Frontenac): Could the minister give some brief details of the expenditures made in the strait? I understand there was an ice-breaker paid for, and so on.

Mr. DUNNING: I am a little handicapped because the work is under the Department of Marine and Fisheries. The committee will remember that the government's proposal regarding a reconnaissance in the strait was placed before the house and approved. Briefly, the work done was to combine the navigation by the old ice-breaker Stanley with aeroplane reconnaissance from three bases, one at the eastern entrance to the strait at Port Burwell, one at Wakeham bay about half way along the strait on the south shore, and one at Nottingham island at the western entrance to the strait. Aeroplane reconnaissance was made from each of these stations. As it was necessary to erect all the buildings required in the same year this work was started, it was not as successful as we would have desired. But as a result of that work a report has been tabled and is available to every member. It covers only one year, and I want to emphasize that. Many people who have been heretofore opposed to the development take the ground that it has been a very exceptional year. We cannot tell whether it was an exceptional year, but, in any event, my colleague the Minister of Marine and Fisheries (Mr. Cardin) is arranging for a continuance of the reconnaissance work, not so much by the aeroplane method, although the information gathered in that manner has proved very interesting, but by the method recommended by many members on both sides of the house who have had experience in such matters. This method includes the gradual development of aids to navigation, such as direction finders, and so forth, and the use of the strait by the ships in the service of the Department of Railways and Canals continuously taking in materials, which will provide us with a mine of information.

Mr. COOTE: I would like to ask the minister when it is expected this work will be completed so that the road will be ready for operation?

Mr. DUNNING: The contract for the construction of the line calls for completion by December, 1929. Last year I would have said that it might be ready in 1930, but following the loss of the dredge Kennequhair which involved the building and sending in of dredges this year, it is obvious that there will not be a very substantial start made upon the dredging during the year 1928. I would prefer at this stage not to be positive regarding the date of completion. I can only say that all the force the department can economically bring to bear upon the work will be brought to bear until it is completed and in operation.

Mr. BANCROFT: Can the dredge at Port Nelson be used for this purpose?

Mr. DUNNING: That is the sand-sucking dredge. It is lying on top of the island at Nelson and not only would it not be useful for this work but we do not know yet how we are going to get it down. That is the fact of the matter. It can, of course, be got down; nothing is beyond engineering science; but we think we have more important work to do at present than putting a large force of expert engineers and workmen on the problem of getting it down, when as a matter of fact we do not quite know what to do with it when we get it down.

Mr. CANTLEY: What class of dredges does the minister propose to take out this summer and when?

Mr. DUNNING: Two dipper dredges.

Mr. CANTLEY: Are they on the way?

Mr. DUNNING: No. They are being built.

Mr. CANTLEY: Where?

Mr. DUNNING: Montreal.

Mr. FANSHER (Last Mountain): The minister made reference to the development that will take place at Fort Churchill to

provide facilities for three ships at berth and three ships at anchor. What is the possible development of the port? How many ship berths and how much anchorage can be provided?

Mr. DUNNING: I can only quote Mr Palmer in that regard. I cannot offhand find the spot in his report, but I can tell my hon. friend that the development is practically unlimited. We can put in Churchill harbour any size of harbour works that the necessities may demand. In fact, many years ago plans were prepared for Fort Churchill and Port Nelson and there remain in the Department of Railway and Canals actual designs providing for more dock space at Churchill harbour than now exists in New York. On the old, original plans of twenty years ago there are seventeen and a half miles of docks. I must admit, however, that a good many of the things done then were not very accurate.

Mr. CAMPBELL: I presume there is no necessity for further proof that Churchill should fill the bill. Were any observations and records made of the ice conditions at the port last fall and this spring? The only disappointing feature I find in Mr. Palmer's report is that he said he was not able to speak with authority with respect to ice conditions in the harbour, the probable date of the freeze-up and the opening again in the spring.

Mr. DUNNING: Mr. Palmer was a very thorough man and when he was asked to offer an opinion on something which could not be supported by definite scientific data, his answer was always the same. "Engineering is an exact science", he said. There is no exact data in existence with regard to the point which my hon. friend mentions and for that reason Mr. Palmer refused, as he said, to give an opinion. The department is arranging, in fact it has had under way all winter a careful observation at both points and in addition we are intending to secure aeroplanes for an aeroplane observation of the ice conditions off both ports during the present summer and particularly during the period in the fall when both ports would necessarily be most interesting from that point of view. We are finding aeroplane transportation a very useful adjunct to our work in the north country and indeed mining people and others are using aeroplanes up there now. Having them, we intend to conduct a very thorough, careful and continuous comparison in regard to ice conditions at both ports. We have learned now what appears to be a regular condition and that is that the two ports are not at all comparable as to ice conditions. When the ice goes out at Churchill, it is gone. When the ice goes out at the port of Nelson, it may not be, and very frequently is not clear of the mouth of the Nelson river, twenty odd miles away. It appears to be characteristic that the ice coming down from the north with the currents masks the entrance to the Nelson river long after the port of Nelson itself is free from ice. The conditions are not strictly comparable. To simplify the explanation I might say to my hon. friend that it is very frequently possible to get by ship from Nelson twenty miles down stream while Churchill is frozen up, but it would be impossible to get from Nelson out to sea. Have I made that clear? That is one thing we have learned so far which appears to be very interesting and we are continuing the observations.

Item agreed to.

Canals—Trent canal construction and betterments, $13,500.

Mr. SPENCER: When will this work be finished?

Mr. DUNNING: We are always working on construction. Whenever a dam is built, that is construction.

Item agreed to.

Welland ship canal construction, $13,750,000.

Mr. ROSS (Kingston): Is the minister's opinion as to the time of opening of this canal the same as it was last year?

Mr. DUNNING: I have had no reason to change my view as to the time of opening.

Mr. GUTHRIE: What was the time, may I ask?

Mr. DUNNING: 1930.

Mr. COOTE: What has the canal cost up to date and what is it estimated it will cost to finish it?

Mr. DUNNING: To the end of the last fiscal year, $90,000,000. It will cost between $115,000,000 and $120,000,000 in all.

Mr. CANTLEY: Are these unit prices throughout all the tenders?

Mr. DUNNING: Yes.

Mr. CANTLEY: Did the tenderers name the unit prices?

Mr. DUNNING: In their tenders, yes.

Mr. CANTLEY: Does that include the supply of steel sheet piling and items of that kind?

Mr. DUNNING: All supplies by the contractors are at unit prices.

Mr. CANTLEY: In that way how does it come about that one contractor receives five cents and another six cents for exactly the same material on the same class of work?

Mr. DUNNING: I can only say in that regard that these tenders have been let progressively from year to year and in every case the lowest tenderer gets the job. There may be differences in the prices due to work that was let in one year as compared with work let in another. This work has been going on for many years and while some contracts were let last year, some I presume were let ten years ago.

Mr. CANTLEY: I can understand that, but what I am inquiring about is this. For instance I find under the contract with Johnson P. Porter, sections 1 and 2, the sheet piling is put down at six cents. I find in another contract by different people the price for the same item is five cents, making a difference of about $64,000 in the case of that one item. I find another item in regard to steel where the unit prices are four and five cents and where there is a difference of $50,000. I am at a loss to understand how on the same job in returns made for the same year there should be so large a discrepancy.

Mr. DUNNING: The explanation of that is this: When the tenders were originally called for on each of these sections, contractors were asked to bid on the basis of unit prices for every operation involved. While the unit price might be lower the price in the aggregate might be higher. The man who bid a cent less, let us say, for sheet piling might be two cents more than another tenderer on material involving a far larger expenditure, and in letting the contract—most of them, of course, were made before my time, but some have been let since, and I have had the experience—I have always asked the accountants to extend the totals of the whole tender on unit prices aggregating everything in the tender.

Mr. CANTLEY: On estimated quantities, of course?

Mr. DUNNING: Yes, and then awarding the contract to the lowest tenderer in the aggregate, based on unit prices. We have had the experience many times of one tenderer bidding a very low price on some very small item, but in the aggregate submitting a high tender as compared with the other tenderers.

Item agreed to.

Board of Railway Commissioners for Canada, maintenance and operation, $287,100.

Mr. GUTHRIE: I would ask my hon. friend to let this stand until this afternoon.

Mr. DUNNING: Until this afternoon?

Mr. GUTHRIE: Yes, just until this afternoon.

Item stands.

Governor General's cars, $2,500.

Mr. WOODSWORTH: I think we should have some explanation in connection with this item and the other expenditures in this connection. According to a return supplied to me by the department, we have had in the last ten years for governor general's cars an expenditure of $101,257.72. In 1924 alone we had an expenditure of $42,659.73. In addition to that, there has been very heavy cost connected with the carrying of these cars over the various lines, concerning which the department is not able to give information, stating in reply to my question, that:

> No separate record is kept of such movement by the railway management, and to take out this information would necessitate a special and particular search of all train service records of every division of the entire Canadian National system over a period of five years. This would take so much time, and cost so much money, that the management does not consider it in the public interest to undertake the work.

So we are quite in the dark with regard to what it costs to carry special cars either of the Governor General or of the government or of visitors. Further, I wish to call attention to, and to ask an explanation from the minister, of the large expenditures which have been incurred by the Canadian National in connection with the building of special cars for the Governor General. I notice in a western Labour paper an item credited to the Montreal Gazette which I think should be in the possession of the house. It is entitled, "Two Canadian National Cars to be used for Their Excellencies' Visit to Washington," and reads:

> In deep royal purple glistening and new, the two state carriages built by the Canadian National Railways for Their Excellencies, the Governor General and Viscountess Willingdon, stand ready for the first state visit of Canada's representative of the crown to the capital of the neighboring republic. But it is no ordinary lavish comfort that is embodied in these remarkable achievements in the art of travelling, for the interior decorator is none other than Her Excellency herself, and her discriminating taste has given a personal touch to the whole equipage which is a hundred times more attractive than any unbridled sumptuousness.
>
> In some ways the carriages have the air of state coaches, but in some ways they seem like a doll's house. Her Excellency has conceived the

whole idea on lines of the bijou apartment, so that nothing has the appearance of being overdone for its size. The plain purple exterior, with its royal coat of arms, has an imposing dignity. In the inside, within the limited space of the car's proportions, is a diminutive moving home, complete in every detail from the aquatints and watercolours, and house telephone of the living rooms to the varieties of jelly moulds in the kitchen.

Their Excellencies' private car is entered by an oak-panelled hall with a blue carpet and short blue silk curtains. Ample cupboard space hints a feminine influence in the designing. In addition to individual closets in each room, a large wardrobe with plenty of hooks and hangers comes first. There are two bedrooms beside Their Excellencies' suite in this car. One room with cream-colored walls is done in printed linens of a kind of Dutch blue with bright tulips, and the colour scheme has not even forgotten that peculiar hook with which trainmen adjust windows at the top of the carriages. It, too, has its handle of blue and tulips. All the ladies' dressing tables have triple mirrors, and there is an ingenious array of drawers and closets. Another bedroom of similar design is in rose. Small chairs and side tables complete each room.

Their Excellencies' own rooms are in soft lavender, one in cream and lavender and one in grey and lavender, with deep lavender carpets. Both bathrooms are tiled in lavender, and even the shower curtain carries out the colour in rubber silk. The curtains are lavender silk.

The private sitting room is as distinctive as it is simple. Provincial designs are carried out in the furniture, which, with the panelling, is curly beech, and parchment-shaded lamps, a desk, a nest of tables and comfortable chairs are cosily arranged. Printed linen holds sway in coverings, this time in a floral design with a soft orange predominating. Even a barometer is ready to be tapped hopefully in the morning.

The second car includes the lounge and the dining room, and these are gaily painted in apple green, with orange-printed linen with bright flowers. Not the least of the ingenious planning of the cars is in the kitchen and serving pantry. Refrigerators, toasters, broilers, bakers and whatnots of the modern kitchen are compactly stowed away in the white and nickle ramifications of two diminutive rooms.

The bedrooms of the rest of the staff are in this car.

It is perhaps rather significant that in a parallel column of the same newspaper is a summary of some of the existing conditions among the poor people of the city in which this paper is published. We have the deadly parallel in two columns. I say that that is the reaction of the common people of this country to these reports as published in our press concerning the sumptuous cars which are being built for Their Excellencies.

I would like to ask the minister, first of all, whether it is with the consent of the department that these cars are being built. I would like to ask why it is that these huge expenditures, which must involve—I do not know, but rumour says two or three hundred thousand dollars—are not included in the proper place in these estimates, where, according to the item before us apparently all that is being expended for Governor General's cars is $2,500. Why have these large items involved in the building of these new cars not been included? I ask, further, whether we consider that our Canadian National Railways, with the capitalization it has been carrying for a great many years, must carry in addition extravagances of this kind. The people of Canada are solidly behind the Canadian National Railways, but the people of Canada have a right to see that only legitimate expenditures are included in the railway estimates, and if expenditures are to be made along these extravagant lines in providing for certain officials the people of this country through parliament ought to decide upon these expenditures; they should not be decided by the heads of the Canadian National Railways.

Mr. DUNNING: I cannot enter into any discussion as to the propriety of the people of Canada providing, as they have done for the past thirty years, travelling equipment for whoever may for the time being occupy the position of governor general. The fact is that such accommodation has always been provided, and I think the country is convinced of the necessity of making provision for it in order that the occupants of the position may properly discharge their obligations to the people by travelling to the extent that they do. I am reminded by the Minister of Justice (Mr. Lapointe) that if we had a republic we should probably provide similar accommodation for the president, as there is no government in the world which does not make such provision for the head of the state.

The former cars used for the purpose were built by the Canadian Pacific Railway Company more than thirty years ago, at the time when His Majesty as Duke of York visited Canada. They were subsequently purchased by the government, I do not know in what year.

Mr. CANTLEY: Built in 1901.

Mr. DUNNING: A number of years ago at any event. To say they have become obsolete, and in fact unsafe, is not going beyond the mark. During the past few years the executives of the Canadian Pacific Railway and the Canadian National Railways, and before that time indeed the executives of the railways as they formerly existed, have

directed the attention of the government to the condition of these cars and the risk which was involved not only to the distinguished persons using them, but to the train crews and others who were engaged in their movement from place to place. The old cars had a certain value, they could be advantageously rebuilt for a different type of service. After reviewing the problem, Sir Henry Thornton thought it wise and most economical, having regard to the necessities of the case, to take the shell of an ordinary steel pullman, such as is being constructed for the Canadian National Railways, and fit it up for the use of the Governor General, instead of installing the ordinary pullman or observation car equipment, and to take back into the Canadian National service the two old cars, rebuilding them for the class of service to which they would be allotted.

Mr. CANTLEY: Send them down to Nova Scotia, as you do all your old rolling stock.

Mr. DUNNING: Before they are sent there, I can assure my hon. friend that they will be thoroughly reconditioned. My hon. friend referred to the large amount which has been spent on the governor general's cars during the past ten years. That is true, and it constitutes one of the main reasons why the old cars should be put into other service, and so save further maintenance at the rate which has been expended on these cars during the last ten years—expenditure abnormally large, but rendered necessary by reason of the obsolete condition of the cars themselves. The lower maintenance cost of the new equipment is illustrated in the item now before the house of $2,500, which is the estimated maintenance cost for this year. As I say, the whole matter has been handled by the Canadian National Railways, and I think in the most economical manner possible having regard to the service required.

My hon. friend read a newspaper article which emphasized the lavishness of this, that and the other thing. I do not propose to enter into the subject at all. When we were getting new cars I am sure the people of Canada would want those cars to be properly built and properly fitted out. Personally I have not seen the new cars, but I am quite sure the president of the Canadian National Railways would see to it that the job was properly done when he was once determined that it should be done.

Mr. WOODSWORTH: The minister has not told me why this item has been taken out of the regular schedule for these expenditures.

Mr. DUNNING: It never was there.

Mr. WOODSWORTH: We had $42,000 in connection with governor general's cars several years ago, and in the past ten years we have had $100,000 included in these estimates for governor general's cars. Why should not the new expenditure appear there?

Mr. DUNNING: It was simply a question of the proper way of doing it.

Mr. WOODSWORTH: In the past these items for governor general's cars have been included in the estimates.

Mr. DUNNING: For maintenance?

Mr. WOODSWORTH: For construction and alterations.

Mr. DUNNING: Will my hon. friend point out where the construction of governor general's cars ever did appear in the estimates?

Mr. WOODSWORTH: I have suggested several years ago in that one item of $42,000.

Mr. DUNNING: There is no special reason for doing it in this way, except that it is the most convenient and most natural way to do it. Originally the government owned only the Intercolonial railway, which did not come near Ottawa and had no facilities here for looking after the cars. During that period the government owned the cars. At the present time the Canadian National own the cars and look after their replacement in exactly the same manner as they would look after the replacement of any other cars belonging to the system. There is nothing sinister in this.

Mr. WOODSWORTH: I am not suggesting there is anything sinister, but I say this is not ordinarily a part of the Canadian National Railways expenditure. Since it is a distinct expenditure on the part of the government, it ought to be included in the government estimates in the regular way. Are all the furnishings in these cars also included in the Canadian National Railways expenditure?

Mr. DUNNING: They are part of the cost.

Mr. WOODSWORTH: Will the minister give us a statement with regard to the cost of these new cars?

Mr. DUNNING: Yes; I will also give information with respect to the nearest comparable ordinary car. Car No. 1 cost $87,247.79; car No. 2, $88,976.98. The nearest comparable car is a seven-compartment buffet observation car, which in quantities can be purchased at $58,000.

Mr. ADSHEAD: I think this is the point, Mr. Chairman. This being a state affair, it should not be burdened on the Canadian National Railways; it is not a Canadian National disbursement.

Mr. SPENCER: What does the small sum of $2,500 represent?

Mr. DUNNING: Maintenance purely.

Mr. GEARY: Can the minister compare this with another private car? Recently I was in a car which was not very sumptuously furnished, and I was told it cost $100,000. By comparison the cost of these cars does not look excessive.

Mr. DUNNING: My hon. friend will appreciate how impossible it is to give comparisons with other private or business cars, for the reason that such cars vary in price anywhere up the scale as high as $200,000.

Mr. GEARY: These are not the most expensive cars.

Mr. DUNNING: Not by any means. There are cars much more expensive on the road to this country, particularly the cars from the United States. Any railwayman will tell you that.

Mr. ADSHEAD: Will the minister answer this question? As this is a state affair, why should not the expenditure be shouldered by the state? Why should the Canadian National Railways be burdened with it, and the amount hidden so that no one can tell what it really is?

Mr. DUNNING: Answering my hon. friend from South Toronto (Mr. Geary), the nearest comparison I have under my hand is for the New York Central. Last year that railroad furnished to its president and, I think, four vice-presidents, cars for their use at a cost of $100,000 each. I presume they would not be equipped in an unduly sumptuous manner for those officers. With reference to my hon. friend from East Calgary (Mr. Adshead) it is just a matter of arrangement. Now that we have a state railway, I believe all our railway equipment should be owned by the railway. The railway can better look after it. If there is a maintenance account then let the government meet it with respect to any cars in the service. But as a matter of good business I think railway equipment owned by the government had better be owned by that agency of the government which has to do with railways, namely, the Canadian National Railways.

Item agreed to.

[Mr. Dunning.]

Miscellaneous service, including salaries and expenses of experts employed temporarily, $38,000.

Mr. CANTLEY: Does this include the cost of the engineer you had at Hudson bay?

Mr. DUNNING: No, he is paid.

Item agreed to.

The CHAIRMAN: Before I leave the chair, I have been asked to announce that the agriculture committee will meet at four o'clock this afternoon in the railway committee room.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Board of Railway Commissioners for Canada, maintenance and operation, $287,100.

Mr. GUTHRIE: The leader of the opposition will be in his place in a moment and I think perhaps he may have a word to say on this item. In the meantime, what is the explanation of the increase of $15,060 in this item?

Mr. DUNNING: That sum includes an increase of $5,060 in salaries and $10,000 for additional help necessary to do the work requisite under the Maritime Freight Rates Act.

Mr. GUTHRIE: I suppose that is for clerical assistance?

Mr. DUNNING: Yes.

Item agreed to.

Welland ship canal—to provide for payment to P. Lyall and Sons Construction Company, Limited, on account of washing rock from section 4—not anticipated at time tenders were called for, $56,658.

Mr. GUTHRIE: Will the minister explain what this vote is? It is unusual, and I do not understand it.

Mr. DUNNING: This is the third time an item of this kind has appeared in the estimates with reference to the Welland canal. Following a great deal of difficulty from an engineering point of view on the question of washing rock, some three years ago it was finally decided that this work should be done, a schedule of payment with respect to it was arranged and agreed upon and of course in each of the succeeding years it had to be paid as an extra amount. I am informed that this is the last year during which this rock washing will be necessary; this will

complete the work. This represents a grand total of 343,800 cubic yards, or 30,700 cubic yards less than the original estimate, and the total cost is $21,490 less than the original estimate.

Mr. EDWARDS (Frontenac): May I ask the minister if the contract with the P. Lyall Company has been completed?

Mr. DUNNING: No.

Mr. EDWARDS (Frontenac): What arrangement was made with that company by which they were allowed to sell part of their plant?

Mr. DUNNING: Back in 1919, just after the war, it was decided to proceed on the Welland canal by contract instead of having the government do the work, and in letting the various contracts each contractor had to take over part of the equipment then belonging to the government as part of his contract obligation. They are all paying for the equipment then purchased out of the amounts due on progress estimates from time to time, and the Lyall firm is in the same position.

Mr. MANION: When is it expected the Welland canal will be completed, and what is the total estimated cost?

Mr. DUNNING: I answered that this morning. It is expected to be completed by 1930 and will cost something between $115,000,000 and $120,000,000.

Mr. EDWARDS (Frontenac): In just what position is the Lyall company in respect of its debt to the government?

Mr. DUNNING: Originally on the Lyall contracts $2,338,000 worth of machinery was purchased from the government, and there is a balance outstanding of $527,000 on that account.

Mr. EDWARDS (Frontenac): How much machinery have they sold to others?

Mr. DUNNING: They are not allowed to sell any machinery until it is paid for. I may tell my friend that the account is being well protected by the engineers in charge.

Mr. CANTLEY: I would like a little information with regard to this amount for washing rock. I think it was generally understood that the rock to be used in the concrete was to be excavated from the cuttings of the canal. Who first brought up the question of this rock being washed before it was used in the concrete?

Mr. DUNNING: As I indicated before my hon. friend came in, this is the third occasion on which it has been necessary to introduce an item for this purpose. The basis was settled some three years ago, but probably my hon. friend does not recall the previous discussions. The original negotiations took place in 1925. It was part of the contract that this contractor should deliver to another contractor rock which was being excavated from his part of the canal. When the actual excavation of the rock was going on it was found that there was too much of an intermixture of clay; the rock was full of fissures of clay. Someone had to wash the rock and there was no provision in the contract for it; the contractor was merely obligated to deliver the rock, so these arrangements had to be made.

Mr. CANTLEY: In other words this was done to meet a condition which was not anticipated when the contract was let?

Mr. DUNNING: That is so.

Mr. CANTLEY: What is the rate per cubic yard for washing this rock?

Mr. DUNNING: The rate is seventy cents per cubic yard; that is the actual cost, checked by our own officials.

Mr. CANTLEY: How do you arrive at the rate of seventy cents as the actual cost?

Mr. DUNNING: We check the actual operation.

Mr. CANTLEY: How is it washed?

Mr. DUNNING: With big jets of water under pressure.

Mr. CANTLEY: I should think seven cents would be more nearly correct than seventy cents for washing rock with jets of water. I do not care what the pressure is; the higher the pressure the more effective it would be. It seems to me that seventy cents is an outrageous price. What is the cost for excavating?

Mr. DUNNING: I can only say to my hon. friend that our officers and auditors check the actual cost of this operation.

Mr. CANTLEY: I must take objection to that price, because never, by any possibility, could this operation cost as much as seventy cents per cubic yard.

Mr. EDWARDS (Frontenac): What does it cost per cubic yard to excavate?

Mr. DUNNING: One class of material costs $1.56, another class 60 cents, and another class $30 per yard. I am informed by

the officers of the department that these rates are affected by the distance and conditions regarding the disposal of the material after it is excavated, and they are hardly a criterion of the cost.

Mr. CANTLEY: I cannot understand that material which can be excavated for 60 cents per yard should cost 70 cents per yard to wash.

Mr. DUNNING: It is earth that costs 60 cents.

Mr. CANTLEY: I asked for the cost on rock.

Mr. DUNNING: That cost is $1.56.

Mr. CANTLEY: Seventy cents is about one-half, and there would appear to be something wrong there.

Mr. DUNNING: I will be glad to make inquiries. My officers inform me that an actual check has been kept ever since these operations started in 1926.

Mr. CANTLEY: You had better put in a new set of officers.

Item agreed to.

Compassionate allowance to the widow of the late Charles Hilden who was accidently drowned at Halifax, September 8, 1927, $3,000.

Mr. BENNETT: There seem to be half a dozen different values placed on human lives which have been lost. In this case the compassionate allowance is put at $3,000, and in another place in the estimates there will be one appearing at $500. What is the determining factor?

Mr. DUNNING: In the case of the Department of Railways and Canals the determining factor is the workmen's compensation law in the province in which the accident occurs.

Item agreed to.

Canadian government railways—to provide an additional car ferry between the mainland and Prince Edward Island, $1,000,000.

Mr. CANTLEY: I wish to thank the minister for coming down off his perch and providing this vessel. I have now an answer to the question I asked in the committee on railways and shipping.

Item agreed to.

To supplement pension allowances payable under the provisions of the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act so as to make the minimum payment, during the period from January 1, 1928, to March 31, 1929, the sum of $30 per month instead of $20 as fixed by the said act, $50,000.

Mr. POULIOT: Will the employees get more this year than they did last year?

[Mr. Dunning.]

Mr. DUNNING: This vote has been necessary for a number of years in order to supplement the amounts paid in by the employees to the provident fund of the old Intercolonial railway. Due to a change in conditions throughout the years, this fund has run behind and it has been necessary for parliament to supplement it in order to enable the provisions of the provident fund to be carried out.

Mr. POULIOT: Is it the intention of the government to increase this amount next year?

Mr. DUNNING: The real reason for this deficit in the fund was that five or six years ago the minimum compensation was raised from $20 to $30, due to changed conditions, and this amount has been required.

Mr. POULIOT: I wonder if the Department of Railways and Canals or the minister have anything to do with the pensions of the Canadian National Railways' employees under the Provident Fund Act. There are some sad cases of employees who have been working for the railway for a number of years, such as that of Mr. Pierre Bossé of Riviere du Loup. Mr. Bossé has been working for the railroad for several years, and is entitled to a pension. He has paid his dues every year but the doctors refuse to give him a certificate that he is ill. I believe their reasons are that he has no wound in the face, and has the use of both eyes, and that he can hear; they believe he is all right. There are some doctors at the head office of the Atlantic region at Moncton who, I imagine, have not even yet received their diplomas; because they do not know how to examine sick people, and when employees go there the doctors stay on their throne and allow them to be looked after by their assistants who are just freshmen and know nothing about the diseases of the human body. I do not know if they could qualify even as veterinary surgeons. People who have given their lives to the Canadian National Railways, and who have paid annually to get a pension when they are sick or too old, have had trouble in getting what they are entitled to. I have personal knowledge of a man who was employed on the section at Trois-Pistoles who went down to Moncton to be examined. The doctor told him that he was perfectly well, but when he went to another doctor and was X-rayed it was found that he suffered from a very serious disease. When he brought back the plates to Moncton the Canadian National specialists had to acknowledge their mistake. I wish to bring the case of Mr. Pierre Bossé to the attention of the minister

and of the house, because when the department ask for a vote of $50,000 to help the employees they should right any injustice that has been done. Mr. Bossé has worked for the railway almost twenty years, being laid off on account of staff reduction. He claimed his right of seniority, but that was not given to him. He wanted to work in the same capacity as he had worked before, but while he is a carpenter, they told him that he should fire a boiler. He was fifty-nine or sixty years old then and this was a very hard job for him. He could not do it because he was ill. When he reported his case again, they told him that it was a fake; that he was not serious. I think the way in which old employees are treated by the officials of the company in the Canadian National medical branch at Moncton is a shame. The matter should be brought to the attention of the house and I hope the minister, although there is a wall between him and the Canadian National railway management, will be able to make an opening through the wall large enough to enable him to tell them to be fair to their employees and to give them what is due to them.

Item agreed to.

Pensions—J. L. Weller, $3,500.

Mr. EDWARDS (Frontenac): What are these for?

Mr. DUNNING: This is just one item. I have under my hand all the information regarding every one of these votes. If it is not given, it is simply because no one appears to desire it. In most cases the explanation has been given in previous years and I do not like to inflict the explanations on the committee unless they are asked. Mr. Weller was employed by the government for forty-two years as an engineer. He was never in the position of being a permanent civil servant. He entered the service of the department in 1883 as an engineer on canal construction and operation. In 1900 he was appointed superintending engineer of the Welland canal, which office he held until 1912 when he was appointed engineer in charge of survey and design of construction of the then proposed new Welland ship canal. He remained in charge of the work until 1917 when it was closed down owing to the war, and Mr. Weller's services were dispensed with. From January, 1919, to March 31, 1927, the services of Mr. Weller were retained in the capacity of consulting engineer in connection with the construction of the Welland ship canal, and his salary was fixed at $3,600 per annum, it being felt that that rate was adequate in view of the fact that his whole time was not being occupied during that period. Mr. Weller is now well on in the seventies and in view of his record of service, which, had he been in the permanent class of civil servants, would have undoubtedly entitled him to superannuation, a year ago the house voted this pension for him. It is on the basis of the Calder Act.

Mr. EDWARDS (Frontenac): This is simply putting Mr. Weller in the same class as retired judges.

Mr. DUNNING: No, putting him in the position that he would have been in as a permanent civil servant retiring under what are known as the provisions of the Calder Act.

Mr. EDWARDS (Frontenac): He did not pay anything into the superannuation fund?

Mr. DUNNING: No.

Mr. EDWARDS (Frontenac): In that sense he is receiving superannuation the same as retired judges, who never pay anything into the superannuation fund.

Item agreed to.

Miscellaneous—to provide for the payment of salaries and expenses in connection with the St. Lawrence ship canal surveys and investigations, including D. W. McLachlan at $1,500, and G. W. Yates at $1,200, as secretary, $50,000.

Mr. GARLAND (Bow River): Have the surveys now been completed or is there any further work to be done in regard to the matter referred to in this appropriation?

Mr. DUNNING: The report of the joint engineering board, which I have no doubt my hon. friend has read, reveals important differences of view between the Canadian engineers and United States engineers regarding the development of the international section. It is quite evident that some further work will require to be done in that connection and in addition, with a project of such magnitude, continuous observations of various kinds and other work have to be done. It is not considered wise to let the whole work drop at this juncture.

Mr. GARLAND (Bow River): Are the United States government carrying on similar surveys, or are they carrying on joint surveys with the Canadian engineers?

Mr. DUNNING: The United States government are keeping alive and active their half of the joint engineering board.

Mr. GARLAND (Bow River): There is close co-operation between the two?

Mr. DUNNING: Yes.

Item agreed to.

Trade and Commerce—Commercial intelligence service, including miscellaneous expenditure in connection with the development and extension of Canada's trade, $500,000.

Mr. COOTE: Will the minister kindly make a statement to the committee regarding this vote?

Hon. JAMES MALCOLM (Minister of Trade and Commerce): The increase in this appropriation is due mainly to a revision of salaries, slight increases in living allowances for trade commssioners and an increase to provide for an increase in the number of commissioners on account of the growth in the service. The appropriation includes salaries, travelling expenses, contingencies and other expenditures; salaries of trade commissioners, assistant trade commissioners and commercial agents; salaries of clerks in the trade commissioners' offices; travelling expenses of the Ottawa staff; salaries of temporary clerks at Ottawa, and also miscellaneous expenses in connection with the department.

Mr. COOTE: How many agents are there now?

Mr. MALCOLM: There are twenty-four trade commissioners, five in grade three, three in grade two and sixteen in grade one. There are four vacancies to be filled, which are being filled at the moment.

Item agreed to.

Dominion Bureau of Statistics, $150,000.

Mr. MANION: Why the reduction? It is so rare that we would like an explanation.

Mr. MALCOLM: The Bureau of Statistics, as my hon. friend will recollect, always has a larger staff when the quinquennial census is on and in a near census period. The bureau happens to be decreasing its staff now. The quinquennial census in Saskatchewan is over and I think there will be a smaller staff for the next year or two until the next census.

Mr. MANION: My reason for asking was because the Bureau of Statistics is one of the departments of the government for which I have a great deal of respect. You can get quick and reliable information in a very short time. I like to say a good word once in a while for some branches of the service because I think we are a little inclined to be over critical. That is why I particularly noticed the reduction.

Mr. GARLAND (Bow River): I wish also to associate myself with the remarks of my hon. friend from Fort William. I think there are few departments which have been pursuing so constantly useful a service to the members of this house as the Bureau of Statistics. I regret to see a reduction because, although the minister speaks of the quinquennial census as having passed by, yet I do know as a result of questions. I have asked Doctor Coats that there is much material still to be gathered, much synchronizing of the work of various collecting agencies, much tabulating and inter-relating of facts with respect to various works and developments throughout the country still to be done. I would suggest to the minister, whom I look upon as one of the most intelligent members of the ministry, and that is paying quite a compliment to the rest of the ministers, that when we come to agricultural statistics in particular, the Department of Trade and Commerce unfortunately is sadly lacking in the required personnel. I have found that through personal investigation, and I am perfectly satisfied that Doctor Coats could do with several assistants in that particular branch of his work.

There is another question which comes up at this stage. I wonder whether it would not be possible for the minister to consider the possibility of amalgamating two or three of the other statistical branches of this department with the Bureau of Statistics. That would result in greater uniformity, and in the elimination of some overhead and some overlapping that is existing at the present time, and on the whole I think the minister would find that it would result in more satisfactory work.

My principal objection to this reduction—it is very seldom that I object to a reduction—is that I am satisfied as a result of my own investigation that the Bureau of Statistics could do with additional personnel, particularly in the agricultural staff. For example, I go down there and ask for information respecting the capitalization of manufacturing industry in Canada. I get that information, and I go further and say that I would like to have a return showing the average wage paid and the total wages paid in manufacturing industries, and that I want the same information with regard to agriculture. But in agriculture I can only get an estimate, and that is very vague. I go still further. When I want to tabulate the relative economic value of agriculture to manufacturing, with absolute facts and figures, I am always given the answer: We can give you this information with respect to manufacturing fairly accurately, but not with respect to agriculture. I think in a country of this size, and in view

of the paramount importance of agriculture, the minister will find that his department will not lose, and the country will not lose, by giving Doctor Coats all possible help in that direction. I compliment the minister, and particularly Doctor Coats, on the very excellent work which has been done in the past.

Mr. ADSHEAD: Can the minister say when the bureau will be moved out of that firetrap in which it is now located? The Minister of Public Works told us some five weeks ago that the bureau would be moved out in six weeks, but from the look of the building at New Edinburgh I would say that it would be six weeks longer. In the event of a fire occurring in that building, with such crowded quarters, there would not only be the loss of valuable statistics, but the much more important loss of human life very probably, and I would just like to give this warning to the minister.

Mr. MALCOLM: I think everyone appreciates the danger of the quarters which the bureau is now in, and just as rapidly as the property which we are taking over, which fortunately is fireproof, can be got ready, the bureau will be moved.

Mr. COOTE: When the Minister of Public Works stated that the Bureau of Statistics was going to be moved to the old mill at New Edinburgh, I thought it was the wrong place to put the bureau. It is too far away from the parliament buildings and from other government departments, with which the bureau must be in constant communication for the gathering of statistical information. I think the government might even yet consider placing the bureau in some building adjacent to the other departments of government, and certainly closer to the parliament buildings. I think it is an awful mistake to place the bureau away out there at New Edinburgh.

Item agreed to.

Electricity and gas, including international electro-technical commission, $203,960.

Mr. GEARY: What is the explanation of this item?

Mr. MALCOLM: This is for the administration of the Gas and Electricity Act. The salaries of the staff amount to $163,484; contingencies, $45,615; $5,500 for revision; electro-technical commission, $400.

Mr. COOTE: Is there some revenue collected in the administration of this act?

Mr. MALCOLM: This is a profit bearing service; it more than supports itself.

Item agreed to.

Electricity and Fluid Exportation Act (export of electric energy), $1,000.

Mr. LUCAS: This item is small, but it refers to the export of electric energy. Would the minister give a word of explanation?

Mr. MALCOLM: This act is administered by the electricity and gas inspection branch. By regulations established under the act, it is stipulated that the officers must visit any premises in which electric energy is generated and produced. Since the imposition of the export tax on electric energy, it is necessary to keep in close touch with the activities carried on in various exporting plants. It is estimated that $1,000 may be required to cover the travelling expenses and other contingencies which may arise.

Mr. LUCAS: Is there any considerable amount of electric energy exported?

Mr. MALCOLM: I have the details if my hon. friend would like me to read them. The licenses cover a total export of electric energy amounting to 291,525 kilowatts. Fees paid amount to $675, and the export duties collected to $267,652.

Mr. LUCAS: From what province is that exported?

Mr. MALCOLM: I think from almost every province in Canada. It is exported by the Hydro Electric Commission of Toronto, Canadian Niagara Power Company, West Kootenay Power Company, Southern Canada Power Company, International Electric Power Company, Maritime Electric Power Company, and the Fraser Power Company, of Edmundston, New Brunswick, and others.

Mr. GEARY: Not the Hydro Electric Commission, of Toronto: it is the Ontario Hydro Electric Commission.

Mr. MALCOLM: The Ontario Hydro Electric Power Commission, at Toronto.

Mr. GEARY: It is under the old contract at the falls, is it not?

Mr. MALCOLM: Yes.

Item agreed to.

National Research Council, $300,000.

Mr. MILLAR: Does the research work carried on at Winnipeg into the rust problem come under this vote?

Mr. MALCOLM: Yes.

Mr. GUTHRIE: There is a big increase in this vote; can the minister explain it?

Mr. MALCOLM: We had a discussion of this item before, but I shall be glad to read from the brief again:

This vote is required to provide for the general activities of the National Research Council, including the organization, co-ordination and stimulation of research work in Canada; grants in aid of scientific and industrial researches; special problems; scholarships for the post-graduate training in science and research of the best scientific talent graduating from Canadian universities, for service in the industries of Canada and in the technical departments of the government service; salaries of staff; general administration, and for such other purposes as the council may deem necessary in order to effectively carry on and extend its activities.

The sum of $170,000 was voted by parliament for the work of the council during the fiscal year 1927-28. The vote requested this year therefore represents an increase of $130,000 over the vote for 1927-28.

This increased vote is required in order to effectively carry on the activities of the voluntary research organization, which has been built up by the council during the last ten years and which is steadily expanding along sound lines.

The National Research Council is charged with the functions and duties detailed in sections six and ten of the Research Council Act.

The act provides for a council of fifteen members, each of whom, with the exception of the president, serves in an honorary capacity, without remuneration, for a period of three years, one-third of the membership retiring each year. Under the act, the council is constituted a corporate body, capable of accepting and holding gifts, grants, bequests, etc., for the purpose of its work. All receipts and expenditures of the council are subject to examination by the Auditor General.

The president of the council may be a permanent officer, giving his full time to the work of the council.

The president of the council has given up his position as president of the Edmonton university and will now be in definite charge of the work.

Mr. McGIBBON: Has the minister dropped the somewhat elaborate program that he outlined earlier this session?

Mr. MALCOLM: Not at all. That was to provide for the permanent laboratories of the council; this is the administration vote. This $130,000 increase is necessary this year to carry on the work of the council while the new quarters are being provided.

Mr. McGIBBON: When do you expect that to take place?

Mr. MALCOLM: I did not catch my hon. friend's question.

Mr. ROSS (Moose Jaw): How much money is spent on research work in Ottawa?

Mr. MALCOLM: I cannot give my hon. friend an answer. I believe there are three separate research investigations going on: one by the National Research Council, another by the Board of Grain Commissioners, and a third by the Department of Agriculture.

Mr. COOTE: Have the National Research Council their own investigators that are being paid out of the moneys voted under this item?

Mr. MALCOLM: Yes, everything is paid out of this item with respect to their own investigations.

Mr. COOTE: I think the rust research work is carried on partly by the Department of Agriculture.

Mr. MALCOLM: The Department of Agriculture is conducting research work on the rust problem independently of the work that is being done by the Board of Grain Commissioners in their laboratories at Winnipeg. The National Research Council is making a contribution to that work.

Mr. COOTE: I understand that the building which is being used for rust research work at Winnipeg was built out of moneys voted to the Department of Agriculture, and the work is being done by its officials. Am I correct?

Mr. MALCOLM: If my hon. friend is referring to the work that is being done by the Manitoba College, the money was voted by the Department of Agriculture, but the research work that is being carried on by the Board of Grain Commissioners in connection with the rust problem comes under the Trade and Commerce department vote.

Mr. COOTE: In connection with the resignation of one or two of the officials who were engaged in the rust research work at Winnipeg, were they in the employ of the National Research Council or of the Department of Agriculture?

Mr. MALCOLM: They must have been in the employ of the Department of Agriculture, because we have had no men leave our staff.

Mr. COOTE: Will the classification and salaries of the men who are in the employ of th National Research Council come under the Civil Service Commission?

Mr. MALCOLM: I think my hon. friend understands that a great many of the technical men engaged in rust research work are not employees of the government at all; they are professors of the universities in the west. We make contributions to their salaries Only part of their time is devoted to rust research work, and they do not come under the Civil Service Commission.

Mr. COOTE: I want to ascertain whether the National Research Council engages these men. One of the men I had in mind is Mr. Bailey. I believe he has left the service either of the Department of Agriculture or of the National Research Council.

Mr. MALCOLM: The Department of Agriculture.

Mr. ROSS (Moose Jaw): The rust research work is extremely important to western Canada. As I understand, only a few thousand dollars per annum are spent on this work, whereas the loss to the grain crop of western Canada during the past few years has been tremendous. It would be well for whatever department is handling this work to consider very seriously the extension of its operations. In some seasons we have lost as much as $150,000,000 from rust. As against this appalling loss we are spending only about $50,000 in trying to cope with the rust problem. I think this is one place where the government might spend a large sum of money until we find some commercial preventive for rust, and I wish the Minister of Trade and Commerce, along with the ministers of any other departments concerned, would take seriously into consideration the expenditure of more money on this very important research work.

Mr. BENNETT: Mr. Chairman, last Saturday a gentleman greatly interested in research work drew my attention to the overlapping in this connection. The Fisheries department and the Agriculture department are carrying on research work, and the Interior department has almost a research branch of its own. Now you have the Department of Trade and Commerce. Cannot we do something to save the country's money by co-ordinating the efforts of these various departments? You will not get these various departments to relinquish their activities unless you strangle them by withholding money for the purpose. The officials of the Interior department will insist on carrying on their little show in connection with coal, iron and other things, the fisheries department will insist on their experts dealing with their problems, and the Agriculture department will never let go their particular work. At the present moment there is a waste of money. It has been found in the United States, Great Britain and Germany that the only way to do research work effectively is to bring it under one control, and until that is done neither Doctor Tory nor anyone else will make a success of it. If he is made chairman of the research council he must have control of all the research work carried on in this country by the various branches of government departments.

Mr. STEWART (Edmonton): Mr. Chairman, my hon. friend is making some rather strong statements with respect to the research work being carried on in this country.

Mr. BENNETT: And they are warranted.

Mr. STEWART (Edmonton): I take issue with my hon. friend.

Mr. BENNETT: We will discuss it this afternoon.

Mr. STEWART (Edmonton): Both Doctor Grisdale and Doctor Camsell are members of the research council.

Mr. BENNETT. Quite so.

Mr. STEWART (Edmonton): My hon. friend failed to mention that.

Mr. BENNETT: Everybody knows it.

Mr. STEWART (Edmonton): Of course, but he failed to mention it to this committee and he has failed to do so on former occasions.

Mr. BENNETT: What has that got to do with it?

Mr. STEWART (Edmonton): Not only do Doctor Grisdale and Doctor Camsell sit on the research council, but they are parties to the program of research work prepared by the council. So far we have not had laboratories under the control of the research council. My hon. friend knows that full well.

Mr. BENNETT: The Interior department has.

Mr. STEWART (Edmonton): I will deal with the Interior department in a minute. For the present I am dealing with the two departments my hon. friend has been criticizing. So far there have been no laboratories other than those provided by the departments of Agriculture and Mines to carry on this work, and only such work as should be carried on has been undertaken by these two departments. But that does not mean that they cannot be co-ordinated with the research council. Not for a single moment does it mean that. They have been co-ordinated, and I wish to assure my hon. friend that there has been no overlapping in any work that has been done. I cannot speak so authoritatively in respect of fisheries; there may have been in the Fisheries department. But I can speak for the work done in the Mines department as well as in Agriculture

because both these gentlemen are fully conversant with the program set out by the research council. That is why I rise to put my hon. friend right on the question. As I say, I cannot speak with equal authority in regard to fisheries, but I shall be glad to know the point at which there has been duplication of work as between the research council and the fisheries department. I should also be glad to know, if my hon. friend would tell me, where there is interference, on the part of the research work carried on in the wood products laboratory in the Department of Interior, with the research council's program, because I have tried to avoid such overlapping. I do not say that co-ordination should not take place; I am all for it and will use every effort to ensure co-ordination, so far as I am able to bring it about. I repeat, however, that so far there has been no overlapping as suggested. To say that there has been overlapping in all departments is not borne out by the facts.

Mr. BENNETT: I am sorry the minister has not accurately followed my observations. Several departments are independently expending public moneys. That is the point I was endeavouring to make. These departments are independently spending the money in research work, and that should not be. Whoever is responsible for research work should spend the money. The Department of the Interior, as we know, and as was pointed out the other evening, has buildings and is spending public moneys in research work. The Department of Agriculture is also being voted money for research work; the fisheries department is voted money for research work; and the mines branch is also being voted money for the same purpose. The point I wish to make is that if the organization which is now taking over research work is to succeed it must have control over these operations. It is idle to say that some gentleman associated with the Department of the Interior or some deputy minister of mines are members of this research council, for as indicated by the minister the other evening—it is not necessary to repeat it—the research council has certain duties to perform. This is clear: so long as parliament makes votes to various departments who may independently spend these moneys, as they are now doing, co-ordination, and overlapping are not only inevitable but follow from day to day. The minister speaks of wood products; there is about as much necessity for that work as carried on as there is for a fifth wheel to a coach. The University of McGill was endeavouring to carry on that work, but the Department of the Interior wanted it and got it. And we are voting public money for it. If you are to have one department to carry on this work, let all moneys be voted to that department; but do not make separate grants to separate departments for research activities. That is my point and that is the point to which I direct the attention of the minister. The fact that Doctor Grisdale or Doctor Camsell is a member of the council is beside the point; the point is that this country is asked to grant sums of money to be expended independently by various departments of the public service, whereas the whole matter should be in the hands of the research department.

Mr. STEWART (Edmonton): My hon. friend has changed his ground slightly since his first statement.

Mr. BENNETT: Not a bit.

Mr. STEWART (Edmonton): So far there has been no overlapping, which my hon. friend distinctly stated was formerly the case.

Mr. BENNETT: And I repeat it now; there is bound to be.

Mr. STEWART (Edmonton): There is no overlapping. I am anxious that the work should all be co-ordinated. So far as the Mines department is concerned its program of research work is one which is thoroughly understood by Doctor Tory and every member of the research council, and if we did not vote money in the Mines department it would be voted somewhere else. My hon. friend makes the statement that we should combine all these activities and grant one vote. I have no complaint to make in that regard; I will cheerfully acquiesce in that. But I would point out that we have not had the facilities to do so until now. With the problems awaiting solution we shall need buildings very much larger and more pretentious than those at present contemplated. Take the work carried on in the Mines department, the work performed by the universities, and that done by the different units in Canada: all this presents a large problem. I feel strongly on this question and I have had a good deal to say about it in the house. I think I realize to some extent the importance of the question, and I believe that with the help of the universities and of the various agencies in Canada, when we have research laboratories established in Ottawa we shall not even then have begun to touch the fringe of the subject. All these agencies will be required. That is why I am keen about the scientific research

council having control, so that they can allocate to the various agencies the work to be done. I am in accord with my hon. friend that we should vote them as much money as will carry on the work. The Department of Agriculture is not paying for all the research work carried on in wheat rust—not by a good deal. Amounts are used from this item to supplement the work done by that department. I desire to see all the universities in Canada interested in this question given assistance; and then there will be plenty of room for the Mines department to continue the work they have been carrying on—continue under the control of the research council if you like. I have no complaint to offer in regard to the activities carried on by any of the various units. If this work that we are doing is not warranted—if the research council say so—I for one am prepared to scrap it at once. But I want to assure the committee that we have not had any overlapping. I do not like to hear the statement that we have been wasting money, for we have not. I think I could prove that to my hon. friend or anyone else if we had time.

Mr. ROSS (Kingston): I wish to emphasize the observation that there is want of co-ordination and waste of money at the present time. I would direct the attention of the committee to the statement of the president of the council as to the duties of that body. I am strongly in sympathy with the work and I am a strong supporter of research, but I must condemn the results we are obtaining at present. The duties of the council, as indicated by the president, are these: first, to promote the utilization of the natural resources of Canada; second, to undertake researches with the object of improving technical processes and methods used in the industries of Canada, and of discovering processes and methods which may promote the expansion of existing or the development of new industries; and, third, to undertake researches with a view to the utilization of the waste products of industry. I shall discuss only two or three things to show that there is a waste of money as well as a want of co-ordination in the work, judging from the results. Take fishing, for example. There is a biological board going into research work in the fisheries. That board has published a report on the oyster, a report which this government has never attempted to implement. There is also the report of a commission requesting the enforcement of the recommendations of the biological board. So much for that; it will stand a good deal of study. In the next place we have the work done in the mines branch. I would ask the committee this question: What is the use of publishing all these books on chemical and metallurgical development, on arsenic, the survey of Canada for arsenic, fuel ore, testing and so forth? Here are reports from the research committee which the government has ignored in its budget. What is ore testing except examining the tailings of mining plants and of smelters? They are trying to find some way of making use of these things, yet with that in mind this government have admitted into Canada the materials which go into the manufacture of insect poisons and insecticides. Here was an opportunity to use our low grade ores throughout the country; the Department of Mines published a big book on arsenic, containing a survey of the arsenical ores of Canada, and yet we import from the United States all these articles, among them arsenic in large quantities.

This is a subject on which I could speak for a long time, but I am going to stop now. The report of the Department of Mines draws attention to the fact that the time has now arrived when low grade ores should be considered and used, yet by our budget we have taken away an opportunity to make use of them. I have here a list of thirty-three industries in Quebec, Ontario and British Columbia using these low grade ores of which arsenic is one of the most important by-products. For years arsenic was a white elephant at all smelters; no use could be found for it, but finally the discovery was made that it was a very good insecticide. The United States supply was used up in two years, but they surveyed their fields and at present they have all their arsenical ores located. We have just completed our survey, yet now that we have an opportunity to build up new industries which will give employment to our people, by our budget we have wiped out any possibility of using these ores. For that reason I say there is a great lack of co-operation in this work which is being carried on. I approve of the work done by the research council, but I do condemn the government for the use they have made of the reports and recommendations made by that body.

Mr. MILLAR: I am sorry this vote is so small. I should like to know how much money has been spent on rust research, but

since part of this work is under the Department of Trade and Commerce and part under the Department of Agriculture it seems impossible to secure that information. However, if the total amount of this vote were spent on rust research it would be much too small. One of the three professors at the agricultural college at Winnipeg, has made a discovery in connection with rust which has startled the scientific men of the North American continent, yet we have lost this man and possibly two others simply because they were not being paid sufficient salaries. The hon. member for Moose Jaw stated that in some years our loss from rust amounted to $150,000,000, and I think he was not far over the mark. I doubt if the loss would average that much year by year, but for the last four or five years a conservative estimate of the loss would be $50,000,000 per year, and that is increasing annually. If this vote is any indication of the amount of money being spent on rust research, the sum is altogether too small, and I hope the minister will see that in another year this work is pushed on and a larger amount expended in that connection.

There is another question I should like to ask, although I do not know whether or not the minister will be able to give me the information. I wish to know whether the places of those men who have left the service have been filled. That does not come under this department, so perhaps I cannot expect it from the minister, but if he has that information I shall be glad to get it.

Mr. MALCOLM: I think my hon. friend realizes that up to the present the National Research Council has contributed grants in aid of research to our laboratories. I am sorry the information before me is not definite in connection with the grants; they are not divided, although the total amount of money granted in aid of research last year is $170,000. How much of that was actually granted for rust research I cannot say, but I can assure my hon. friend that with a larger vote this year that grant will be increased accordingly, and that when the laboratories of the research council in Ottawa are in operation, with the council directing the research work of Canada in general, as I hope will be the case in years to come, very sympathetic consideration will be given the question of rust research.

Mr. GARLAND (Bow River): On the question of the co-ordination of the activities of the various research branches, I do not think even the leader of the opposition could point to any single country in which there is complete co-ordination; I do not think that is possible. I think in every country we will find that certain needs arise in certain industries and that certain universities will be carrying on certain lines of investigation. That is the situation in Canada, and as far as research in agriculture is concerned, I would hesitate quite a long while before recommending that the entire administration and direction of agricultural research should be placed completely under the control of the National Research Council. I am afraid that at times, in all countries, scientific men assume positions of directorship without hav- the agricultural viewpoint, and if you take away that important viewpoint from a scientific body such as the National Research Council, we might find ourselves in serious difficulties in the future. However, I do think that co-ordination can be sensibly and logically carried to the point where direction may be secured from some central body, while the actual research work itself might remain under the auspices of the particular department concerned.

Mr. EVANS: I understand that the grain testing laboratory at Winnipeg is under the National Research Council?

Mr. MALCOLM: I might correct my hon. friend there; the grain testing laboratory is not under the research council at all. It is under the grain vote.

Mr. EVANS: I was going to ask if it is possible to have the reports of that laboratory distributed systematically so that the public may receive the benefit of their findings. I refer particularly to methods of drying grain, which cost the farmers of the west millions of dollars last year. I understand that Doctor Tory was directing that laboratory, and I would like to see the reports which have come out regarding the methods of drying grain, so that the farmers might receive something from the off grades of their grain.

Mr. MALCOLM: There is a report on that subject at the printing bureau now, and we may be able to lay it on the table of the house before the end of the session. I think it will be ready in a week or ten days.

Mr. McGIBBON: Since we have been dealing with this subject for about ten years, may I ask the minister what progress has been reported, if any?

Mr. MALCOLM: I think my hon. friend realizes that the National Research Council has been giving scholarships and granting aid to research up to the present time with a limited vote. Now we propose to establish laboratories in Ottawa just as soon as they can be equipped.

Mr. McGIBBON: That was not exactly what I meant. What discoveries have been made by the council so far?

Mr. MALCOLM: My hon. friend has no doubt received the annual report of the research council. It is a very long document, and the work of the council is pretty well covered. It is rather too long to read, but I shall be glad to let my hon. friend have my copy if he has not received one.

Mr. McGIBBON: I think a number of members of parliament, together with myself and other people throughout the Dominion, have submitted problems to the council for solution. The question I submitted was the problem of extracting the tanning properties from hemlock bark, and I wonder if any progress has been made?

Mr. MALCOLM: I cannot give my hon. friend any definite information at the moment, but I shall be glad to get a report on the matter for him.

Mr. MILNE: I am not sure that this is the proper place to bring to the attention of the government the importance of the rust epidemic in western Canada, but I presume it will be appropriate here. It has been my experience in talking to people of this section of the Dominion that they do not grasp the significance of this outbreak of rust in western Canada. Very often when I mention it they say, "The whole trouble is that you fellows do not go into mixed farming." I should like to spend a good deal of time on this subject, but I will simply make a few statements.

The first statement I want to make is regarding the growing of hard wheat in western Canada. This has put western Canada on the map; if that country had been left to the development of dairying and mixed farming a good portion of it would still be a wilderness. Not so many years ago you could go down into the central states as far as Wisconsin and you would find that a large portion of the crop consisted of wheat, while to-day there is practically no wheat grown. That movement has been coming north, and to-day Manitoba is not producing twenty-five per cent of the hard wheat she should be producing. Her crop last year was less than half what we consider her average crop should be, and of that half less than fifty per cent was hard wheat and the rest durum.

This rust area has spread until it practically reaches the northern section of the wheat-growing area of Manitoba. It is now extending west; it has covered a large area of Saskatchewan and has reached into Alberta. The only remaining area for the wheat grower to recede into is the Peace River country. This epidemic has continued for many years, and we have reached the point where we have to put our backs to the wall and fight, because there is no area in western Canada left for wheat. When western Canada has to stop growing wheat we shall have lost our best means of return. This is the position so far as the rust question is concerned, and I hope the government and the business men of this section of the country will realize the facts as they are and endeavour to face them. The small amount of money we are expending in an endeavour to find some means of overcoming this epidemic is pitiful. We have the development of wheats which are rust-resisting; some of our scientists are talking about parasites to overcome the difficulty, while others maintain that cultural methods may be successful. The field is so broad that $50,000 or less is not going to make very much of an impression on this very important matter. When it was being discussed the other day the Minister of Finance told us that the salaries of the scientific men were controlled by the Civil Service Commission. If the Civil Service Commission can obtain a man who is a graduate of some recognized college, who has taken post-graduate work, and has four years' experience in that special line, at a salary of $2,760, I will have no particular complaint to make just now. But it seems to me unreasonable to expect a man to come in and undertake investigation of such a broad field as the rust question at such a salary.

The amount we are spending on this problem seems to me to be like tossing a pebble in the ocean, so far as the effect is concerned. I am not going to enlarge on this in any way, but I do want to impress on the government and this country the significance of this question. Rust is driving the grain growing areas into the extreme north of the country, and large sections which are adapted to the grow-

ing of wheat in every way are practically put out of business on account of this scourge. I do hope that in the near future the government will spend a sufficiently large sum of money to be able to cope with this extremely serious situation.

Item agreed to.

Motion picture bureau, $50,000.

Mr. BRADY: I should like the minister to give us an explanation of the extent of the work done in this very important branch.

Mr. MALCOLM: This vote is an increase of $15,000 over last year, and is necessary to meet the requirements of the bureau due to considerable expansion in the service, the greater number of film feet produced, and the greater number of film subjects circulated, which will be more in the first seven months of 1927-28 than in the last fiscal year. The present equipment will have to be augmented, and in some cases replaced.

In 1926-27 we produced 600,000 feet of film for circulation, while in this past year we have produced 749,000 feet. We expect that there will be a total production of 1,000,000 feet of film this year. In 1926-27 we had 601 film subjects circulated through 21 agencies, and in the past year we have had 908 subjects circulated through 35 agencies. There are three moving picture cameras in the bureau, one of which is practically useless, while the others do not meet present day requirements, all this equipment having been there since its organization ten years ago. There will also be some increased drying equipment to put in this year. The revenue from the department has been from $11,900 up to a peak of $27,876. In 1925-26 it was down to $22,163. In 1927-28 to January 31, 1928—that is a part year—it amounted to $14,456. The total expenditure for 1923-24 was $27,689, and for 1927-28 to January 31, 1928, it amounted to $29,989, exclusive of the salary list.

Mr. GARLAND (Bow River): I understand last year when the minister had this particular item before the committee, he stated that the director was then in Los Angeles negotiating for the sale and distribution of our motion picture reels. I think he went further and stated that the director had been sent on this mission in the expectation of putting the bureau on its feet. The figures just given to the committee indicate a revenue of about $27,800 and expenses, exclusive of salaries, of $29,900. The expenses alone exceed the revenue by more than $2,000, so that evidently the sending away of the director on this sale mission was not very successful. Would the minister care to give the committee the reason?

Mr. MALCOLM: I would rather my hon. friend had not put the question in that way. Our director went to Los Angeles and made a contract which at the time it was first submitted to the department seemed to be a tremendously profitable one, but it did not turn out to be as satisfactory as it had appeared. The director who made the contract unfortunately died just shortly after he returned and we were not in a position to discuss the contract very much. It did not turn out well and we let it drop. It was not as successful as it should have been. The present director has just returned from England and he reports fairly good opportunities to distribute Canadian films in the old country but I will make no forecast as to the result. We will wait and see how well it works out.

Miss MACPHAIL: Are the films available for schools and colleges in Canada or are they just sent outside of this country?

Mr. MALCOLM: I think my hon. friend realizes the fire regulations with regard to showing films. Our stock is the inflammable type of film that can be shown only under certain conditions in motion picture theatres. They cannot be shown in schools because the fire underwriters would not give their permission.

Miss MACPHAIL: Would it not be worth while to have the type of film that could be shown in schools? I find that both public and high schools are anxious to secure films that will help the children in getting a better grasp of the country and its many activities and this is one way of teaching the children rapidly and pleasantly. The government might very well spend money on such a project.

Mr. MALCOLM: The motion picture bureau was started by the Department of Trade and Commerce for the promotion of trade and not from an educational standpoint. The matter of education is under the jurisdiction of the provinces. The films are the

standard motion films which are distributed and in some cases sold. The distribution of films during the first nine months of the fiscal year 1927-28 is as follows:

Country	In theatrical circulation either revenue-producing or sold outright	In circulation theatrically and non-theatrically, free
Australia	120	
Austria and Jugo-Slavia	..	10
British West Indies:		
Jamaica	..	8
Trinidad	..	8
China	..	12
Cuba	..	6
England	25	20
France	15	10
Germany	..	16
Holland, Belgium and Scandinavian countries	32	3
India	..	4
Italy	..	6
Japan	4	10
Norway and Sweden	..	9
South Africa	15	10
South America	24	13
United States	38	895
Total	273	1,040

These reels are being constantly circulated and shown by theatres. The second list is a free list.

Mr. MANION: Is it for purposes of trade that they are sent to China and India? It is evidently not for immigration purposes.

Mr. MALCOLM: They are all trade reels. They are sent free as a matter of developing trade.

Mr. PETTIT: In connection with the films that are sent out of the country, may I suggest that the pictures showing Canada should deal more largely with scenes showing fruit areas, farming areas, sport areas and our lakes and streams than they now do? I have heard it remarked often by people living outside of this country that we show too many winter scenes. People living in the southern states and elsewhere come to regard Canada as "Our Lady of the Snows" rather than as an agricultural country having a milder climate. We in Canada know the conditions that exist at different seasons of the year, but people living in the southern states, with whom I have come into contact, owing very largely to films showing winter scenes, have views regarding Canada which are rather astonishing. These pictures are very beautiful no doubt, but I would suggest that the department see to it that the films shown deal more with matters such as those I have mentioned.

Mr. JOHNSTONE (Cape Breton): I should like to ask the minister just exactly what these scenes cover? Do they take in the whole of Canada?

Mr. MALCOLM: The best answer I can give to my hon. friend would be to ask him to pay a visit to the motion picture bureau and see some of the films. They cover a very broad range of industrial activities throughout the whole of the Dominion. The hon. member for Welland (Mr. Pettit) asked that certain stress be laid on the class of film that would depict Canada as being a warmer country than it is depicted by some others. This is not a large vote; it is only a matter of $50,000 for the whole service, and we have to endeavour to secure all classes of films to represent all classes of industry, agriculture, fruit-growing, mining, pulp and paper, fishing. I think the director can hardly be criticized for being unfair to any one class of industry. He has divided up his films covering all industries and all parts of Canada as well as can reasonably be expected. Those who have seen the full range of films have never criticized the division. My hon. friend can get a catalogue of the films we have in the bureau. I shall be glad to send him one and to let him see the class of films that are shown.

Mr. JOHNSTONE (Cape Breton): An important point is that of attracting tourists. For instance, Cape Breton is one of the most beautiful spots in Canada and I have not seen any films pertaining to Cape Breton for the purpose of encouraging the tourist traffic. I think it would be a good idea to have views of the Bras d'Or lakes shown so that tourists may be attracted by their scenic beauty and fishing possibilities.

Mr. BRADY: This amount is really not enough when one considers the importance of the work the motion picture bureau is doing for Canada. Publicity to-day is so important that I think the minister is rather modest in asking for such a small amount for this service. As the hon. member for Southeast Grey has said, there are thousands of our children to-day who are ignorant of the country in which they live. I was very pleased to see at a theatre in Ottawa the other evening a very beautiful picture of the Bella Coola Indians, and I heard many favourable comments on this wonderful part of the country, and heard people ask, was it possible that such people really were found in this historic place of Bella Coola. I would urge that in view of the importance of the motion picture bureau, more money should be expended and a greater effort made to develop it in accordance with the wishes of the people of this country.

Item agreed to.

Printing of parliamentary and departmental publications, including the "Canada Year Book", $118,000.

Mr. GARLAND (Bow River): When may we expect the next publication of the Canada Year Book? It has been a couple of years since we had one?

Mr. MALCOLM: I think the 1927 issue is out.

Mr. GARLAND (Bow River): I have not received it yet.

Mr. MALCOLM: I think it is available.

Mr. GARLAND (Bow River): May I ask what is the date of the latest issue which the minister says is out?

Mr. MALCOLM: I have not the date, but I have the estimated cost of publishing the book.

Item agreed to.

Weights and measures inspection, including the international bureau of weights and measures, $333,000.

Mr. CANTLEY: Is this self-supporting?

Mr. MALCOLM: Yes, and profitable.

Item agreed to.

Publicity and advertising in Canada, and to hereby appoint Herbert E. M. Chisholm as director of publicity at $4,000 per annum, and to hereby appoint the necessary staff to carry on this service, $50,000.

Mr. GARLAND (Bow River): I take it that this vote covers the full page advertisements of the activities of the department which have been appearing in the newspapers during the past year? Is there any other publicity work done?

Mr. MALCOLM: Yes. The advertising which is being done under Mr. Chisholm's department covers really two classes of advertising. There is the newspaper advertising, the object of which is to create and stimulate an interest in export trade, and the other is advertising through the trade journals and magazines. Information is now being published in the trade journals which formerly appeared to a certain extent in the Commercial Intelligence Journal; that is to say, inquiries and information with regard to the work of our trade commissioners will now be published monthly in the trade journals. That covers part of the appropriation; the balance will be required for magazine and newspaper advertising.

Mr. GARLAND (Bow River): The minister has mentioned the work of the commercial intelligence service. I understand that at a previous meeting of the committee he stated that we had only one trade commissioner in the United States, at New York; is that correct?

Mr. MALCOLM: Yes.

Mr. GARLAND (Bow River): Has the minister under consideration the appointment of any more trade commissioners in the United States?

Mr. MALCOLM: That is rather a difficult question for me to answer. I doubt if any two men would agree on the number of trade commissioners we should have in United States. We would have asked for a larger appropriation for the commercial intelligence service this year had we the number of men in training and trained to send to the field, but at the present time we have not many men in training. It would take a very considerable number to canvass the American field to the extent that some people think it should be canvassed. But we have passed that vote, and I hardly care to give my hon. friend a definite answer at the moment.

Mr. GARLAND (Bow River): My only purpose in bringing the matter up was that in Canada in practically every city of importance we have a United States consular agent who does largely the work of one of our trade commissioners. He gathers all the business information that is required, and sends it back to the bureau that was established by Mr. Hoover, and the result is that you can

go into the bureau at Washington and secure information about Canada and about business in any section of the country that you could not secure in many of our own cities, and it just occurred to me to suggest to the minister a way out of his difficulties. I am informed that the total fees paid for consular certificates and vises of all kinds for 1925 amounted to $1,137,000, and that the amount collected for invoice vises granted by the consular agents of the United States amounted to $459,346, while the total expenditure for the whole United States consular service in Canada was only $370,080; so there was a balance to the credit of the United States consular service of $1,226,000. If these figures be accurate—I have them only on hearsay—they do point the way out for the Minister of Trade and Commerce. He could secure consular representation of this country in the United States, and have our agents do this investigational work and the gathering of information, just as the United States consular agents do here. For example, in the city of Calgary the United States consular agent appears every morning with the secretary of the board of trade, and inquires if there is anything to report to-day, any news at all. He also attends the meetings of the chamber of commerce, and goes around and has a chat with the different members, and if there is anything new moving, any new development in connection with the tar sands or mineral deposits or any discoveries in oil, the information is passed on to the Hoover bureau in Washington. A service of the same magnitude may not be required by this country, but the functions of this department might well be broadened to include an active propaganda looking to the development of the home market to the same degree that you are working for the development of external markets. I have no doubt the minister has already this matter under advisement because he is not only intelligent, as I said, but he has a lot of vision. I think he might well take into consideration the possibility of establishing some sort of service such as I have suggested, which would not only be self-sustaining, but might in time return a handsome profit annually.

Item agreed to.

Mail subsidies and steamship subventions, $862,675.

Atlantic Ocean

Canada and South Africa, steam service between, $100,000.

Pacific Ocean

Canada and New Zealand on the Pacific ocean, service between, $100,000.

Pacific Ocean—*Concluded*

Prince Rupert, B.C., and the Queen Charlotte islands, steam service between, $21,000.

Victoria, Vancouver, way ports and Skagway, steam service between, $25,000.

Vancouver and West Coast Vancouver island, steam service between, $15,000.

Vancouver and northern ports of British Columbia, steam service between, $24,800.

Vancouver and ports on Howe Sound, service between, $5,000.

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

Local Services

Baddeck and Iona, steam service between, $10,500.

Charlottetown and Pictou, steam service between, $35,000.

Charlottetown, Victoria and Holliday's wharf, steam service between, $5,000.

Dalhousie, N.B., and Carleton, Que., steam service between, $3,000.

Grand Manan and the mainland, $20,000.

Halifax, Canso and Guysboro, steam service between, $9,000.

Halifax, LaHave and LaHave River ports, steam service between, $6,000.

Halifax, Spry bay and Cape Breton ports, steam service between, $6,000.

Halifax and Bay St. Lawrence, service between, $2,400.

Halifax, South Cape Breton and Bras d'Or lake ports, steam service between, $5,000.

Halifax and West Coast Cape Breton, service between, $6,000.

Mainland, Miscou and Shippegan, service between, $2,000.

Mulgrave, Arichat and Petit de Grat, steam service between, $13,000.

Mulgrave and Canso, service between, $28,125.

Mulgrave and Guysboro, calling at intermediate ports, steam service between, $14,000.

Newcastle, Neguac and Esquminac, calling at intermediate points on the Miramichi river and bay, steam service between, $4,500.

Parrsboro', Kingsport and Wolfville, service between, $5,000.

Pelee Island and the mainland, steam service between, $11,000.

Pictou, Mulgrave and Cheticamp, steam service between, $11,000.

Port Mulgrave, St. Peter's, Irish cove and Marble Mountain, and other ports on the Bras d'Or lakes, steam service between, $10,350.

Pictou, Souris and the Magdalen islands, steam service between, $50,000.

Quebec, Natashquam and Harrington, and other ports on the north shore of the gulf of St. Lawrence, steam service between, $85,000.

Quebec, or Montreal, and Gaspe, and other ports on the south shore of the gulf of St. Lawrence, steam service between, $60,000.

Rimouski and Pointe aux Outardes, service between, $7,500.

Riviere du Loup and Tadoussac and other north shore ports, $15,000.

St. Catherine's Bay and Tadoussac, service between, $4,000.

St. John and Bear River and other way ports, steam service between, $2,000.

St. John and Bridgetown, steam service between, $1,000.

St. John and Digby, service between, $15,000.

St. John, Digby, Annapolis and Granville, steam service between, $2,000.

Local Services—***Concluded***

St. John, Margaretville, and other ports on the bay of Fundy, steam service between, $3,500.

St. John and St. Andrews calling at intermediate points, service between, $4,000.

St. John, Westport and Yarmouth, and other way ports, steam service between, $15,000.

St. John and Minas Basin ports, steam service between, $5,000.

Summerville, Burlington and Windsor, N.S., steam service between, $500.

Sydney and Bras d'Or lake ports and ports on the West Coast of Cape Breton, steam service between, $18,000.

St. John and Weymouth, steam service between, $1,500.

Sydney and Bay St. Lawrence, calling at way ports, steam service between, $18,000.

Sydney and Whycocomagh, steam service between, $13,000.

Trois Pistoles and Les Escoumains, service between, $1,000.

Grant to the province of British Columbia for the improvement of the mail service on inland waters in that province, $3,000.

Inspection of subsidized steamship services, $5,000.—Total, $862,675.

Mr. MALCOLM: Mr. Chairman, I should like the committee to consider these two pages of steamship subsidies from vote 151 to vote 200, covering the existing and established steamship services to which we are paying subsidies. The only change in the whole list is an increase of $500 in one item and $5,500 representing appropriations not used. Last session when we considered these votes, I pointed out that it would be more to the advantage of the committee to take up any one item they wished to discuss and then pass all the votes together. It is a long list.

Mr. SHORT: As these are practically the same subsidies that are voted from year to year, I think the minister's suggestion a good one.

Mr. BRADY: Mr. Chairman, I desire to refer to item 153. The minister is already aware that a large petition was signed by the people of Queen Charlotte islands for a better service, but their prayer was not granted because of the expenditure involved. But that does not alter the fact that the service between Prince Rupert and the Queen Charlotte islands is very poor indeed. The tourist service along the Pacific coast from Vancouver to the north, as the minister is well aware, is in a very congested state, and even as early as five weeks ago the accommodation on the Canadian Northern and the Canadian Pacific boats was practically all booked until the end of July. It means that thousands of tourists who were anxious to take the Alaska trip will not be able to do so. I believe it is imperative that the Canadian National put two new boats on the Alaskan trip, and that they should provide an improved service to Queen Charlotte islands, and also to Anyox, the smelter city, and to Stewart, which to-day is in the centre of the greatest mining development that British Columbia has known for many years. I should like the minister seriously to consider that proposition. Last year I wished to go down to Vancouver, but being a local resident it was impossible for me to book a passage on any of the tourist boats. A week ago I was in Montreal, and I found there the congestion was just as great as in Vancouver. When we consider that our tourist trade is the third greatest revenue producer surely every effort should be made to encourage it by improving our steamship and other services. I am told that two million tourists passed through Ontario last year. I contend that in our steamship service we are lagging far behind present-day requirements. I trust an effort will be made by the minister before another year to improve both the island service and the tourist service from Vancouver to Skagway.

The CHAIRMAN: Is it the pleasure of the committee that votes 151 to 200 inclusive be carried?

Some hon. MEMBERS: Carried.

Items agreed to.

Canada and Newfoundland, steam service between, $35,000.

Mr. CANTLEY: Does the minister think this item is needed? There is an established service from the St. Lawrence and Nova Scotia ports to Newfoundland. Where does this boat run to?

Mr. MALCOLM: This subsidy is to be paid, as it was in former years, to the existing service. It is not a new service. This subsidy is granted in connection with the trade agreement which we have just made with Newfoundland. Under that agreement we are given the most favoured nation treatment, and in consideration of it we are to restore the subsidy which Canada paid to this service. When the necessary legislation is passed in the Newfoundland house we will pay the money.

Mr. CANTLEY: With what port of Newfoundland does this service connect?

Mr. MALCOLM: Port aux Basques.

Item agreed to.

Canada and South Africa, steamship service between—further amount required, $25,000.

Mr. GARLAND (Bow River): Why was it not possible to include this and the other items in the estimates proper?

Mr. MALCOLM: The estimates were prepared before Christmas of last year. These items have come up within the last three months.

Item agreed to.

Eastern Canada and Brazil, Uruguay and the Argentine republic, steam service between, $100,000.

Mr. MALCOLM: This is an entirely new service. In view of the present trade conditions between Canada and the Argentine and the river Plate ports, it seemed desirable to establish a service similar to the service that we have between Canada and South Africa, sailing from Montreal in the summer months and from the Atlantic ports in the winter months. We could have secured the service from boats flying a foreign flag, but we felt it would be better to give the Canadian Government Merchant Marine the opportunity. I am perfectly frank in saying to the committee that if we have to pay $100,000 for a steamship service, we might as well pay it to our own merchant marine. The first service will start on June 9. Advertisements have already been issued. The subsidy is $10,000 per trip—ten trips per year. From the information we have obtained from shippers, we rather think the service will be just as great a benefit as the South Africa service has proved to be.

Mr. BLACK (Halifax): Any tenders asked for that?

Mr. MALCOLM: Enquiries were made as to what it could be secured for and tenders were invited more or less privately to ascertain the cost.

Mr. BELL (St. John): Are the winter sailings on this line distributed between Halifax and St. John?

Mr. MALCOLM: Halifax and St. John in the winter and Montreal in the summer.

Item agreed to.

Pictou, New Glasgow and Antigonish county ports, service between, $1,000.

Mr. CANTLEY: What was this last year?

Mr. MALCOLM: This was not in last year; this is a restoration of a former service.

Item agreed to.

St. John and Centreville, steam service between, $1,000.

Mr. SHORT: I presume this is a vote for the steamer Disco from Centreville to St. John. It is a new service?

Mr. MALCOLM: Yes, a new service.

Item agreed to.

St. John, Westport, Yarmouth and other way ports, steam service between—further amount required, $3,000.

Mr. SHORT: Is this an additional service to be given? I notice in the regular estimates there is $15,000 for the same steamer. Is this to be an increased service?

Mr. MALCOLM: No; it is a straight increase of $3,000 in the subsidy for a service which was not paying.

Mr. SHORT: How many trips a week?

Mr. MALCOLM: Seventy trips per annum.

Mr. GEARY: Round trips?

Mr. MALCOLM: Yes.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

National Defence: Militia services—administration, $317,000.

Mr. ADSHEAD: When this vote was last before the committee we had two excellent addresses from the hon. member for Winnipeg North Centre (Mr. Woodsworth) and the hon. member for Southeast Grey (Miss Macphail). I am sure we all agree that peace is a good thing. In fact when I left Calgary I met no less a personage than Major General Archibald Macdonnell, who made a strong statement to me. He said, "Don't ever think that a general who has seen his men gassed, cut up and blown to pieces wants another war like the last". I feel sure that all members of the house, whether they are returned soldiers or not, have a common desire for peace. The addresses of my hon. friends who spoke the other evening remind me very much of an incident related by Doctor Michael Clark, who once sat in this house. When in England during the Boer war he held a peace meeting in the town of Newcastle-on-Tyne. In the course of the meeting a number of soldiers and others in favour of the war broke in and disturbed the meeting by singing Soldiers of the Queen and other war songs. I said, "And doctor, what did you do in that case?" He said, A few of us old football players went at them and threw them out by the scruff of the neck". I observed that this was a rather belligerent method for a lover

of peace to adopt, and he replied that he loved peace so well that he could fight for it. The speeches made by my two friends the other evening are what I should call fighting speeches for peace, while the speech made by the Minister of National Defence was a pacific speech for militia.

In all fairness to the department and to the government itself it must be said that their record shows that they are not altogether war lords. During its term the government has expressed itself several times in favour of any movement for peace. When I raised the question of the signing of the optional clause by Canada, one minute before six the Minister of Justice took occasion to declare that the government would support the optional clause. And while my hon. friend from Labelle (Mr. Bourassa) was discussing the matter the other day the Prime Minister himself rose and stated that the Minister of Justice had spoken for the government and that they would gladly take any opportunity that offered to advance the cause of peace. Last Friday night the Prime Minister laid on the table the invitation of the United States to join in a multilateral peace treaty and the reply of Canada, which was favourable. So I think in all fairness to the government it might be termed a peace government, but with that, even though I do not regard the Minister of National Defence as a war lord or the government as a war government, the minister must be prepared for a very searching inquiry as we go through these estimates. I rather think he will not resent it; he should not do so, and he should be able to give very good reasons why these estimates are being increased. I do not think I should say anything more at the moment, but as we go through these estimates, I shall take occasion, together with other hon. members, to subject the minister to some very close questioning.

Item agreed to.

Cadet services, $500,000.

Miss MACPHAIL: I would like to ask the minister if the department are doing all they can to form additional cadet corps throughout Canada, and what methods are being followed?

Hon. J. L. RALSTON (Minister of National Defence): Last year I described to the committee rather in detail just what is done under this vote. The system is that selected personnel are given special courses in physical training and cadet drill. Then they go to the Royal Military college, where further selections are made from those who have been trained in the districts and further courses given. Then they are loaned to the various provincial governments and are sent to the normal schools, where they give those taking the normal course training in physical culture. That has been the system under which the physical training and cadet drill have been given. Then if there are those in the normal schools or in the districts who desire cadet training, a special course is established for them at district headquarters and they are given that training which is necessary to equip teachers who desire to take up cadet work, and these teachers carry on that work in their various schools.

Miss MACPHAIL: When we bring up any other thing pertaining to the field of education in this house we are always told that education is under the jurisdiction of the provinces, and that the Dominion Government must not interfere. How does the Minister of National Defence account for the fact that his is the only department which has anything to say about education in the different provinces?

Mr. RALSTON: I think my hon. friend is under a misapprehension, or else she did not listen to my explanation last year. No cadet training is carried on without the consent of the provincial authorities; all we do is provide a fund for training teachers, if the provincial authorities desire such training.

Miss MACPHAIL: Then in the opinion of the minister there would be nothing to prevent the Dominion government from teaching peace through the schools as aggressively as we now teach cadet training?

Mr. RALSTON: I repudiate the soft impeachment as to aggression; I am merely stating what we do. We provide this fund for the training of teachers who desire to take it, who take up that work in their schools where it is desired. There is nothing at all to prevent the establishment of some special chair for teaching peace, and it seems to me that what the federal government are doing right along, for instance in connection with those films which were referred to a few moments ago, is inculcating in the youth of our land a love of Canada and an appreciation of the activities of this country, which my hon. friend herself has mentioned. That is being done by the federal government. I have no doubt that if hon. members searched their minds they could remember other ways in which the federal authorities are indirectly assisting in connection with education in the schools.

Miss MACPHAIL: But would you not call it aggression when the instructors are specially trained and specially paid by the government, and when uniforms, rifles and other equipment are supplied?

Mr. RALSTON: My hon. friend may come to any conclusion she wishes; I am simply stating what is done, leaving myself in the judgment of the committee and of the country as to whether or not it is aggressive. I say it is a perfectly proper and laudable thing for this government to provide such a fund for these provinces which desire this training to be carried on. No teacher is compelled to take up this work; no school is compelled to accept it. I can think of two schools in Manitoba, and there are many others, where the teachers who are directors of physical culture were trained by our instructors but where no cadet training is being carried on.

Miss MACPHAIL: If the teachers in the various schools who give cadet training were not specially paid by the department and if their training were not provided out of the public funds, in the opinion of the minister would not that do something to lessen the demand of the provinces for cadet training?

Mr. RALSTON: I never was a teacher and I do not know what the attraction would be; I would leave that to my hon. friend to answer. I respectfully suggest that she should know whether or not a teacher would be attracted by what is paid in connection with this work, and I think I should leave it there.

Miss MACPHAIL: I feel that I cannot let this vote go without saying something about it; reasons may be given why we should talk peace while we are increasing our military estimates and with those reasons the house may agree, but in connection with this vote I do not think any reasonable person can agree with the reasons given. Each year I have made a speech on this question and I am sure the house is very tired of hearing me talk about it. However, it seems to me that my opinions have been very well expressed by Rennie Smith, a member of the British house, so to begin with I will just put it in his words:

> We have a right to safeguard our public education from the blight of a military state. We have a duty to protect our educational institutions from the encroachments of a zealous war office.

I believe that word "zealous" would also apply to this department.

> It is in the schools, in the shaping of young minds, that the foundations of wars are laid.

I do not think that is putting it too strongly, and I do believe that the teaching of youngsters that the way to settle international disputes is to resort to war absolutely prevents them from thinking of any other way out. It seems to me a contradiction in terms and a hypocritical position for this or any other government to give lip service to peace while aggressively pushing the military machine into the schools of the country. The two things do not agree at all.

I had a very interesting debate with Major General MacBrien, former chief of the general staff, in Montreal; he was upholding cadet training in schools, and he took the ground that it was good physical training, that it was good discipline, that it brought security and that it is human nature to fight. Those were the grounds on which he debated, and wherever you hear this question discussed those points are brought up. I do not think any one of the four contentions is sound, and I am going to take just a little time to go rapidly through the same notes which I used on that occasion, but at much less length.

I would like to say that I had a most enjoyable time, and I wish we could have this discussion repeated about a dozen times throughout Canada. The purpose of education is to draw out the latent powers of the child or the adult who is being educated; to develop the initiative of that person, to develop his full rounded powers and to help him to fit himself to the community in which he lives and to render the best possible service. It seems to me that cadet training does not meet that definition of education. Military training subordinates the will of the individual and kills initiative, rather than developing it. I think that is very well expressed in the poem:

> Their's not to reason why,
> Their's but to do and die:

And let us hope there will not be any more die. In military training the individual cannot select what he is to do, and do it in the way he thinks best. If he is to become efficient he must become machine-like, and the result is that instead of raising a generation of youth who will shape society by their thoughts, they are shaped to the thought of existing society, which is very bad for both the child and society.

Mr. RALSTON: Is my hon. friend quoting?

Miss MACPHAIL: No, but I will now quote from John Stuart Mill, who says that all attempts by the state to bias the conclusions of its subjects on disputed points are evil.

There is no doubt at all that the Department of National Defence is trying to bias the opinion of people on a disputed point through cadet training. In Canada we are divided into two schools of thought on how to gain security, but the department is not putting forward the two ways of getting security; they are only putting forward one. They are putting forward military training, military preparedness, the establishment of a military machine which can be turned against our enemies. They are trying to bias the minds of growing children on a disputed point, and a very important point too.

We now come to the question of physical training. It is very true that everyone needs physical training; whether boy or girl, youth or adult, physical training is needed to keep us fit. Military training alone is not good physical training, but in the past a great deal of what is purely physical training has been taken over by the military. During the war physical training occupied a great deal of the soldier's time, it being needed in order to keep him fit. I do not think military training appeals to the cadets; if we could give them the choice I believe they would take straight physical exercises, track work or work in the gymnasium; they would prefer that to military training. My conversations with many people would lead me to believe that to be true.

About a year and a half ago a survey was made in British Columbia by two educational experts, Dr. Putman of Ottawa and Dr. Weir of the university of British Columbia. They made an investigation, not only on this aspect of it but on many others, and in their report they said this:

> We take strong exception to the plan of having any part of this work done by militia officers, who naturally give it a military bent.

And they say again:

> We think the schools would suffer no real loss if every vestige of military training were eliminated from the school program.

As was pointed out to me in the debate in Montreal, the report of this committee was not agreeable, and a second committee was sent out which came in and made an opposite report. This looks to me as though it seemed very important to certain people that military training should not be discredited in the minds of the people of Canada.

There are many countries that have thrown over military training for schoolboys, after a trial of some ten or fifteen years, believing that it was not good for the boys either physically or mentally. France is one of the outstanding examples of this.

I have always contended, and I feel I am right in saying that constant military training does something to the mind of the growing youth. It is not only that his body is trained into military actions, but his mind becomes a military mind, although he may be unconscious of it. When the time comes for a decision to be made as to how a national or international situation should be solved, people who have been trained along military lines quite naturally—I am certainly not blaming them—think of this particular method of settling disputes. I think enough was said the other day on the general subject of military training as a method of settling disputes, and it need not be gone into again. Even the daily newspapers are seeing that it is time we found some new way of settling disputes, and an editorial in the Toronto Daily Star of November 11, 1927, said:

> Every reasoning creature must perceive that the true interests of the race are bound up in the efforts of those who seek to organize internationally against the recurrence of war and for the stamping out of such small outbreaks of it as cannot be foreseen and prevented.

I could go on and on but I do not wish to keep an impatient house. I could quote from prominent world authorities and splendid writers who agree that if war served a purpose for humanity at one time it is now finished, and it is time we found some other way of settling our disputes. But if our Department of National Defence is going to take the boys in our schools throughout Canada, more and more of them as the years go by, and train them to this one way of settling disputes, how in the world are we going to find any other way? It is for that reason that I am so strongly opposed to this particular vote. Other parts of the military estimates are not agreeable to me; there are many people in Canada to whom they are agreeable, but I think the majority of the people in Canada are against this vote. I believe that if we could get their opinion on the matter they would ask the government to keep their hands off the schools. Let them work through any other agency they like, work with people who are full grown and who can make their own judgments. Children are not always in position to do this, and I think it is utterly unfair to use them, because that is what we are doing, and to make them only instruments in the hands of people who want to keep on settling international disputes by the method known as war.

I will not speak at any greater length for the moment, but before sitting down I would

like to move, seconded by the hon. member for Winnipeg North Centre (Mr. Woodsworth):

That item 85 be reduced by the sum of $499,999.

Mr. RALSTON: I would like to indicate to the hon. member for Southeast Grey (Miss Macphail) that I am not impatient at all. She has a perfect right, and those whom she represents have a perfect right to express their views, and I want to meet them if I can. The hon. member has expressed herself with regard to a number of matters which have already been discussed, but there is just one point I want to mention. She has an idea that the cadet training, the physical training, or whatever is done in the schools, has some sort of bad effect on the mentality of the boys who undergo it. I want to point out to her only this, and it seems to me it is a complete answer to all that is said along that line—if military training is such that it teaches girls, boys and young men always to go into a military life and to become militaristic, that is to put military things and the militaristic spirit above the ordinary things of commercial and social life, how is it that of the boys who go through the Royal Military college at Kingston and who there get as complete a training as young men can in military matters while they are in the formative stage in life, something less than ten per cent go into military life, while the rest of them go into business, commerce, the arts and sciences and all the other occupations which go to make up our nation's activities? It is also found, however, that when the time comes that the country must defend itself, these same young men are equipped and ready and above eighty-five per cent of the men who went through the Royal Military college went overseas in the great war. That assists me in coming to a conclusion and it ought to convince my hon. friends and others who have an idea that military training creates a military mentality. The situation is quite the reverse. It teaches these young men to be good citizens; that there is something to live for in this country; that while we talk about our natural resources, our opportunities and the many things which are good in Canadian life, those things are good enough to defend and when the call comes, they are ready to defend them. If my hon. friend will look up the records of many men not only in this country but in England as well, she will find that the strongest advocates of peace have had their share of military training and on that account they have not had their peaceful instincts stultified, but they have been ready all the more to advocate peace, just as the hon. member for West Calgary (Mr. Adshead) suggests, because they have had the experience of military training and they know something about the seriousness of war.

Mr. ADSHEAD: Will the minister make it clear that this question of cadet training is perfectly optional, first, by the provinces, second, by the schools and, lastly, by the parents themselves? Has Alberta asked the government for military training in that province? I rather think it has. Another point I took up with the Minister of National Defence last year was this. Some complaints were sent in that in a school where a military gentleman was training the scholars, those who did not see fit to take military training were ridiculed, held up to scorn by the military officer. I could not substantiate that myself, although there was some evidence in that respect, but I should like the minister to give his opinion, so that it may go on Hansard, that military training is quite optional just in the same way as a scholar can choose between taking up science or languages, and that a boy will not be taunted because he does not choose military training any more than if he chooses to take up science in place of languages.

Mr. RALSTON: I have before me the application for cadet corps, and I can assure my hon. friend that the roll which is sent forward with the application contains the signatures of boys who desire to go into the corps, and that it is certified to be signed with the approval of the parents or guardians. In the second place the application itself is to be signed by the minister or superintendent of education of the province or by the chairman of the board of education. Third, with regard to Alberta, I have under my hand the agreement with regard to that province just as I have the agreements with regard to the other provinces. Fourth, with regard to the matter of any scorn or ridicule or anything of that sort, I can assure my hon. friend, as I assured him at the time, that if such is the case it is absolutely contrary to instructions and orders. I would be only too glad if he would give me any instance in which that occurs and I would see that it was followed up and that disciplinary action was taken.

Amendment (Miss Macphail) negatived.

Item agreed to.

Manufacturing establishments, $587,000.

Mr. GARDINER: Will the minister explain the increase?

Mr. RALSTON: I think I explained the other night, in running over the items, that

the increase is largely due to this, that, at the Dominion arsenal at Quebec which is the only manufacturing establishment we have in Canada, we are endeavouring to manufacture sufficient ammunition for use during the training period so that whatever reserve there is will not be depleted.

Mr. WOODSWORTH: What proportion of the supply of small arms ammunition is manufactured in the Dominion's own manufacturing establishment?

Mr. RALSTON: All the small arms ammunition is manufactured at Quebec.

Mr. LUCAS: Does this refer only to ammunition that is manufactured?

Mr. RALSTON: Yes, at the Dominion arsenal at Quebec. There is a small amount of some $9,000 for care of an arsenal which was established at Lindsay during the war. That is still being retained but it is not being operated.

Mr. LUCAS: We are not manufacturing any rifles at the present time?

Mr. RALSTON: No.

Mr. LUCAS: What class of rifle are the troops using?

Mr. RALSTON: The issue rifles are the Lee-Enfield rifles.

Mr. GARDINER: Where are they secured?

Mr. RALSTON: We are not getting any new ones. They are the rifles we had over after the war.

Mr. LUCAS: I understand we had a large quantity of Ross rifles during the war.

Mr. RALSTON: We have them.

Mr. ADSHEAD: Are you manufacturing any poison gas?

Mr. RALSTON: None.

Miss MACPHAIL: Does the minister not think in the interest of Canada the department should be manufacturing poison gases? What good are rifles going to be against poison gas? Is Canada not getting some poison gas ready?

Mr. RALSTON: My hon. friend the other night attempted to tell us how the department should be carried on in this respect and she remarked that what was being done was not to any purpose. I only want to say to her and to the rest of the committee that we are endeavouring not to attempt experimental work but to carry on with the fundamentals in connection with military training. The matter of gas is not engaging the attention of the department at all, except that I think we have on hand one or two thousand gas respirators which we use for anti-gas training.

Mr. LUCAS: Is it possible for the public to secure any of these Ross rifles for sporting purposes?

Mr. RALSTON: No. I have been approched a great many times in regard to that.

Mr. GEARY: Are they issued for sharpshooting, for target practice at all?

Mr. RALSTON: My hon. friend knows that they are good for target practice, and were used a good deal by snipers, and he also knows that they did not work well as service rifles

Item agreed to.

Non-permanent active militia, $2,315,000.

Mr. SPENCER: What is the explanation of the increase?

Mr. RALSTON: I dealt with this briefly the other night. The increase in the estimate is to provide for an average of twelve days training at camp. Previous to the war, the average number of days training was sixteen days. Nine days training hardly provides one week at camp. Not very much can be done on the first day and the last day and you have not much left in the way of training for officers; so it was suggested—and I think it is in the interests of economy, and will result in better training, and in the long run save money—that we should provide for a greater number of days at camp. As the committee may know, the city units train largely at local headquarters. Perhaps they have three or four days at camp, and the rest of the training at local headquarters. This is more for rural units than for city units.

Mr. GARDINER: In view of the new methods of warfare that are likely to prevail in any future wars, does the minister really think that this militia training is of any value at all, even against invasion?

Mr. RALSTON: The principles of infantry and artillery training I think are just as sound now as they ever were. My hon. friend will find that the advance and the change which is being made in connection with training both in England and the United States is largely along the line of the mechanization of transport, but you have to have artillery

training just the same, no matter how you haul the gun, whether by horse, motor, or some special tractor devise. Of course tanks are being experimented with, at very great expense, and as my hon. friend knows, the tanks were an invention of the last war. I do think that all we can hope to do is to train along fundamental lines so far as infantry, artillery and cavalry training is concerned, and then be prepared, if such an untoward event should come about that we are at war, to utilize the specialists in connection with tank warfare and mechanization and things of that kind; because the last war showed us that if people understand the fundamentals they can pretty easily adapt themselves to the new species of transport and the new species of armament.

Mr. EDWARDS (Frontenac): How many men will be in training at camp this year.

Mr. RALSTON: The whole training will be about 33,000.

Mr. EDWARDS (Frontenac): How does that compare with last year?

Mr. RALSTON: It is the same.

Mr. BELL (Saint Antoine): In view of our new status as a nation, it does not seem surprising that the militia estimates should be increased. When the leader of the Progressive party spoke regarding our protection in case of future wars, I thought possibly the government would take into consideration the splendid showing made by Canadians in the last war as air pilots. Canada supplied practically 60 per cent of the air pilots overseas, and I thought possibly the government would be making some provision for the development of an aerial service because of the part that air forces will play in future wars. It is rather surprising that at the present time we have practically no aerodromes, and no provision made in that respect. All of us know the part played by aeroplanes in the last war, and as I said before, the Canadians excelled as air pilots.

It is rather amusing to hear the different speeches in this house regarding war. We listen patiently to hon. members speaking of war, but when did Canada ever become a warlike nation? We have never entered into a war unless it was practically forced upon us, and yet members rise in the house and make these long orations. The hon. member for West Calgary congratulates the government for being a peaceful government, and the hon. member for Southeast Grey accuses the government of spending great amounts on military training and of being a warlike government. I would suggest that the great peace advocates in this house should have a conference among themselves and determine what is the actual status of the government in regard to war, and what is the great cause of these periodical outbursts on the subject of peace.

Item agreed to.

Royal Military College, $375,000.

Mr. WOODSWORTH: What is the number of instructors on this staff, and what is the cost of the class instructors?

Mr. RALSTON: There are sixteen instructors, and the total cost is $57,682.50.

Mr. WOODSWORTH: What is the regular pay and allowances of the military instructors?

Mr. RALSTON: The pay and allowances are as follows:

Commandant	$ 6,000 00
General staff officer I senior professor	5,045 00
General staff officer I	4,745 00
General staff officer II	4,051 50
Staff adjutant	3,000 00
Quartermaster	3,759 50
Paymaster	3,540 50
Engineer officer	3,759 50
Medical officer	2,100 00
Nursing sister	2,263 00
Professor of tactics	4,380 00
Associate professor of artillery	3,540 50
Instructor military engineering	3,212 50
Instructor of tactics	3,066 00
Physical and weapon training	2,920 00
Riding master	2,299 50
Total number 16—pay and allowances	$57,682 50

Mr. WOODSWORTH: I take it that there are over 100 instructors altogether; is that correct?

Mr. RALSTON: Not instructors.

Mr. WOODSWORTH: Instructors and the military staff.

Mr. RALSTON: There are 59 and 16—75 altogether, the military superior staff and a subordinate staff. Of course, my hon. friend understands that many of the subordinate staff are not instructors.

Mr. WOODSWORTH: I want to get at the total number to keep up the establishment.

Mr. RALSTON: Let us take them all, to be fair. The total number of the staff of the college is 143. Of that number 75 are military —about 50 per cent.

Mr. WOODSWORTH: And the total cost of the military and civilian staffs is?

Mr. RALSTON: In rough figures, $240,000.

Mr. WOODSWORTH: How many graduates have you each year?

Mr. RALSTON: The number runs from 30 to 50.

Mr. WOODSWORTH: Someone has given me a memorandum,—I have not checked it—that from 1880 to 1927 there were 883 graduates.

Mr. RALSTON: The first graduating class was in 1880. Up to November 1918 the number of candidates taken on the strength was 1,493. The number registered at the college to date is 2,017.

Mr. WOODSWORTH: But the graduates?

Mr. RALSTON: That is, the total to date from 1880?

Mr. WOODSWORTH: Yes.

Mr. RALSTON: I am afraid I cannot give my hon. friend the figure.

Mr. WOODSWORTH: If I have it right, the figure is 883 up to 1927, or only about 20 a year.

Mr. RALSTON: I will give my hon. friend a full statement for each year. It is not a thing that there can be any doubt about.

Mr. WOODSWORTH: Quite so. If each year the enrollment is about 200, and the actual graduating class is only about 20, the expenditure is very heavy.

Mr. RALSTON: But we are training others besides those who graduate. The cost—I think I gave it to the committee when we were discussing the amendment to the Royal Military College Act earlier in the session—my recollection is between $1,400 and $1,500 per student.

Mr. WOODSWORTH: The minister stated a little while ago that only 10 per cent of the cadets took up the military profession.

Mr. RALSTON: I said that was the percentage for the last few years.

Mr. WOODSWORTH: Of that ten per cent how many remained in Canada?

Mr. RALSTON: This year ten took commissions in Canada; none took commissions in the British army.

Mr. WOODSWORTH: Is it true that in the past quite a number have accepted commissions in the imperial army?

Mr. RALSTON: I have not that at hand. Will my hon. friend let me give him the information later? Would he like it for the last three or four years?

Mr. WOODSWORTH: Yes. Just one other question. From the standpoint of the Canadian military establishment, is it a good thing to spend this large sum in educating so small a number of people, and then have the most proficient of them accept commissions in the imperial army?

Mr. RALSTON: My hon. friend is wrong in thinking that a large proportion of them do accept commissions in the imperial army.

Mr. WOODSWORTH: I said the most proficient.

Mr. RALSTON: I do not admit that, and I do not think my hon. friend would wish to so understand it. Some of the boys desire to go into the imperial army. As my hon. friend knows, with a force of only 3,300 men we have not many commissions to offer. Some who care for military life take commissions in the imperial army, but I do not think that proves they are the most proficient.

Mr. WOODSWORTH: But I was wondering whether it is a good thing to spend this enormous sum in educating these boys and then have a number of them—we will not say whether they are the most proficient or not—go over to the old land to find a career.

Mr. RALSTON: If there was a very large number out of the total enrollment I presume my hon. friend's objection might hold, but from the point of view of Canada I do not think there can be any objection with respect to the few who take imperial commissions. Ninety per cent of these boys enter civilian life and do not follow a military career.

Miss MACPHAIL: Have the students of the Royal Military college any more advantages in the way of lower railway fares or free equipment than the students in any other college throughout Canada? If so, what are they?

Mr. RALSTON: As was said, they put up what amounts to something like $400 a year.

Miss MACPHAIL: But do they pay their railway fares to and from home?

Mr. RALSTON: Coming to the school to enroll and returning home when they graduate they are given their railway fare.

Miss MACPHAIL: And are the horses and uniforms provided by the state?

Mr. RALSTON: Yes.

Miss MACPHAIL: Rather generous, don't you think?

Mr. RALSTON: They pay for their uniforms. The horses are provided for the students.

Mr. GEARY: In corresponding institutions in the United States the student pays nothing; he is paid.

Miss MACPHAIL: I do not care what they do in the United States. The only fair comparison to make is between students in other colleges of Canada and those at the Royal Military college. Because they do more in other countries to encourage the military training of boys is no justification for doing it here.

Mr. RALSTON: I do not think my hon. friend gives sufficient consideration to the fact that the Royal Military college is open to every Canadian boy, no matter whether he is rich or poor. As was very properly said soon after the opening of this session: merit counts; a boy gets in on merit alone.

Mr. ROSS (Kingston): There is a little more to be considered in connection with the military college than has been brought out. Every cadet has to be an officer after he has graduated; he has to be connected with some unit in Canada. He is on the reserve after that. At present some of them are training for the air force; five have to take a three year course each year for air force in the civilian service. In addition to that there is also provided what is known as the long course training for officers. That expenditure goes on the military college but it is really an expenditure in connection with staff work. As regards the imperial army, there is an opening there for the very best engineers in the world, and every Canadian is proud of the position held by Girouard in South Africa, who was the principal officer there, he having made possible all the bridge work. These men are not always looking after military work; railways and other undertakings are under their advisement. So that in a great many ways this college is providing for the advancement of civilian life. I do not think there is any establishment that has advertised the name of Canada as much as this college, and I would suggest to the minister, in view of the motion pictures which are exhibited in this country, such the The Great Parade, and which are nothing but an advertisement for the school at West Point in the United States, that it would be much better for Canada to advertise its own school. These boys immediately on graduating from military college take up scientific work in chemistry, engineering and so forth, and they carry their talent into all civilian activities in Canada. But they are the great reservist force of the Dominion.

Miss MACPHAIL: Does the minister think it would be necessary to increase the army in order that all men graduating from the college who wish to take up a military career may have an opportunity? Surely you should not hold down the Canadian boys who want to go in for a military career? Had you not better consider increasing the force?

Mr. RALSTON: I will consider the suggestion if my hon. friend tells me she will vote for it.

Item agreed to.

Royal Canadian Air Force—all expenses in connection with the general maintenance and training of the Royal Canadian Air Force, and the auxiliary and reserve air force, including training personnel for civil air operations, $1,669,694.

Mr. IRVINE: Will the minister make clear to the committee the position of the men serving in the Air Force? Are they entitled to pensions at the expiration of their service and are they protected in case of accident in the air? If so, what is the nature of the protection?

Mr. RALSTON: There are two situations to be considered, one which presents itself when the particular airman is still in the employ of the department, and the other after he is discharged. The disabilities pension act which was the subject of an amendment this session—I am referring to the Pensions Act covering the military and naval service as well—applies to airmen and others who are discharged, or to their dependents if the man dies from any cause attributable to service. They get the same pension as those who served in the permanent force. In addition to that we have under the pay and allowance regulations, sections 298 to 308, provided for compensation and for treatment of those who have suffered injury, disease or illness arising from a cause incident to air force service. Provision has also been made with respect to those of civilian occupation in other branches of the government service who may be accompanying airmen on service. They are provided for by order in council which has been passed under the air board legislation. They are well covered both by the Pensions Act and by the pay and allowance regulations.

Mr. WOODSWORTH: Why is it necessary to have the civil air force under the National Defence department?

Mr. RALSTON: One might as well question a shoemaker with regard to the advisability of cobbling shoes.

Mr. WOODSWORTH: I am asking a serious question.

Mr. RALSTON: My hon. friend must not take offence at the remark; I merely wished to imply that it was not fair for him to expect a disinterested answer from me because I happen to preside over the Air force as well as the Defence department. However, I will state the facts and my hon. friend may draw his own conclusion. The air services in Canada were established first under the air board and were then taken over by the Department of National Defence. At their inception they had to do particularly with military air service, but it was soon found that the aviation service could well be utilized in connection with a number of government activities. For two or three years the air force did that work. Last year the government decided that there should be a straight division between military and civil government operations and so it was that on July 1 we set up in the Department of National Defence a separate organization in this regard. Most of the personnel are still in the air force. There is a demand in Canada, which we cannot supply, for aviators, and these men are constantly being asked by commercial companies to enter their employ. I can assure my hon. friend that we are making the transition as fast as we can in an endeavour to establish a purely civilian organization. Already the department of the controller of civil aviation is under the Civil Service Commission, and positions are being filled entirely by civilian personnel.

Mr. POULIOT: I wish to bring to the attention of the minister a serious accident that occurred the other day.

Mr. RALSTON: My hon. friend can take it up on the next vote.

Item agreed to.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

LONDON AND PORT BURWELL RAILWAY COMPANY

Mr. M. F. HEPBURN (West Elgin) moved the third reading of Bill No. 58, to incorporate the London and Port Burwell Railway Company.

Mr. SPEAKER: In amendment the hon. member for Norfolk-Elgin (Mr. Taylor) moves:

That the following be inserted as clause 4: "The capital stock of the company shall be five hundred thousand dollars."

Mr. J. F. WHITE (London): I rise to a point of order in connection with the amendment. I would refer Your Honour to Bourinot, fourth edition, page 618, where the following appears:

On the third reading in the Commons no amendment may be made except of a verbal nature; and, if it is wished to make any material change, the bill must be referred back to committee of the whole.

Then further up on the same page I find the following:

It is the correct course, in all cases where it is necessary to make material amendments, to refer the bill back to the select committee, to which it had been previously sent, instead of considering the proposed changes in committees of the whole.

It seems to me that the proposed amendment is a very material change in the bill. This section was struck out in committee when it was considered on May 8, I think, and it is the custom of this house to refer such questions back to the committee which considered the bill, which in this case would be the select standing committee on railways, canals and telegraph lines. This practice was followed on May 31, when the hon. member for North Battleford (Mr. McIntosh) moved an amendment to the final report of the committee on industrial and international relations; that report was referred back to the committee with instructions to do so and so, and it seems to me that that is the proper course to pursue in this case.

Mr. SPEAKER: Does any other hon. member desire to speak on the point of order? The hon. member's point would be well taken if we were under the old rules, but last year we amended the rules of the

house, and I would refer my hon. friend to standing order 113:

No important amendment may be proposed to any private bill, in a committee of the whole house, or at the third reading of the bill, unless one day's notice of the same has been given.

The amendment may or may not be referred back to the committee. It is permissible, not compulsory. I am informed by the clerk of the house that notice was given some days ago; therefore the amendment is in order and I so rule. The question is on the amendment.

Amendment (Mr. Taylor) agreed to on division.

Mr. WHITE (London): I protest, Mr. Speaker; I was on my feet before the motion was put.

Mr. SPEAKER: But the hon. gentleman had already spoken.

Mr. WHITE (London): Only on the point of order.

Mr. SPEAKER: So I put the question.

Mr. WHITE (London): I spoke on the point of order.

Mr. SPEAKER: I would be very much afraid that if I allowed the hon. gentleman to speak a second time on the point of order after it had been ruled out, it would look like filibustering, although I am sure the hon. gentleman does not mean to do that.

Mr. WHITE (London): I hardly think I can be charged with that.

Mr. SPEAKER: Far be it from my mind to charge the hon. member with lacking in parliamentary dignity or committing any wrong. I will simply state that the hon. gentleman made his point and I ruled on the point of order after having asked if any other hon. members desired to speak. No one speaking, I ruled on the point of order and immediately put the question.

Mr CHURCH: Mr. Speaker, I have an amendment.

Mr. HEPBURN: I desire to move that the question be now put.

Mr. T. L. CHURCH (Toronto Northwest): I rise to a point of order. I wish to direct attention to the fact that on May 16 I gave notice that on the third reading of this bill I would move the six months hoist. That motion has precedence on the third reading of a bill. I was ready to debate the question a few moments ago, before the hon. member for West Elgin rose. I would also call attention to the fact that I was on my feet before the hon. member for West Elgin spoke.

Hon. C. A. DUNNING (Minister of Railways and Canals): Just on the point of order, Mr. Speaker, might I call your attention to the fact that in connection with another bill a few nights ago the previous question was moved after notices of amendments had been given. It happened that the hon. member rising to move the previous question, I think it was the hon. member for Frontenac-Addington, caught your eye while the hon. member who had given notice of his amendment did not do so, and in consequence his amendment was barred.

Mr. SPEAKER: I was under the impression that there was only the one amendment which has been carried; I did not know there was a second amendment. May I remind the house that there is an unwritten rule that before putting the question the Speaker must take up all the amendments relating to the bill. See May, thirteenth edition, page 347. I have just been informed that another amendment appears on the order paper, and therefore it is my duty to put that amendment. Mr. Church moves:

That bill No. 58, to incorporate the London and Port Burwell Railway Company, be not now read a third time, but that it be read this day six months.

Mr. CHURCH: No doubt the hon. gentlemen on the front benches do not like to see such an amendment brought in to an important public bill which affects the people of western Ontario. A few of the hon. gentlemen on the front benches in connection with this and other private bills are nearly "all front and bench" and no public rights—from what I have heard and seen on private bills legislation in this chamber for the past month. We have asked the Minister of Railways and the government for a statement of their policy on this particular bill, which affects the territory around St. Thomas. I spoke in the St. Thomas city hall with the late Sir Adam Beck in connection with a hydro radial to run from lake Erie through St. Thomas, the counties of Perth, Elgin and Middlesex, and on to Tillsonburg. The people of St. Thomas carried the by-law at that time by ten to one, and it was also carried in Port Burwell. The late Sir Adam Beck proposed to build a system of hydro radials in western Ontario through the counties of Middlesex

and Elgin and other counties, which would have relieved this parliament of the cost of such a railway as this. The people carried the by-laws in every municipality. Where is the head of the national railways? He is the gentleman that has crucified the whole thousand miles of hydro radials in Toronto, London and St. Thomas and the Niagara district. Sir Adam's scheme of hydro radials would have been just as successful as his light and power scheme proved to be, and would have acted as a feeder to the whole Canadian National Railway system. I was in the county of Middlesex and the county of Elgin with my late leader, and we carried all our light and power by-laws by 100 to 1, and we carried the radial by-laws by a large majority. These radials would have acted as feeders to the main line of the Canadian National, to bring dairy products, vegetables, and agricultural products of all kinds to the main line. The light and power proposition has done wonders for the western part of Ontario, and the hydro radials would have done just as much.

Sir Adam Beck took an old railway, the Pere Marquette, he electrified it from the city of London, through St. Thomas down to Port Stanley, and this road, about 26 miles in all, has conferred a great boon on the citzens of the cities of London and St. Thomas and the other municipalities in that district. Now this bill 58 will more or less parallel the London and Port Stanley—it serves much of the same territory, which further is Canadian National exclusive territory.

A petition is presented by private people, through the medium of bill No. 58, and we must see who these people are. There is Mr. Lockrow of the city of Birmingham in the state of Michigan, attorney at law and Robert L. Harp of the city of Detroit. He will act as and will be a very happy harp for Sir Henry Thornton, the crucifier of the hydro radials. A thousand miles of road were to be built under Sir Adam's hydro radial scheme, representing 268 Ontario municipalities that had carried these bylaws, not only in the Toronto district, but in the Niagara-London, St. Thomas and Port Burwell districts. These hydro by-laws were carried, and we would have had a line from Port Burwell on the north shore of lake Erie to the city of London, St. Thomas and Listowel and Tillsonburg. Sir Henry Thornton attended the railway committee while this bill was up and he did not oppose this bill 58, but a few years ago he opposed the hydro radial scheme, which had been passed by the ratepayers of the municipalities from Port Burwell, right up through St. Thomas and down to the town of Tillsonburg. It is a happy coincidence that I have here the evidence regarding as to these hydro radials, taken before the railways and shipping committee in 1924 and 1925, and Sir Henry was asked why he opposed the hydro radials. He sent a wire to Toronto opposing the hydro radials and said he wanted the entire territory and would electrify the Grand Trunk line to the falls, to Montreal and elsewhere, which was never done.

The people in these municipalities have put up their bonds to build these hydro radials in the counties of Elgin and Middlesex, to build the London and Port Stanley Railway. These bonds have been guaranteed by the province of Ontario, and it is now proposed to make a scrap of paper out of these securities and allow a new private road to invade their territory. These people come along and say, "We will scrap all this territory; we will scrap all these bonds, and destroy the life work of Sir Adam Beck in the county of Middlesex and Elgin." Sir Adam Beck did more for the counties of Elgin and Middlesex and western Ontario than a thousand Sir Henry Thorntons.

Where was he when this bill was before the railway committee? He was asked what his views were regarding a line going through these counties, and he replied that he had no interest in this railway (Bill 58). Of course he had no interest in this railway. I can remember the time when it was estimated that a third of a million dollars was put up to defeat Sir Adam Beck and hydro radials in Toronto by the electric ring. I was with my late leader in the counties of Elgin and Middlesex when we launched the investment of the municipalities in the London and Port Stanley Railway. It is a fine road and a shining example of what the public ownership of radials would have done for the people generally in radials all over the province of Ontario. I regret to say that my late leader was driven to the wall, and some of these American corporations have found western Ontario now a very happy hunting ground now owing to the fact that we have as head of the National railways a gentleman who does not believe in public ownership. This man has fought hydro radial by-laws in the city of Toronto, and in the counties of Elgin and Middlesex, in season and out of season, and helped destroy the hydro radials. He says he is not interested in these radial by-laws. Of course he is not interested in the radial by-laws; he is only giving them

the same kind of bunkum which he gave to the taxpayers in Toronto by wire during the radial election. Sir Henry Thornton was asked in the committee on railways and shipping what his hostility was to the scheme of Sir Adam Beck to build a thousand miles of hydro radials in the province of Ontario. He was asked what his views were, and he said that if he had to do it over again he would never have sent the telegram he did on the eve of the presentment of the hydro radial by-law to the taxpayers of Toronto.

We have to go back to history to get the chronological order of this thing. The hydro by-law was defeated in the city of Toronto, and we can see to-day in Michigan, New York, New Jersey and Indiana what a system of hydro radials has done there, and would have done here for the counties of Elgin and Middlesex and western part of Ontario if adopted. Many of these cities and towns are suffering from rural depopulation. There is under-production; the farmers are not able to get their crops to the market and in many cases farm produce is suffering from lack of transportation. In many counties farms are untilled. Why? Because of lack of transportation facilities and the lack of electric hydro radials.

Sir Adam Beck, in addressing the people of the district covered by Bill No. 58, pointed out that if we had a system of hydro radials built by the municipalities it would solve the great problem of under-production in Ontario. He told them that they would haul the farmer's crop to the market; that they would multiply the value of every farm in Middlesex, Elgin and other Ontario counties by two, three or four, as has been done in Michigan, Indiana, Ohio, New York and New Jersey. What built up these five states across the border? Their system of hydro radials. When Sir Henry Thornton took over the presidency of the Canadian National, by-laws had been passed in the various municipalities approving the hydro radial system. I was over the whole right of way of this particular road and every by-law was carried. I cannot speak for Tillsonburg, because I do not remember the by-law there, but I remember being in the county of Elgin and the city of St. Thomas. This is one of the many contracts between the entire 262 municipalities. Port Burwell, the city of St. Thomas, the city of London, and the town of Tillsonburg are in the contract. These contracts passed the ratepayers. The by-law was prepared by the municipalities; it was endorsed by the hydro-electric commission; it was sent to the people and on municipal voting day the ballot boxes were opened. Those who were ratepayers in these municipalities of western Ontario which enjoy cheap light and power went into the polls and by large majorities all the municipalities covered by this particular bill 58 preferred a hydro radial system, acting as a feeder for the old Grand Trunk, affiliated and connected with it. Many of these municipalities to-day, only for the work of Sir Henry Thornton, would be linked up with the London and Port Stanley railway, and with the great hydro trunk line between Toronto, Hamilton and the city of Windsor, with this particular right of way along the north shore of lake Erie and all the branch lines operating in western Ontario as a net work connecting up in western Ontario the rural municipalities, the suburban municipalities and the urban municipalities and by a vast trunk line extending over to Niagara Falls, St. Catharines, Hamilton and Toronto and not by duplication but taking existing old Grand Trunk dilapidated lines in western Ontario and electrifying them and acting as part and parcel of the old Grand Trunk.

These by-laws in the various municipalities were carried under Sir Adam Beck's auspices, some of them by a hundred to one, some by ten to one, some by five to one and some by three to one. Everything was going along lovely for the adoption of a system of hydro radials in western Ontario and in the Niagara district around lake Erie and lake Ontario, when like a bolt out the blue there descended upon those municipalities a gentleman by the name of Sir Henry Thornton, who is supposed to be president of the Canadian National. The municipalities were to construct these railways themselves, or take over old dilapidated Grand Trunk lines; they were to act as feeders for the old bankrupt Grand Trunk in western Ontario. This question was discussed in the house the other night by the Minister of Railways, and I have a great respect for him. I differ with him now; I will differ with him many times in the future, but I know that he is sincere in his belief. I have always found him sincere in what he says, but I have not found the same sincerity in regard to the president of the Canadian National. He fought Sir Adam Beck in season and out of season. When this hydro radial by-law was brought up in Toronto he sent a wire to the minister stating that he was going to electrify the whole Grand Trunk from Toronto to Montreal; that he was going to electrify the road which passes through the municipalities from Toronto to Niagara Falls. Another line to be electrified was from Toronto to Barrie and another was the Toronto and Eastern railway from Leaside down to the town of Bowmanville. Now I find that the

whole Toronto and Eastern railway has been torn up by Sir Henry Thornton. I had a return brought down in the house and it showed that the Toronto and Eastern railway, which would have been a hydro radial from Toronto to Bowmanville and Cobourg, a railway which Sir Adam Beck was to electrify was torn up. Sir Henry Thornton did the same thing with the contract for the purchase of the Niagara, St. Catharines and Toronto railway which Sir Adam had a contract to purchase. He cancelled it and he did the same thing with the Toronto suburban railway running through the Humber valley to the city of Guelph. These three railways belonging to a bankrupt road were to be taken over by Sir Adam Beck and the municipalities passed by-laws by a large majority for their acquisition. What happened? After the present government came into office they cancelled the orders in council of the late government and declined to give the hydro radials these three railways which would have been developed and extended under public ownership as free feeders for the Canadian National and have saved the people of Canada all the cost of betterments now spent on these systems.

The Toronto and Eastern railways, for example, which would have acted as a feeder, has been torn up by Sir Henry Thornton. As you pass out of the village of Leaside, what do you see? You see ties torn up, bridges torn up, right of way torn up. Would that we had on both sides of this house some public-spirited men like my leader, Sir Adam Beck, who was the best Conservative we ever had in the province and who was a voting strength to the Conservative party. When the ballot boxes were opened in the municipalities it was found that they gave big majorities to the hydro radial system proposed by Sir Adam Beck.

We have to-day a gentleman who comes to this house and promotes this bill and I charge in the house that these two United States citizens who are connected with this bill are nothing but dummies for the National railways. Some of Sir Henry Thornton's officials were connected with a bridge bill the other day here—a bridge engineer and Grand Trunk Railways brakeman and one of his officials on the railway promoting a bill. To-night this bill is being promoted by a gentleman from Birmingham in the United States of America. He is an attorney-at-law. Of course he is an attorney-at-law. One of the duties of an attorney is to be at law.

[Mr. Church.]

There is another gentleman from Detroit, called Robert Lee Harp. That is a nice-sounding name. He is playing the harp, but the chief harper and the chief fiddler who defeated the hydro radials and to put this bill through is Sir Henry Thornton, the one who destroyed Sir Adam Beck's whole dream of radials in Ontario. There are papers in my own city and in many other parts of the province which have fought for Sir Adam Beck in season and out of season.

Mr. TAYLOR: I rise to a point of order. The hon. member is not speaking to his motion.

Mr. SPEAKER: I think the hon. gentleman should speak with more relevancy to the subject matter. Sir Henry Thornton and the Ontario Hydro Electric Commission have nothing to do with the present bill. I would therefore ask the hon. gentleman to come a little more closely to the question before the house.

Mr. CHURCH: I will, although it is pretty hard, Mr. Speaker, to separate the question of the public Ontario hydro radials from the private bill that is now before us. The territory that is to be covered by the London and Port Burwell Railway Company and this bill is and was hydro radial territory. At the present time the London and Port Stanley Railway Company have this territory in agreement with the county councils of Elgin and Middlesex counties. These are the two counties mainly concerned, except for a small portion of the county of Perth through which this road is to go. I have already dealt with the question of the territory to be served.

Now I come to discuss this proposed line of railway, which in my opinion would parallel the London and Port Stanley road. If I remember rightly, the county council of the county of Elgin and Perth asked to have the hydro radial system extended into these counties. By this bill we would wipe out the London and Port Stanley railway, and launch on this new line of railway. Bill No. 58 received its first reading on March the 6th, and has already been reported. I am moving the six months' hoist, Mr. Speaker, for the reason that I am attacking this bill on grounds of public policy. In the second place, I attack it because this road would invade Canadian National territory which never should be surrendered. The Canadian National railway has already a large deficit, and it is going behind about $8,000,000 in its passenger business, and I say that it should

not give up territory which would serve as a feeder to its main line. This proposed line of railway runs through the counties of Middlesex and Elgin, and virtually parallels the London and Port Stanley road, and if this bill goes through, the London and Port Stanley road might as well close up. For these reasons I think the bill should not be adopted by this house. It is opposed to the rights of the municipalities. The city of St. Thomas is already tied up to a contract with the London and Port Stanley railway, and if this bill goes through it will finish somewhat that contract. The Ontario Hydro Electric Commission has bonds running into the hundreds and thousands of dollars of these various municipalities, and if this bill goes through it would destroy somewhat those securities. It is something that has never been done before.

Who are the Canadians that are connected with this proposed line of railway? They are John H. Teall, gentleman, Donald F. Gibson, barrister-at-law, Frederick A. Ramsay, merchant, all of the town of Tillsonburg. To please my hon. friend the chairman of the banking and commerce committee, who is in favour of this bill, and for whom I have the utmost regard, as I have also for the promoter of this bill, and for the hon. member from Elgin too, I might be inclined to support the bill, but as a supporter of the Ontario hydro radial system, I cannot do it. I know that these people in the municipalities concerned are behind the scheme of Sir Adam Beck, and I cannot surrender the views I hold after having been connected with the Ontario hydro radial system for twenty-two years.

This work is declared to be for the general advantage of Canada, but not by the widest stretch of the imagination can it be called that. The road is not interprovincial in character; it is not international; it is simply a small provincial railway, which would parallel the London and Port Stanley road, and a federal railway in a mythical sense only.

I understand that an amendment is to be moved in regard to what the capital shall be. They are to issue preferred stock apparently. The head office of the company is to be in the town of Port Burwell, in the county of Elgin, and the annual meeting of the shareholders is to be held on the first Monday of October. It is provided that the number of directors is to be not less than five nor more than nine, and that the company may lay out, construct and operate a railway from Port Burwell on the north shore of lake Erie to the city of London, passing through the counties of Elgin and Middlesex. For these and other reasons, Mr. Speaker, I move that this bill be not now read a third time, but that it be read a third time this day six months.

Mr. M. F. HEPBURN (West Elgin): I shall not attempt to reply to the speech of the hon. member who has just taken his seat (Mr. Church), if I might term it a speech. After eulogizing the late Sir Adam Beck, a gentleman for whom we all have the greatest respect, the hon. gentleman made a speech that had nothing to do with the subject before the house; it covered practically everything from ships of war to Easter eggs. But what I did resent was his assumption that he represented the people of the county of Elgin. I do not think there has been or ever will be a time when they will ask the hon. gentleman to represent their opinions in this house. We all realize that he is obsessed with the idea that the sun rises on the east side of Toronto and sets on the west side.

To show how wide he was of the mark I am going to read a telegram that I received only a few minutes ago from the county council of Elgin, now in session. It reads:

> The Elgin county council unanimously passed the following resolution this afternoon: That this council approve of the bill now before the House of Commons providing for incorporation of the London and Port Burwell Railway Company.
>
> (Signed) K. W. McKay,
> County Clerk.

I would like to read also a communication that I have received from the mayor of St. Thomas. My hon. friend from London (Mr. White) had serious doubts in his mind whether the statement I made in the house a few nights ago was accurate or not, and he wrote to the mayor of St. Thomas asking for the attitude of that city in regard to the London and Port Burwell railway. The mayor replied as follows:

> Matter referred to in letter left to the discretion of local member, in whom city council has full confidence. For your information would further add that St. Thomas does not desire to block rail or industrial development beneficial to southwestern Ontario.

I also want to correct one of the misstatements made by the hon. member for Toronto Northwest, that this railway parallels an existing line. I make the definite statement that it does not. The nearest station on the London and Port Stanley railway, which some hon. members are so anxious to pro-

tect, is not within twelve miles of any proposed station on the London and Port Burwell railway.

Mr. CHURCH: Would the hon. member give the vote in the city of St. Thomas in favour of the hydro radial bill? It was ten to one for hydro radials.

Mr. HEPBURN: I am not talking of hydro radials. Connected with this railway proposition there is now pending what I believe will be the biggest industrial development we have ever had promised in southern Ontario. So great does that development promise to be that the promoters are willing and anxious to spend money to build a branch or feeder line to the main trunk line running east and west through southern Ontario. I do not blame them for not wishing to tie themselves up with a railway monopoly. When we look at the map we see a huge American city opposite a Canadian village, the reason being that we are always too prone to protect monopolies in Canada; in fact we are making it the happy hunting ground for monopolies. I appeal to the fair-mindedness of this house to take a vote on this bill. We are willing to abide by the decision.

Mr. J. F. WHITE (London): Mr. Speaker, when this bill was before the house last Tuesday night I made some remarks in connection with it, and now I wish to make some further observations and to refer to some of the statements which have been made by the sponsor of the bill (Mr. Taylor), and also by the member for West Elgin (Mr. Hepburn) who is supporting it. In the short time that the bill was before the committee of the whole on Tuesday night I opposed it, believing it to be undesirable and unnecessary. On that occasion I outlined the situation and informed the house that the proposed line would practically parallel the existing line. It is true the two lines would be a few miles apart at the southern end, but they converge as they approach the city of London at the north end. I also gave a short history of the existing road, the London and Port Stanley, and showed that is has been in actual operation for seventy-five years, and that it is now controlled and operated municipally as a public-owned proposition. Further, I stated that my constituency owns four-fifths of the stock and the Canadian National Railways about one-fifth, there being a few privately owned shares.

Mr. TAYLOR: Mr. Speaker, I rise to a point of order. Surely the hon. member for London (Mr. White) should not obstruct by reading his speech.

Mr. WHITE (London): Mr. Speaker, I do not suppose that is a point of order.

Mr. HEPBURN: Put down your notes and see how far you can go.

Mr. WHITE (London): I also referred to the quality of the installation, to the condition of the road and to its equipment, and also to its importance as a freight-distributing line to London and to Port Stanley. I also explained the method adopted by the city council of London in managing—

Mr. DUNNING: Surely, Mr. Speaker, it is not in order for my hon. friend to repeat a speech which he admits he made on a previous occasion.

Some hon. MEMBERS: No, no.

Mr. DUNNING: He says so.

An hon. MEMBER: He did not.

Mr. EDWARDS (Frontenac): It is on the same subject.

Mr. SPEAKER: It is permissible for an hon. member to refer to remarks made on a previous occasion on the same subject provided he does not repeat word for word what he then said.

Mr. DUNNING: He is coming pretty close to it.

Mr. SPEAKER: Order.

Mr. WHITE (London): I would remind the Minister of Railways (Mr. Dunning) that this is a different stage of the bill and a different question entirely is now under consideration. Besides, probably there are members present to-night who were not here last Tuesday night, and when I get through the house will see that I have not made the same speech.

An hon. MEMBER: Or any speech.

Mr. WHITE (London): I desire to make my speech in my own way, not to have others make it for me. I referred also to the financial results and showed that for several years the road had made surpluses after paying rentals, interest on sinking fund and operating costs, but that owing to unforseen competition from motor trucks and so on much of the business of the road had disappeared in the last few years, with consequent deficits.

Mr. HEPBURN: Have you not had charges of bribery and corruption levelled against the road?

Mr. WHITE (London): If the hon. gentleman will possess his soul in patience I will answer that part of his remarks as well. He may not hear it to-night, but he will a little later. I also showed—

Mr. HEPBURN: What is the answer?

Mr. WHITE (London): I have answered you before.

Mr. SPEAKER: Order.

Mr. WHITE (London): I also showed how Port Burwell is already served by the Canadian Pacific Railway, that there is not enough business to keep one road busy, so that without a great influx of population, of which there is no immediate prospect, two roads could not possibly be successful.

In regard to no influx of population, I have looked up the census of Canada for 1921, and I find that the population in the district is less than it was in 1901. Those census figures deal with four townships and three villages. The townships are Malahide, Bayham, Yarmouth and South Dorchester. In 1901 the township of Malahide had a population of 3,795; in 1921, 3,191. In 1901 the township of Bayham had a population of 3,771; in 1921, 3,438. In 1901 the township of Yarmouth had a population of 5,089; in 1921, 5,212. In 1901 the township of South Dorchester had a population of 1,637; in 1921, 1,550. Taking the four townships together there were 900 fewer people in that district in 1921 than in 1901. The villages comprise Aylmer, Springfield and Vienna. In 1901 Aylmer had a population of 2,204; in 1921, 2,194. In 1901 Springfield had a population of 501; in 1921, 460. In 1901 Vienna had a population of 352; in 1921, 288. So that there were 115 fewer people in these three towns or villages in 1921 than in 1901. Taking the whole district together, the population has diminished by about one thousand. But it is curious that the town of Port Stanley and the city of St. Thomas, which are not touched by this proposed railway, have gained in population in the decades I have mentioned. In 1901 Port Stanley had a population of 552; in 1921, 973. In 1901 St. Thomas had a population of 11,485; in 1921, 16,026. In other words, Port Stanley and St. Thomas have increased considerably in population since 1901. In view of these figures and the fact that there is no general demand for more railways, I submit that the facilities in that area are adequate. I wish to bring to the attention of the house another feature, and that is the relative mileage of the London and Port Stanley Railway and of the proposed road. The London and Port Stanley Railway is twenty-four miles long while the proposed line is thirty-four miles, according to the sponsor of the bill. That is to say, it has 40 per cent more trackage. It has ten miles more of right of way to purchase. On that account it will have a higher cost of construction, a higher cost for interest and sinking fund, and a higher cost for maintenance and operation. To balance that the freight rate is being considered. Some people have the idea that the installation of the road will result in lower freight rates on coal and coke from Erie to London. I would point out that the freight rates are fixed by the Railway Commissioners, the rate from Port Stanley to London being the governing rate. That is the established rate, and all other lines which find their way to London will have to charge rates correspondingly. These rates, I say, are fixed and confirmed by the railway commission.

It is said by the promoters of the bill that the success of the railroad depends on the success of the coking plant which it is proposed to establish. Central Canada is of course very much interested in fuel to replace anthracite coal. All our supplies of anthracite come from the United States. These supplies of coal are being depleted and before long central Canada will have to find an additional supply of fuel. We have been trying out substitutes and have used small shipments of Alberta coal. Many people have turned to coke and a number of others to the use of oil. Now the matter of establishing a coking plant is a very important one, but I do not intend at the present moment to go into the pros and cons of coke production. My information is that the proposed amount which is to be spent on the coking plant is utterly inadequate for the installation which will be required to establish a going concern which will be able to compete with others already putting goods on the market. It seems to me, from what I can gather, that it would take two or three times the amount of capital which it is proposed to spend in order to install a thoroughly equipped coking plant.

In the railway committee the promoter of the bill was asked as to the type of coking plant which it is proposed to establish. He was uncertain; he did not seem to know the difference between certain types of coking plants; but he did say, I think, that there were three or four kinds, any one of which might be used. At any rate he gave no particularly definite information concerning the plant. Now, I know of one firm in London who are interested in things of this kind and

who had a great deal of engineering advice on the matter. They went into it most thoroughly and exhaustively and they came to the conclusion that the installation of a coking plant was not likely to be a paying proposition. Accordingly they abandoned the idea. It might be that in other respects this proposal would be a success, but there are many questions which ought to be considered in regard to this proposed plant and which so far have not been answered. Rather than take on the responsibilities and uncertainties of railroad operation, this company might very well turn its attention to the production of coke and gas and refuse to have anything whatever to do with the railway project. I am quite sure that the operation of the railroad will so cripple this company that the coking plant will fall by the wayside. Otherwise it might be a success. At page 3519 of Hansard the sponsor of the bill is reported in connection with the question. Speaking in regard to the finances, he said:

> This company are not asking, nor do they intend to ask, for any assistance financially or otherwise, except that they be given the privilege to spend their money in this manner.

I ask, whose money is going to be spent? In the meeting of the railway committee when the question came up, the promoter mentioned certain hypothetical circumstances which would prevent the railway from selling its bonds. I should judge from that statement that the company proposes to sell bonds to the public. In that case, of course, it can hardly be said that the railway company is spending its own money. It means that the public—no matter where they may be—who can be influenced to buy bonds will be the investors, and not the gentlemen who are seeking a charter for the road.

I could give several examples of losses which the people even in that section have suffered on account of activities of this kind. In my previous remarks I referred to the liquidation of the South Western Traction Company, a radial line which ran from London to Port Stanley at one time and which had charters to run to various other towns in western Ontario. Those who invested money in that concern lost it. That was followed by the London and Lake Erie Transportation Company, which operated for a while and then followed in the footsteps of the traction company. It went into liquidation and the ruins of some of its works are to be seen to-day. The bond holders have nothing to show for their investment in that road except these ruins.

[Mr. J. F. White.]

I have been treated to a little editorial comment in connection with this matter. A few days ago an editorial appeared in a newspaper, this statement being made, that London had the reputation of putting an old established firm out of business on account of its going into railroad operation. Let me say that London was operating the Port Stanley road fifty-three years before this company referred to went into business. Consequently th firm referred to, the London and Lake Erie Transportation Company, were forced to go out of business.

Parliament should study most carefully the prospects of every railroad before allowing the passage of bills which may ultimately involve losses to the general public. This house has made some efforts to move along that direction, and the matter is covered to a great extent by a report made by the Drayton-Acworth commission.

Mr. SPEAKER: Time.

Right Hon. W. L. MACKENZIE KING (Prime Minister): If the house will permit me to interject a few remarks, I merely wish to say that we have been discussing the first of a series of private bills, and that of the entire number, only some four, or possibly half a dozen, are contentious. The government is anxious to further the wishes of hon. members in bringing about prorogation at as early a date as may be appropriate, and it would assist the government considerably in the arrangement of its program if hon. members would allow such private bills as are non-contentious to pass at this evenings' sitting. Of course, unanimous consent would be required for the purpose. I do not suggest that any contentious bill should be discussed, but if hon. members would allow the others to be taken up, on the understanding that any hon. member is free to rise and ask that any bill be allowed to stand, we could clear the slate of a good many of these bills and, as I say, it would materially aid the government in arranging its program.

Mr. BENNETT: I wholly concur in the observation made by the Prime Minister.

Mr. WHITE (London): I should like to know what is the standing of this bill?

Mr. MACKENZIE KING: It is a contentious bill and will be assigned its proper place.

Mr. WHITE (London): I presume this will be a contentious bill, and that it will now go to the foot of the list.

Mr. SPEAKER: Is it the pleasure of the House that we now proceed with the non-contentious bills? Unanimous consent is necessary.

Some hon. MEMBERS: Carried.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 215, to incorporate the Canadian Commerce Insurance Company—Mr. Bell (Hamilton).

Bill No. 314, respecting the Dominion Fire Insurance Company—Mr. Ryckman.

Bill No. 303, respecting a certain patent of Anchor Cap and Closure Corporation of Canada, Limited—Mr. Clark.

Bill No. 341, to incorporate Eastern Bank of Canada—Mr. Foster.

Bill No. 71, to incorporate The St. Lawrence River Bridge Company—Mr. Smith (Stormont).

Bill No. 342, for the relief of Frank Deering—Mr. Casselman.

Bill No. 343, for the relief of Mary Mabel Jennie Potten Impey—Mr. Church.

Bill No. 344, for the relief of Cyril Wilfred King—Mr. Sanderson.

Bill No. 345, for the relief of Myrtle Adelia Baker Knauff—Mr. Casselman.

Bill No. 346, for the relief of James Harvey Lefurgey—Mr. Garland (Carleton).

Bill No. 347, for the relief of Hilda Evelyn McDowell—Mr. Jelliff.

Bill No. 348, for the relief of Catherine Ellen Mobbs—Mr. Jelliff.

Bill No. 349, for the relief of Edith Elizabeth Poole—Mr. Arthurs.

Bill No. 350, for the relief of Henry Frederick White—Mr. Casselman.

Bill No. 351, for the relief of Frederick Clayton Wilton—Mr. Arthurs.

Bill No. 352, for the relief of Lillian May Yuill—Mr. Lennox.

Bill No. 353, for the relief of Ruth Ellen Braund—Mr. Garland (Carleton).

Bill No. 354, for the relief of Harry Alven Heels—Mr. Heaps.

Bill No. 355, for the relief of Francis Augustus Pearce—Mr. Arthurs.

Bill No. 356, for the relief of Florence Anne Salmon—Mr. Price.

Bill No. 357, for the relief of Rocco Scocco—Mr. Church.

Bill No. 358, for the relief of Mary Audry Walton Smith—Mr. Young (Toronto).

JEAN BAPTISTE HURTEAU PATENT

The house in committee on Bill No. 322, respecting a certain patent of Jean Baptiste Hurteau—Mr. Prevost—Mr. Johnston in the chair.

On section 1—Extension of time.

Mr. GARLAND (Bow River): I would like to ask whoever is sponsoring this bill to explain what it is about. I notice it is one of those patent bills, with which we have had trouble before. I have no desire to obstruct, but I would like to know what the bill is about.

Mr. PREVOST (Translation): Mr. Chairman, I wish to briefly state that this bill is purely a matter of form. It is a question of reviving a patent which had lapsed owing to an oversight on the part of the patentee. It is simply a matter of form.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

DETROIT RIVER CANADIAN BRIDGE COMPANY

The house in committee on Bill No. 339, to incorporate the Detroit River Canadian Bridge Company—Mr. Odette—Mr. Johnston in the chair.

Mr. SHORT: Mr. Chairman, I notice on the order paper the words "without amendment." What does that mean?

The CHAIRMAN: That means that the bill was not amended in committee.

Sections 1 to 21 inclusive agreed to.

Bill reported, read the third time and passed.

CUMBERLAND RAILWAY AND COAL COMPANY

The house in committee on Bill No. 304, respecting the Cumberland Railway and Coal Company—Mr. Ilsley—Mr. Johnston in the chair.

Mr. SHORT: Please explain.

Mr. ILSLEY: This bill was fully explained when it was before the railway committee. An act was passed by the Nova Scotia legislature incorporating a new company called the Dominion Coal and Steel Corporation, Limited, which was authorized to acquire practically all the companies which constituted the British Empire Steel Corporation. The purpose and object of the bill passed by the Nova Scotia legislature was to get all the properties of these various companies under unified control and management. One of the companies is the Cumberland Railway and Coal Company, which was incorporated by this parliament by chapter 77 of the acts of 1883. Before this company can transfer its assets to the new

Nova Scotia corporation, that is, the Dominion Steel and Coal Corporation Limited, there must be an empowering act by this parliament, and this is that act.

Mr. QUINN: When did this pass the Nova Scotia legislature?

Mr. ILSLEY: I cannot give my hon. friend the exact date, but it was bill No. 202, of 1928; it passed a few weeks ago.

Section agreed to.

Sections 2 and 3 agreed to.

Bill reported, read the third time and passed.

THE PEOPLE'S THRIFT CORPORATION

The house in committee on Bill No. 340, to incorporate the People's Thrift Corporation—Mr. Casgrain—Mr. Johnston in the chair.

Sections 1 to 7 agreed to.

On section 8—Exceptions.

Sir GEORGE PERLEY: I notice there is an amendment; could we have that explained?

Mr. CASGRAIN: The amendment was simply to correct clerical errors. For instance, in one place the word "corporation" apeared instead of the word "company", and vice versa. That was the only thing that was amended.

Section agreed to.

Bill reported, read the third time and passed.

EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RAILWAY COMPANY

The house resumed from Friday, June 1, consideration in committee of Bill No. 57, respecting the Edmonton, Dunvegan and British Columbia Railway Company.—Mr. Kennedy—Mr. Johnston in the chair.

Bill reported.

Mr. SPEAKER: Moved by Mr. Kennedy, seconded by Mr. Speakman, that this bill be now read a third time.

Sir EUGENE FISET: I think the orders of the day should be followed in regard to the third readings.

Mr. SPEAKER: I am reading the last bill which was reported from committee of the whole. The others were not reported.

Sir EUGENE FISET: They have been reported from the committee, but when you come to the third readings I think the orders of the day should be followed.

Mr. SPEAKER: I understand unanimous consent has been given to the third reading of these bills.

Mr. CANNON: If I understand properly the point of the hon. member for Rimouski, while it is true that the house has given its consent as regards bills which were considered in committee, the hon. member says, now that we have reached the stage of third readings, we ought to take up the bills in the order in which they stand on the order paper—

Mr. SPEAKER: That was not my understanding, but I am in the hands of the house.

Mr. CANNON: —and always subject to the understanding that if any bill is contentious, it should not be considered.

Mr. SPEAKER: But the point was not raised in committee about the bill being contentious or not.

Mr. CANNON: As long as it is not raised, we go along with the bills. This is always subject to the understanding that we are now dealing with bills which are not contentious.

Mr. SPEAKER: My understanding was that only non-contentious were to be passed. Non-contentious bills have been reported. If this is a contentious bill, of course I shall not proceed with it.

Some hon. MEMBERS: Carried.

Mr. SPEAKER: This bill having been reported from committee and no objection having been taken in committee, the bill being non-contentious, I have only to ask the house to carry it.

Sir EUGENE FISET: I will withdraw my objection.

Mr. SPEAKER: I think that will help the other bills.

Motion agreed to and bill read the third time and passed.

CENTRAL FINANCE CORPORATION

Mr. F. W. HAY (North Perth, for Mr. Lang) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 59, to incorporate the Central Finance Corporation.

He said: Mr. Speaker, I beg to say on behalf of the hon. member for South Timis-

kaming (Mr. Lang), the sponsor of this bill, and also for the promoters of the bill, that they are quite agreeable to accepting the amendments as made by the Senate.

Motion agreed to; amendments read the second time and concurred in.

DOUGLAS J. MARTIN PATENT

Mr. J. A. CLARK (Vancouver-Burrard) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 66, respecting a certain patent of Douglas J. Martin.

Motion agreed to; amendments read the second time and concurred in.

Mr. SPEAKER: The hour for private bills having expired, the house will resume in committee of supply.

Mr. GEARY: Mr. Speaker, is it quite correct to say that the hour for private bills has expired? It did expire at nine o'clock. This was another arrangement. It may make a difference.

Mr. SPEAKER: There was an agreement made, with the unanimous consent of the house, to extend the time. It very often happens that the house rises before six o'clock, yet the Speaker has to say, "It being six o'clock I do now leave the chair."

Mr. SHORT: What about this extra half hour we have been talking on these bills?

SUPPLY

DEPARTMENT OF NATIONAL DEFENCE

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

Civil air operations—flying operations for civil government departments in connection with aerial photographic surveys, forestry patrols, forestry and grain pests, transportation, etc.; control of civil aviation, establishing air routes, aerodromes and airship bases, aeronautical engineering, etc., $3,195,037.

Mr. POULIOT: I have said a few words about the previous item, and what I wish to speak of now is a very serious aeroplane accident that happened at St. Alexander, not far from Riviere du Loup, on Saturday last. I shall be very brief, but I wish to give our friends of the press gallery a scoop. It was not mentioned in the papers, but an aeroplane belonging to the Transcontinental Airways, a company which has a contract with the Post Office department, crashed. The aeroplane left Montreal for Rimouski, where there is a landing field, but on account of the foggy weather the pilot was unable to land. He could not see the field, and he had to go back to Quebec. As his supply of gas was nearly exhausted he tried to land near Riviere du Loup, an important city, just about halfway between Rimouski and Quebec. There is no landing field there, the country being all divided up by fences and ditches, and it was not possible for him to find a suitable landing place, although he flew very low and tried to locate a favourable spot. Not succeeding, he went further on his way to Quebec, and at St. Alexander, as his supply of gas was very low, he had to come down, and his machine was wrecked in landing. Fortunately, he was not hurt. My point, Mr. Chairman, is that in the United States, in Mexico and in other countries with air routes there are landing fields. Hydroplanes have been used experimentally, but owing to the conditions at certain times on the St. Lawrence river they were not found satisfactory; aeroplanes are now used rather exclusively, especially along the St. Lawrence river. The distance from Montreal to Rimouski is about 375 miles, and I desire to ask the Minister of National Defence (Mr. Ralston) if he intends to build a landing field at Riviere du Loup. Such a field would be a real help for aviators and would improve the mail service over that route. Riviere du Loup is an ideal location, being not not very far from New Brunswick and Maine; in fact, it is one of the best sites in eastern Quebec for such a purpose. Does the department buy the ground or does it help the local authorities to acquire the necessary site? Also, does the department erect any buildings on landing fields?

Mr. RALSTON: I may say that the department has not under consideration the provision of a landing field at the point mentioned. My hon. friend may not know that the company to which he refers, Transcontinental Airways Limited, has the contract for carrying the mails from Montreal to Rimouski, and under that contract the company must itself provide any intermediate landing fields. It is impossible for the department to forecast the need for landing fields along the route. While a fog settled over the point which my hon. friend mentioned, forcing the plane to land, on another occasion the forced landing might be somewhere where it would be impracticable to provide a field. Therefore the contractor has to provide his own facilities at intermediate points.

The general policy of the department is not to provide landing fields except solely for government services. We are endeavouring to encourage municipalities all over the country to realize the importance to their own towns of themselves providing these facilities. On request the department sends a qualified officer to look over the proposed site and to advise on the preparation of the landing field.

Mr. POULIOT: Does the department contribute towards providing such fields or for their maintenance?

Mr. RALSTON: No. The only contribution the department makes is to send officers to advise on suitable sites and for their preparation for aviation purposes. This is generally the system in the United States where they have many municipal aerodromes.

Mr. PARENT: I notice that this item refers to flying operations for civil government departments in connection with aerial photographic surveys, forestry patrols, forestry and grain pests, transportation, etc. I should imagine that much of this work should fall under the provincial authorities. What authority, provincial or federal, has to do with this?

Mr. RALSTON: The services referred to are federal. The forestry patrols are in connection with the Department of the Interior.

Mr. ADSHEAD: I think I saw in the Imperial conference report that those air pilots who had received commercial certificates in civil aviation became automatically members of the military force or the reserve force. I should like the Minister of National Defence to confirm my view that these air pilots are not obligated in any way so far as military service is concerned.

Mr. RALSTON: I can confirm that, and assure my hon. friend that that is absolutely so.

Mr. PARENT: I am not quite satisfied with the minister's answer to my question. In Quebec the provincial authorities are engaged in forestry patrol work by means of aeroplanes. What relations exist between the federal authority and the provincial in such matters?

Mr. RALSTON: The federal authorities claim that the licensing of planes and pilots is within their scope.

Item agreed to.

[Mr. Ralston.]

Construction of magazines, etc., Halifax, $100,000.

Mr. GARDINER: Will this be sufficient to complete the magazine?

Mr. RALSTON: It will not be. As I remember, the amount estimated was $500,000, and I think $255,000 will have been expended up to 1928. This will bring the total expenditure to $355,000.

Item agreed to.

Government of the Northwest Territories—Mackenzie basin system—radio services—for the maintenance and operation of the Mackenzie division radio system with stations at Dawson, Mayo, Edmonton, Fort Smith, Fort Simpson, Fort Resolution, Aklavik and Herschel island, $139,000.

Mr. GARDINER: Will the minister explain this item?

Mr. RALSTON: It is for the maintenance and operation of the Mackenzie division radio stations. There is a slight reduction in the estimate this year of $11,000.

Item agreed to.

Battlefields memorials, $180,000.

Mr. GARDINER: What progress has been made in this direction? How much was spent last year, and for what purpose?

Mr. RALSTON: This is a contribution to the battlefields commission. We deal only indirectly with it. The vote is $20,000 less than last year.

Mr. BENNETT: Who comprise the commission?

Mr. RALSTON: I beg my hon. friend's pardon; I was thinking of the contribution to the Imperial War Graves Commission. The Battlefields Memorials Commission is our own. It is comprised of Major-General Mewburn, the Honourable the Speaker, and others whose names I cannot recall at the moment.

Mr. BENNETT: What progress has been made in their work?

Mr. RALSTON: The Vimy memorial is practically the only one left. The secretary of the commission has just returned from the old country where he has been endeavouring to straighten out a serious situation with regard to that memorial. He has come back with an excellent report and the work will now be proceeded with and be finished within a measurable period; I cannot predict just when. It seems to be a case where architects and

contractors have been experiencing some difficulty.

Item agreed to.

To provide for Canada's proportionate share of the expenditure made by the Imperial War Graves Commission, including contribution to endowment fund for the permanent maintenance of cemeteries, graves and memorials, $573,780.

Mr. BENNETT: Does this complete our contribution?

Mr. RALSTON: No; there are five contributions and there are three left.

Mr. ADSHEAD: Are these for graves outside Canada?

Mr. RALSTON: Outside and inside.

Item agreed to.

National defence—militia services, $150,000.
Naval services, $5,000.

Mr. BENNETT: What about the claims of certain British officers who came here and remained for a time on the promise of a bonus which has never been paid? I happened to meet one of these officers in command of a steamer crossing the ocean. He had never been paid his bonus. He was lent by the British government to our government, his claim was preferred, and it was denied on the ground that the British government should pay it. They did not pay it and he has received nothing. He just happened to mention the fact to me and I intended to inquire personally of my hon. friend. Now that the vote is before the committee I wonder whether anything can be done?

Mr. RALSTON: I thought I had had presented to me almost every claim that had been submitted to my predecessors and which had not been passed upon. I had not heard of this claim.

Mr. BENNETT: It is in connection with the naval service.

Mr. RALSTON: I shall be glad to make a note of it.

Mr. BENNETT: Would this amount be available for that purpose?

Mr. RALSTON: Yes.

Mr. ROBINSON: We have a great number of returned soldiers to take care of in Detroit and that vicinity. I refer to men who die over there and who would be buried in paupers' graves were it not for the Great War Veterans and other associations at Windsor who give the bodies decent burial. We bought a plot some years ago in the Windsor Grove cemetery, but it is now filled to capacity. It will require $3,000 or $4,000 more for an extension for future burials. I would suggest to the minister that an appropriation be made to take care of this work. So far the money has all to be raised by voluntary contribution. If any further details were necessary I could supply them, but in any case the minister should give the matter his earnest consideration.

Mr. RALSTON: There is some arrangement between the Department of Soldiers' Civil Re-establishment and the American Red Cross. Is my hon. friend referring to the case of ex-Canadian soldiers now living in the United States?

Mr. ROBINSON: And British soldiers living in the United States.

Mr. RALSTON: Will my hon. friend give me a memorandum?

Mr. ROBINSON: I shall be glad to write the minister fully on the subject. I have in mind a major with a splendid war record in the Imperial army, who died of tuberculosis and was to be buried in a potter's grave. He had not a cent. The matter was brought to the attention of the authorities at Windsor and we gave him a proper burial.

Item agreed to.

Militia services—engineer services and works—further amount required for rifle range at North Vancouver, $30,000.

Mr. SPENCER: Is this entirely new?

Mr. RALSTON: This is new, but the property was bought last year. There is a rifle range out there but it has been so built around that the buildings are within the danger area. I can tell the committee that my information is there will be likely no cost to the country in the purchase of a new range, because the land in the old range is worth probably as much as the cost and development of the new.

Mr. CLARK: For years the city of Vancouver has been practically without a range. Will this range be in operation this year?

Mr. RALSTON: I cannot assure my hon. friend.

Mr. CLARK: Will this vote complete the range?

Mr. RALSTON: No.

Mr. CLARK: How much will be required?

Mr. RALSTON: Probably it will run to $100,000.

Mr. CLARK: Why cannot the whole sum be voted at once and the range put into operation? There is a very large district there without proper accommodation. Men go out on the twelve o'clock car on Saturdays and return in the evening at eight o'clock without having shot.

Mr. RALSTON: I understand that; but my hon. friend will give me credit for having taken hold of the matter and endeavoured to do something. For some years there has been difficulty; practice has been carried on there, but not satisfactorily. However, we are trying to remedy the situation.

Item agreed to.

DEPARTMENT OF HEALTH

Department of Health—the administration of the acts respecting food and drugs, honey, maple products, opium and narcotic drugs and proprietary or patent medicines, $130,000.

Mr. BENNETT: I believe the hon. member for Muskoka desires to discuss this item, so perhaps we might let it stand for now.

Mr. KING (Kootenay): Very well.

Item stands.

Marine hospitals, including burial expenses of destitute deceased mariners and grants to institutions assisting sailors, $210,000.

Mr. BENNETT: Could the minister give us any particulars of the institutions which are assisted under this vote? I was asked to ascertain.

Mr. KING (Kootenay): We have departmental marine hospitals at Sydney and Lunenburg; in the other ports we have contracts with the local hospitals, where provision is made for the treatment of sick mariners.

Mr. GARDINER: Does the department have contracts with these institutions?

Mr. KING (Kootenay): Yes. We arrange to pay so much per day per patient; it averages from $2.85 to $3 per day, depending on the locality.

Item agreed to.

Immigration medical inspection, $270,000.

Mr. BENNETT: Would the minister give an explanation of this item?

Mr. KING (Kootenay): This appropriation is required for the immigration medical inspection service.

Mr. BENNETT: Does that include the medical men overseas?

Mr. KING (Kootenay): Yes; that is why the vote has been increased this year.

[Mr. Ralston.]

Mr. BENNETT: How many men have you overseas?

Mr. KING (Kootenay): I think we have twenty-eight officers overseas.

Mr. BENNETT: What salaries do they receive?

Mr. KING (Kootenay): The salaries vary from $3,000 to $3,480.

Mr. BENNETT: Is there any additional grant for expenses?

Mr. KING (Kootenay): Yes, they get $660 living allowance in addition to their salaries; the grade 2 officers get $780 and the grade 3 officers $900 as a living allowance.

Mr. BENNETT: In view of the report of the immigration committee, might it not be well to allow this item to stand? This matter was discussed in that committee, and the report might have some bearing upon this item.

Mr. KING (Kootenay): Very well.

Item stands.

Laboratory of Hygiene, $5,000.

Mr. BENNETT: Should not this be included in the work of the National Research Council? This was one of the matters I had in mind this afternoon when I mentioned the necessity of having these appropriations dealt with by the National Research Council. The following item for $100,000 is in a similar position; apparently there is an organization in this country which does that particular work, and this is a grant to that organization. The point is whether or not we really get any value for moneys spent under these circumstances, especially having regard to what has been done by the research bureaux such as the Rockefeller Institute and the Carnegie Foundation; is a grant of this kind of any value for laboratory work? I fancy no one knows better than the Minister of Health how absolutely valueless is $5,000 in connection with investigations of this kind. We might expend $5,000,000 before satisfactory results are obtained, so I suggest that this item should form a part of the amount voted the National Research Council.

Mr. KING (Kootenay): I might say that this item of $5,000 is to provide for the examination of certain drugs which were dealt with last year in an amendment to the Food and Drugs Act, under which it was proposed that these drugs should be standardized. There was the drug digitalin and some of the mercurial preparations. This is a very small

amount and is more to check the manufacturers who puts these drugs on the market, to see that the product is up to standard.

Mr. BENNETT: That is why I thought the research council should deal with it.

Mr. KING (Kootenay): I rather think it should be done in the department. We have our inspectors enforcing the Food and Drugs Act; they take these samples from the various stores and tests are made in the laboratory.

Mr. BENNETT: Since the research council will not be functioning until next year perhaps the item should pass for this year, but I do think each department should not deal with these matters in this way. The next item is one in which the provinces are vitally interested, and in connection with which they must make some expenditures.

Item agreed to.

Venereal diseases, $100,000.

Mr. BENNETT: Might I ask whether this amount is used by the department itself, or whether it is granted to the provinces? What is the method?

Mr. KING (Kootenay): We grant it to the provinces, and they expend the money on the understanding that they supplement the grant dollar for dollar, on the basis of population.

Mr. BENNETT: Then this money really goes to assist the very difficult and arduous work of the provincial department of health in this regard?

Mr. KING (Kootenay): Yes.

Mr. KAISER: Just at this point I should like permission to make a few general observations. Most of us regret that these items come before parliament in the last hours of the session, when the men who have given a great deal of attention to this kind of work are rather closed out from expressing themselves on these important matters. I hope that in a future session we may have a little time in which to bring before the house and the country a few matters which are of great importance, and which should be taken over by this department.

Somehow or other it is commonly accepted in Canada that the matter of public health is assigned by statute to the provinces. We who have studied this question have submitted that point to legal authorities, some of whom say that we are not working along national lines in connection with the public health of our country. It is held by some that the major matters of public health should be looked after by the parliament of Canada. The only matter specifically mentioned in the British North America Act in regard to public health is that of quarantine, and that matter is assigned to the federal government. Nothing is said of other matters in regard to public health, for the simple reason that in 1867 the health of the nation was really a matter which was not considered at all. We must remember that only in 1882 was an organization known as the provincial board of health started by the province of Ontario. We think to-day that if the British North America Act were to come into existence now, a great many matters which are handled at present by the provinces would be taken over by the Dominion government. The authorities state that matters which are not mentioned as specifically assigned to the provinces should be assigned to the Dominion.

Twenty-five years ago a child born in Canada had a chance to live to be thirty-three years of age, then the average life of man. Owing to the application of health principles throughout the various parts of Canada and the United States, Dr. Mayo was enabled to say in the city of Toronto about a month ago that the average span of life has been increased to fifty-eight years. This marvellous result has come about by the proper application of principles well understood to-day, and these matters are being merged and brought forward as a national effort.

I contend that the Dominion government should divide this country into certain areas. In the maritime provinces there should be about three in each province; in Quebec about ten; in Ontario ten or twelve, and so on from the Atlantic to the Pacific. The Dominion government should pay at least one-half the cost of employing permanent medical officers to supervise certain of the matters in connection with the public health of the country. If the government of Canada were to take hold of certain of the work in regard to public health and spread it over this Dominion of Canada, we would be in step with other countries and could expect to make the average life of man seventy years within fifteen years' time.

The question is so important and permeates into so many quarters that a conference should take place. Some of our leading experts on public health are to-day urging us to bring this question up in parliament, in order that what we hope will take place may be accomplished. Nothing can be done now, but I hope that a resolution will be submitted to parliament within the next few years dealing with this matter of prime importance.

We spend $900,000 on this department, and less than $400,000 is spent on the health of the community. The larger part of it is spent for civil government, and we do not get results throughout the Dominion for the amount that is expended. As I say, I trust at some future session I shall be able to submit a resolution in which the government of Canada will be asked to take hold of many matters that are now assigned to the provinces. They could be spread over the whole Dominion and the result in the next ten or fifteen years would be startling.

Mr. MALONEY: What is the department doing in the matter of the prevention and treatment of venereal diseases?

Mr. KING (Kootenay): The grant of $100,000 is for the treatment of venereal diseases. This amount has been given for some years on a pro rata basis to the provinces. There are some fifty-six clinics organized throughout the Dominion, and all the provinces, with the exception of Prince Edward Island, have taken advantage of this grant. The grant is distributed according to population. Alberta, with a population of 588,000, gets $6,504; British Columbia, with a population of 524,000, gets $5,798; Ontario, with a population of 2,933,000, gets $32,425, and Quebec, with a population of 2,361,000, gets $26,098. These clinics, we are informed, have brought about a very great improvement in the larger centres, particularly Montreal and Toronto. The hospital statistics show that there has been a great improvement in regard to the care and treatment of these cases.

Mr. MALONEY: In what way is the money expended?

Mr. KING (Kootenay): Some $97,000 is expended by grants to the provinces, and $3,000 for administration.

Mr. KAISER: In other words, the department admits no responsibility other than that of passing the vote and handing the grants over to the provinces?

Mr. KING (Kootenay): The department merely supervises it and sees that it is properly handled. My hon. friend is quite right in his remarks regarding the limitations of the Health department under our Dominion regulations. Health matters are no longer confined to localities; they are not even national, but have become international, and the action to-day of medical authorities and those who are interested in this work is to try to internationalize it and bring about uniform conditions. We are doing that through the Dominion Council of Health, composed of the officers of the provincial boards of health who meet in conference with the Dominion health officials twice a year. They have done very good work in bringing about uniformity in our laws in regard to health, but there is the constitutional difficulty in that these matters are delegated to the provinces.

Mr. MALONEY: It would seem that all this is only an excuse. I do not wish to find fault with the minister or his subordinates, because some of them are very exceptional and capable men, but here is a department spending less than a million dollars; a large part is alloted to the payment of salaries, and absolutely nothing is being done so far as the public health is concerned. The minister himself admits that. If you read over the reports of the various provincial boards of health you will find that they are all dealing with public health in a systematic and a scientific way. The Dominion department should either take charge of public health or hand it over to the provinces, who seem to be doing the work and doing it well. I have great sympathy for the Minister of Health; he is a man who, I am sure, is most capable and anxious to administer this department in the interests of the people of Canada, but I find that he is debarred by several other departments in this government. For example, the health of Indians comes under the Department of the Interior, and he has absolutely nothing whatever to do with it. He is not allowed to touch health matters connected with the Department of Agriculture. He has absolutely nothing whatever to say except to O.K. the salaries of those who do the work. For that reason I quite agree with the hon. member for Ontario that there should be a rattling of the dry bones in this department and that after this year something should be done to place it on a proper basis or else to put it of business.

Mr. ROSS (Kingston): Is any part of this amount paid to the Canadian Social Hygiene Council?

Mr. KING (Kootenay): No, they receive a separate grant. Formerly a sum was set aside out of this appropriation, but that is no longer the case.

Item agreed to.

Civil government — Health — salaries and contingencies, $250,727.50.

Miss MACPHAIL: I want to ask the Minister of Public Health if the government con-

template taking any action on the report on maternal mortality, publication No. 37 brought down by the department, whereby the number of deaths among women in Canada will be lessened?

Mr. KING (Kootenay): Our action will be taken through consultation with the various provinces, through supporting the Canadian Council on Child Welfare, and through the committees on health matters, Dominion and provincial.

Miss MACPHAIL: I fear that working with the child welfare organizations will not in any way affect this condition of maternal mortality. It will take a large vote to deal with the matter. Does the government contemplate inserting in the estimates at the next session a special appropriation to cover the very great need which is shown in this report?

Mr. KING (Kootenay): I think the work is largely provincial. It is true the government has subsidized the child welfare league, which carry on an educational program throughout every one of the provinces and are doing considerable work. They are also co-operating with the various provincial governments. We are increasing that grant this year. The matter is pretty much provincial and it is really out of our field.

Miss MACPHAIL: Governmental action might be a provincial matter, but educational work along this line certainly must belong to the Dominion. Many doctors who have written letters in the report point out that the work is not being done by anybody in Canada, so it seems clear that the provinces are not doing this work. I do not see how the child welfare organization would cover this field even though a much larger grant is given.

Mr. KING (Kootenay): We have been issuing publications and pamphlets in an endeavour to interest the people and the provincial authorities in this work. The matter has been discussed at several conferences and I think there has been an awakening in the various provinces in regard to the work. It is a question whether the Dominion should go into the provinces and carry on propaganda, or whether we should stimulate the activities of the provincial authortiies. Under our present constitution this seems to be the work of the provinces or of the municipalities. We can direct and probably give a lead, and that is what we have been endeavouring to do.

Miss MACPHAIL: I noticed recently in a United States paper that they have what is called the Federal Maternity and Infancy Act which appropriates $1,240,000 per annum among the states. Except for a free grant of $5,000 a year each, a state must put up as much as it gets from the federal treasury. The result of the use of this appropriation for educational purposes has been very good. The report went on to say:

> The death rate of rural mothers from causes connected with child birth has dropped by 36 per cent in Utah and 26 per cent in Maryland.

These are two of the states that have taken the matter up. I have read this report with great interest and made a close study of it, and I feel that everybody who has had anything to do with the report feels that this work has not been done in Canada. It seems to me that a special vote will have to be put through earmarked in some way that it is to be spent by the provinces on this work, or else the educational work will have to be carried on by the Dominion. The death rate is so terrific that it is a great national drain. These women are young; the average age in the year in which the investigation was made was only thirty-one years, and there was an astounding number of them, namely (in 1926) 1,532 mothers who left behind them 5,073 motherless children. From a national point of view we cannot just sit still and say that this is the work of the provinces. Somebody must get to work in regard to the matter. I hope by next year the government will be prepared to co-operate with the provinces in what I think is a very vital matter and see that somebody does the work. I do not care whether it is the provinces or the Dominion that do it, but it is something we cannot remain quiet about. It is rather remarkable that previous to this session, this great drain on our national life—the death of mothers—was mentioned in the House of Commons only once. It is not a subject that the Commons have ever interested themselves in and it is a subject that should be of interest to everybody who has the welfare of Canada at heart. I hope the minister will be prepared next session to do something definite and far-reaching in this matter.

Mr. BENNETT: May I direct the attention of the committee to page 76 of the estimates where the details of the civil government vote are shown, so that we may see to what extent the item includes the work of the research council? There is a chief of the laboratory of hygiene, chief of division of venereal disease control, chief pharmacologist, chief Dominion analyst; then further down

we find junior chemist, Dominion research assistant. Then we find pathologist and bacteriologist, laboratory assistants, and so on. I submit, although it may be too late, that this vote should not be used in this way but that the research council should take charge of these particular matters as well. We are spending $190,000 and paying a deputy minister a salary of $8,000 to hand over money to the provinces because the Department of Health cannot do very much as long as it functions in the way indicated, and this work should properly be in the hands of people who are trained for this particular business and who could deal with it properly.

Mr. KING (Kootenay): The hon. member is under a misapprehension. The services that he mentions are not research work. They are to analyze the food contents of various articles that are bought and to keep them within control. This is not research work at all; it is purely departmental. It is true that the work might be done in laboratories that would be controlled by the research council, but that council has not yet been established. To carry on the ordinary work required under the Food and Drugs Act requires the services of chemists and other officers, such as are mentioned in this item.

Mr. BENNETT: One of the officials is a medical research assistant.

Mr. KING (Kootenay): It is a very small item.

Mr. BENNETT: Yes, but it is the whole principle that is involved.

Mr. KING (Kootenay): It is to deal with the amendments that were made to the act last year. We have standardized certain drugs and we have to check up the manufacturers in order to see that they are living up to the standards. This is not research work at all.

Mr. ROSS (Kingston): Is that the work of the medical research assistant?

Mr. KING (Kootenay): Yes.

Mr. ROSS (Kingston): In other words, he is a chemist. If he is a very good man, the minister is lucky to get him at that salary.

Mr. KING (Kootenay): I think so.

Item agreed to.

Grant to the Canadian Social Hygiene Council—further amount required, $10,000.

Mr. BENNETT: This is in accordance with the request made by Doctor Bates?

Mr. KING (Kootenay): Yes.

[Mr. Bennett.]

Mr. BENNETT: He is asking for a much larger sum. I am sure the minister has seen the figures that indicate the ravages of disease in this country which might be described as preventable disease, and this work was one of them to which great attention was directed. It does occur to me that if part of the $190,000 that is used in paying, in my judgment, for unnecessary services at Ottawa, were used for that purpose, we would have very great results, because the minister must realize that what we are doing is handing money over in many instances to the provinces or to voluntary organizations that are carrying on this work throughout Canada. With $190,000 being spent for salaries for the Department of Health, I do submit that we are getting no results commensurate with that expenditure at Ottawa. It is in many respects wasted money, if I might use the word without giving offence, and the proper course is to lessen the cost of the machine here and increase the efficiency of the work done by adding to the grant for this purpose, because the work they are doing is the real work that is being done, and they are doing it at very slight cost so far as overhead is concerned. I know how the provinces are driven for money, and I am satisfied that if a less costly machine were maintained here, and the amount of money was given for the purpose for which I think it should be given, namely, the prevention of diseases that are covered by this item, it would be of very much advantage to Canada as a whole.

Item agreed to.

Grant to the Canadian National Committee for Mental Hygiene—further amount required, $10,000.

Mr. ROSS (Kingston): Will the minister explain what this is required for?

Mr. KING (Kootenay): This committee was organized in 1918 for the purpose of rendering assistance in the solution of the many problems connected with mental abnormality in the Dominion. The grant of $10,000 was first voted for 1919-20 and has been paid each year since, with the exception of $5,000 in 1923-24.

The association is dominion-wide and is backed by substantial people, many of them having pledged their financial support for the next few years. They carry on investigations of the mental conditions amongst school children, prisons and asylums at the request of the authorities and report their findings to municipal and provincial governments with a view to the correction of conditions where

necessary. Surveys of mental treatment have been made in several provinces and in most of these reforms have been made.

Psychiatric or dispensary mental clinics are conducted where examinations are made and much good work has been done in the treating of the incipient cases of mental disturbances.

This committee has also gathered valuable information as to the mental condition of many of the immigrants to this country, and from their same publications are strengthening public opinion in support of the government's efforts to exclude the mental misfits from Canadian citizenship.

The committee is composed of prominent men. Dr. Charles F. Martin, of Montreal, is president of the organization, and the executive officers are scattered throughout the various provinces. Undoubtedly they have done a very good work in stimulating public interest in the character of the work that is being done in the provincial asylums. Years ago the asylum was looked upon merely as a place of refuge where patients were detained and given food and care, but to-day in the various provincial asylums we have these mental cases receiving medical or scientific consideration and treatment, with the result that many cases are being relieved and are being returned to their homes and vocations.

Mr. BENNETT: But the federal authority cannot reach the provincial institutions.

Mr. KING (Kootenay): We cannot do anything more than subsidize an organization like this, which through propaganda and education is doing a very good work in Canada, work that the federal government might not be able to do. The people are sensitive in regard to suggestions in the matter of health and their home affairs, and especially sensitive of government interference, but men like Doctor Bates can through their organization and through the county and municipal councils carry on an effective campaign which is undoubtedly improving the condition in Canada and interesting the people in health matters.

Mr. ROSS (Kingston): I do not think that this organization has very much to do with the situation so far as the provinces are concerned. The provinces are far ahead in this work. They are doing the work, and their asylums are being run to-day in a manner that is far ahead of anything any organization of this kind can suggest. If the minister has reference to the penitentiaries, then I think some work could be done, but I intend to speak on that matter further when we come to the Justice estimates. I think, however, that the minister has exaggerated a good deal as to the work this organization is doing. That it has any effect on the provincial authorities, I dispute, but if its work is in connection with the federal authorities, then I think it can be justified.

The minister also mentioned as a second argument the work which this association is doing in regard to immigrants, but having increased the grant now so that all those mental cases wishing to come are stopped from coming, there will be no further need for the grant. I would like to know what other reason the minister can give in justification for this grant. I am not going to say that I am against it, but I want to know why this grant is being made. None of the reasons given satisfy me.

Mr. MALONEY: The Dominion has nothing whatever to do with asylums; they are entirely under the control of the provinces. Judging from the reports of the various provincial boards of health, the work is being done admirably. The minister has given us no reason to believe that we should take this work out of the hands of the provincial authorities. Therefore unless we get some more satisfactory explanation from him I feel that we should strike out this item.

Mr. KING (Kootenay): This vote is very small. Since 1918 we have been voting annually ten thousand dollars to stimulate public interest in mental hygiene. My hon. friend says the Ontario government run their asylums. That is true. But mental hygiene means education in the homes, in the schools, and in the universities to deal with cases before they become of such a character as to require treatment in asylums. Undoubtedly a great work is being done by organizations such as this not only in Canada but throughout the United States and other parts of the world. The Rockefeller Foundation is active in promoting mental hygiene in the United States. Many of the trained psychiatrists in the institutions in Ontario and the western provinces have been associated with this organization, and from it have proceeded to take other courses. This is a small grant and is solely for the purpose of stimulating the organization which is trying to improve the condition of those who happen to be somewhat mentally deficient and require considerate treatment and care.

Mr. MALONEY: This is really the first intimation we have had that the federal gov-

ernment has attempted to do anything to improve the mental condition of anybody in this country. We have always thought the work was in the hands of the provincial authorities. It is all right to talk of Charlie Martin being at the head of the work in Montreal, but that does not justify the grant.

Mr. ROSS (Kingston): The minister's last explanation has not helped the vote very much. I object to this additional ten thousand dollars in the absence of any satisfactory reason for the increase. The work is well taken care of by the provinces, and I never heard of any person taking up such work in connection with the universities. What universities are engaged in this work?

Mr. KING (Kootenay): Representations have been made to us that this organization expects to procure from the public subscriptions of over three-quarters of a million dollars, to be expended in the next four or five years. I know the university of Montreal will give a course in mental hygiene, and British Columbia through its university proposes to do so too. I have not been informed regarding Ontario, but I know that the people active in this work come largely from this province. It would be entirely out of place for the Dominion government to undertake this work, but we have felt from the representations made to us that this grant should be made. Since 1919 parliament apparently has been sufficiently impressed to make a grant of $10,000 each year. We have increased it this year because we are advised that the organization intends to extend its work. No one who has followed such work can say that it is not important and should not be supported, especially when we find that those who have given thought to it are to-day contributing larger sums from their own means to encourage a continuance of the work.

Item agreed to.

The administration of the acts respecting food and drugs, honey, maple products, opium and narcotic drugs and proprietary or patent medicines, $130,000.

Mr. BENNETT: The hon. member for Muskoka (Mr. McGibbon) is here now, if the minister will go back to item 61 at page 22 of the estimates.

Mr. McGIBBON: Will the minister state in connection with the Narcotic Drugs Act how many convictions have been secured during the past year, what have been the occupations of those convicted, and the penalties inflicted?

[Mr. Maloney.]

Mr. KING (Kootenay): The total convictions ending September 30, 1927, covered 459 male and 31 female offenders. Of these 327 were given the option of a fine and 159 were committed to jail. The nationalities were: British and American, 102, Chinese, 351; French, 24; Italian, 4; Polish, 2; Russian, 1; Jewish, 3; Hindu, 3; negro, 1. I have not the occupations.

Mr. McGIBBON: I insist, Mr. Chairman, that the minister give the occupations: I want him to subdivide the figures and tell us what the commitments were for.

Mr. KING (Kootenay): Most of those people who have been convicted are engaged in the traffic of drugs or are addicts. I except those engaged in the practice of medicine and pharmacy. The report would indicate that the larger percentage of those convicted were of the Asiatic race. It is well known to the committee that the use of opium and narcotics has come largely from China and many of that race do indulge in opium. And as a class they have been engaged in the traffic. As for the occupation of the others I have not the information and I am not sure that our files would indicate it.

Mr. McGIBBON: That is what I would expect from an incompetent department such as the minister's. His department has been absolutely incompetent and absolutely sterile —absolutely incompetent to deal with the issue. I charge this government with allowing the agents of narcotic drugs to debauch the people of the country, doing it with the knowledge of the department. And they have been absolutely sterile, incompetent, and helpless as children to protect the country. I insist that we get this information before these items pass.

Mr. KING (Kootenay): I take entire exception to my hon. friend's statement. He has the habit of getting up and making statements without much behind them—

Mr. McGIBBON: I have absolute proof.

Mr. KING (Kootenay): If he has information that would indicate that the officials have not been acting as they should act in the administration of the law, he should give that information. The fact that the officers have not the names or the occupations of the individuals arrested has not much to do with the administration. If my hon. friend would like to discuss any phase of the act or of the operations I should be glad to have a discussion with him. These cases, as he

knows, are brought to the attention of the department from various sources; and when information comes to the department through our own officers, through the provincial officers, or from other sources, that information is acted upon and investigated to the limit. I can say this: Within the last two or three years there has been a marked improvement in the condition that formerly existed in Canada. We are told to-day that in the city of Montreal there is very little street traffic in the sale of narcotics. We know that, due to seizures made last year and convictions secured a year ago, there is to-day very little of import or export traffic in Montreal, which heretofore was one of the largest drug centres. It is all right for my hon. friend to take exception; but if he will inquire into and familiarize himself with the work of the department and ascertain what has been accomplished, he will have a different story to tell. I do not know what he is referring to when he says that they are incompetent. I know I have confidence in the officers. They have worked seriously and assiduously to bring about proper results in regard to this traffic. We have had large seizures made on the western coast, and convictions obtained of men engaged in the business for many years. We have secured the conviction and imprisonment of a great many. The same is true in the city of Montreal and in Toronto. In the city of Montreal there were convictions of five years, four years and two years; I am not giving the names. In Winnipeg convictions carrying terms of three years in three cases. In Vancouver in sixteen or seventeen cases there were periods ranging from two to seven years In all there were twenty-one imprisonments in the penitentiaries.

Mr. McGIBBON: You cannot get away with that for a minute. I have statistics from the Bureau of Statistics and the minister's department has been absolutely incompetent to deal with the question. To-day narcotic drug fiends are travelling the country and selling morphine and cocaine at exorbitant price to drug addicts of the country at $25 to $50 a tube, debauching the lives of the people, and his department has never been able to cope with it. I demand of him now to tell me how many of these fiends have been convicted under his department in the last year. I charge further that the department's officers have been taking out through the country drug addicts and feeding them on morphine and administering it to them, and going through the country and entrapping doctors illegally. I have evidence. The minister need not shake his head. I have in under my hand, and when he shakes his head he is telling what is not true.

Mr. KING (Kootenay): I take entire exception to my hon. friend. If he has evidence such as he speaks of he should produce it.

Mr. McGIBBON: I have evidence.

Mr. KING (Kootenay): Then produce it.

Mr. McGIBBON: I have evidence.

Mr. KING (Kootenay): I do not propose to stand for that kind of thing for a moment. I expect my hon. friend to withdraw that statement.

Mr. McGIBBON: I won't withdraw it.

The CHAIRMAN: I think the hon. member really should withdraw the statement that the minister, either by word or by action, was telling an untruth. That surely is not parliamentary.

Mr. KING (Kootenay): My hon. friend states—

Some hon. MEMBERS: Withdraw.

The CHAIRMAN: The hon. member should withdraw the statement.

Mr. McGIBBON: I am prepared to prove every statement I make on the floor of the house; I have evidence taken in the courts—

The CHAIRMAN: There is a well known rule which states that the word of any hon. member must be taken with respect to remarks made in a personal way. Certainly the remark of the hon. member was one that comes within that rule.

Mr. McGIBBON: Quote my remark.

The CHAIRMAN: The hon. gentleman said that the minister in shaking his head made a statement which is untrue.

Mr. McGIBBON: He denied a statement I made and my word is as good as the minister's.

Some hon. MEMBERS: Withdraw.

Mr. KING (Kootenay): My hon. friend, after he considers it, will withdraw. His statement is absolutely absurd. If he has evidence such as he says he should produce it, and it should have been produced before this. He wanders along. I said that the traffic had been very materially suppressed during the last two or three years. He says

that to buy the drug in Canada costs a great deal of money—$75 an ounce.

Mr. McGIBBON: $25 to $50 a tube.

Mr. MANION: What proof has the minister to-day that the traffic is more or less wiped out?

Mr. KING (Kootenay): The report of the police officers in Montreal is that the traffic is very much less than it was some years ago.

Mr. MANION: Why limit it to Montreal? I ask merely for information.

Mr. KING (Kootenay): For one reason, Montreal has been the great centre of the drug traffic in Canada.

Mr. McGIBBON: It is only one centre.

Mr. KING (Kootenay): Just a moment; I have the floor. A year ago we were fortunate in making a very large seizure and obtaining the arrest of some very important people engaged in the traffic. To-day they are serving sentences in the penitentiary.

Mr. MANION: Laying aside Montreal for the moment, has the minister any information with regard to the rest of the country? Is the rest of the country improving as he claims Montreal is?

Mr. KING (Kootenay): Our reports say so.

Mr. BENNETT: There were 103 cases of seizures in Vancouver last week.

Mr. KING (Kootenay): Yes; Vancouver and Montreal really have been the ports of entry. We are also informed that conditions at Windsor have improved, and generally speaking the condition throughout the country has improved. We still have the addict with us, and it is a very serious problem as to what should be done with him. Undoubtedly some provision will have to be made for these people; they will have to be taken care of, but we have reason to believe there has been a decided improvement in Canada.

Some hon. MEMBERS: Eleven o'clock.

The CHAIRMAN: Before the committee rises I think the hon. member for Muskoka should withdraw the statement he made.

Mr. BENNETT: I suggest that the hon. member be given the opportunity to see what is reported in Hansard, and I am sure if there has been a violation of the rules he will withdraw.

Mr. McGIBBON: I am prepared to prove every statement I made, and I will not take back anything I can prove.

[Mr. J. H. King.]

Mr. KING (Kootenay): My hon. friend cannot make the statement about me that I am telling untruths.

Mr. McGIBBON: I did not say that.

Mr. MACKENZIE KING: We have the assurance of the leader of the opposition that, after the hon. member has had an opportunity of looking at Hansard, if anything unparliamentary has been said he will be prepared to withdraw it. I think that is satisfactory.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, June 6, 1928

The house met at eleven o'clock.

SUPPLEMENTARY ESTIMATES FOR 1928-9

A message from His Excellency the Governor General, transmitting supplementary estimates for the year ending March 31, 1929, was presented by Hon. J. A. Robb (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

REPORT OF COMMITTEE

Second report of the joint committee on printing of parliament—Mr. Denis (Joliette, for Mr. Marcil).

GRADING AND INSPECTION OF WHEAT

REPORT OF COMMITTEE ON AGRICULTURE AND COLONIZATION

Hon. J. E SINCLAIR (Queens, for Mr. Kay) presented the ninth report of the select standing committee on agriculture and colonization, as follows:

The select standing committee on agriculture and colonization begs leave to submit its ninth report as follows:

Your committee have had under consideration a resolution and order of reference dated February 16, 1928, whereby it was resolved:

That whereas the protein content is an important factor in the value of wheat,

"Therefore be it resolved that in the opinion of this house, the National Council of Industrial and Scientific Research in conjunction with the Board of Grain Commissioners be asked to investigate and report on the feasibility of utilizing the protein content of wheat as a basic factor in the grading of that product.

And further be it resolved that this resolution be referred to the committee on agriculture and colonization for consideration and for such suggestions in connection with the grading and inspection of wheat as it deems advisable to pass on to the said national council and Board of Grain Commissioners."

Pursuant to the said resolution and order of reference, your committee has agreed to the following conclusions, which it has passed on to the said national council and the Board of Grain Commissioners, viz:

1. From a price standpoint baking strength is an important element in wheat, and in the Canada Grain Act definitions of our higher grades, baking strength is determined by two factors—variety and percentage of hard red vitreous kernels.

2. In the resolution submitted to your committee it is proposed to amend the Grain Act so as to determine baking strength by the two factors—variety and quantity of protein—the latter to be determined by a chemical test and to be expressed in percentages.

3. In Canada, Great Britain, the United States and probably most other countries that consume Canadian wheat, baking strength is an important factor in determining its value; by strength is meant the quantity and quality of protein.

4. Except in the case of durum wheat, which at present is graded in a class by itself, and possibly one or two other varieties that are grown in relatively small quantities, the protein in the contract grades can be assumed to be of good quality.

5. All things considered, the amount of gluten, that is, of protein, seems, in the light of present day knowledge to be the nearest approach to an ideal index of baking strength available.

6. The cost of making the protein tests would range from 50 cents to 75 cents, and is not considered a serious difficulty notwithstanding the fact that laboratories would necessarily have to be installed at all inspection points. We would suggest that data be obtained as to cost of installing and maintaining laboratories.

7. The time required to make an individual test would be from one and a half hours to two hours. However, as daylight is not required for laboratory testing, and as a large number of tests may be conducted simultaneously, under sufficient organization operating 24 hours a day, no difficulty would be encountered in testing of cars and no delay in despatching cars to terminal points may be anticipated.

8. The definite proposal contained in the resolution could be put into effect in so far as car-lot shipments are concerned, but your committee is not yet satisfied that wheat sold locally in wagon-loads could take advantage of this scheme. A practice in vogue among members of the Kansas wheat pool whereby the farmer and elevator man forwarded samples jointly to the laboratories would seem to point the way to a solution of the difficulty concerning street wheat and this system should be investigated.

9. The introduction of protein as a factor in wheat grading would be an incentive to grow the best milling varieties of wheat. This we consider of great importance.

10. According to Mr. L. H. Newman, Dominion cerealist, Ottawa, and in the opinion of this committee, the following varieties are classed as desirable:—Early Red Fife, Marquis, Ruby, Red Bobs, Selections, Renfrew, Kitchener, Garnet and Reward.

11. It is highly desirable that the cereal division of the federal Department of Agriculture, and the several provincial governments working jointly, continue in their efforts to zone Canada's wheat area with a view to advising as to the variety, or varieties, most likely to prove satisfactory in each case.

12. So far however, as our export trade is concerned, there was not sufficient evidence submitted to the committee relative to the effect of the proposed change in the basis of grading to warrant your committee recommending its adoption at present. However, your committee recommends that a full enquiry into this phase of the question be instituted.

13. Re: Garnet wheat—In so far as evidence would show we are of the opinion this wheat which has hitherto been excluded from No. 1 northern should be eligible for that grade.

14. Re: Complaints of Liverpool Corn Trade Association.

Your committee believe that the complaint in the matter of No. 3 can be in some measure sustained, due principally to the inclusion in this grade of a large volume of improperly dried wheat.

Respecting the complaints regarding the general lowering of the standard of respective grades other than No. 3, we find that the evidence does not bear out this complaint.

Regarding the situation with respect to No. 3, we find that the Board of Grain Commissioners and the department are now fully alive to this situation. We recommend that steps be taken to prevent a continuation of this condition.

We recommend that the Department of Trade and Commerce and the Board of Grain Commissioners keep a careful check upon the quality of export wheat, and that samples of export shipments should regularly be secured and sent to the chief inspector and retained in his office for purpose of comparison; and also that the laboratory be required to make baking tests and report on samples of shipments regarding which complaint has been made.

15. The committee recommends: (a) temporary interchange of inspectors between the several inspection points in the western division.

(b) Uniformity of standards of grades from year to year is most necessary and for the purpose of comparison standard samples should be preserved for at least five years.

16. In order that the high quality of our export wheat be maintained, and in order to discourage, as far as possible, the growth of undesirable varieties of wheat, we would urge that one or more seed warehouses be established for the purpose of collecting and distributing seed of approved varieties, and that an experimental flour mill of sufficient size be established in order that experimental work in milling and baking may be conducted on a scale that will give results in line with those obtained in commercial mills.

The committee would suggest that the cost of construction and equipping these facilities may well be taken from surpluses of revenue over expenditures in the administration of the Grain Act and the revenue from terminal elevators overages in the western inspection division.

17. The committee recommends that the protein map prepared by Dr. Birchard, exhibited to the committee, be printed for distribution and that a similar map be prepared by the research laboratory for distribution as early as possible in each year.

18. This committee recommends that inspectors be appointed at all transfer points between the head of the lakes and the seaboard, whose duty it will be to prevent any mixing of wheat so that the quality and condition of grades as fixed by final inspection will be maintained.

19. Your committee recommends that the said National Research Council and the Board of Grain Commissioners report, as by the said resolution instructed, to the Minister of Trade and Commerce, and that the said report be made before the next session of parliament.

A copy of the printed evidence taken by the committee, in respect to the foregoing subject, is appended hereto for the information of the house.

All of which is respectfully submitted.

W. F. Kay,
Chairman.

FOREIGN CONSULS IN CANADA

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to lay on the table certain correspondence with respect to the granting and withdrawal of exequaturs to consuls in Canada. This information was requested by the hon. member for Labelle (Mr. Bourassa).

INDUSTRIAL AND INTERNATIONAL RELATIONS

CONCURRENCE IN REPORT OF COMMITTEE

Mr. C. R. McINTOSH (North Battleford): I beg to move, seconded by Mr. Neill:

That the fourth report of the select standing committee on industrial and international relations be concurred in.

Hon. H. H. STEVENS: There is just one word that I should like to say in regard to this report and to draw it to the attention of the Prime Minister and the government. I am not objecting to the main sentiment expressed in the report. I think the real intention of the report is simply to indicate that there is a problem and that it should be further studied. I gather from reading the whole report that was really what the committee had in mind, but in section 2 there is a very positive declaration:

That we accept and endorse the principle of unemployment insurance.

The point I am drawing to the attention of the Prime Minister is this. It is quite true that in the subsequent paragraph that declaration is qualified by pointing out that the matter is within provincial jurisdiction and there are one or two other qualifications. For instance, the committee indicate that there is an insufficiency of data to determine to what degree unemployment exists and the committee are also unable to make any estimate of the cost. Such qualifications follow the declaration, but in my opinion a declaration of this kind going out from parliament with its unanimous endorsation will convey to the public at large the impression that parliament has endorsed and consequently will be bound to implement by legislation a definite unemployment insurance scheme. That I think would be misleading. It ought to be made clear that such a declaration by parliament at this time is limited by the obvious limitations indicated in the subsequent paragraphs.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I agree with my hon. friend that if it were to be assumed that the report carries with it an obligation on the part of the government to implement by legislation any of its resolutions or expressions of view, it would not be advisable that the report should be endorsed by the house. The government regard the statement with respect to principle as purely and simply an expression of opinion and, having regard to other phases of the report not as one imposing any obligation on the federal administration.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I think anyone who has read the report will recognize that whilst certain limitations are expressed with regard to the immediate adoption of the principle, whilst according to the law officers of the crown the obligations primarily rest with the provinces and whilst we have not yet sufficient information to enable us to work out a scheme, there is also in the report the opinion of the law officers that it is quite possible for us in regard to unemployment insurance to follow the lines already adopted in regard to old age pensions. Therefore it seems to me that we are not going very far in adopting this report, when, after all, we are committed under the treaty of the League of Nations to put into legislation unemployment insurance. I think that principle of unemployment insurance was adopted by the Conservative party at their last convention at Winnipeg and I hope the hon. member for Vancouver Centre (Mr. Stevens) is not going back on the platform of his party. Then, may I suggest to the Prime Minister that if endorsing the report does not mean that we are going to implement it by legislation, we may as well kill the report to-day. We do not want to go on giving the public the impression that we are going to do something—forever expressing pious resolutions and then failing to implement them. Although I am tremendously in favour of getting something on the record with regard to unemployment insurance, if this report means simply another pious hope on the part of the government that something will at some time be done, let us to-day kill the resolution for concurrence and then the public will know where the government stands.

Hon. ERNEST LAPOINTE (Minister of Justice): Reading the report of the committee I find the following:

That the evidence of the Justice department makes it clear that the responsibility for such legislation rests on the provincial authorities, it being within their jurisdiction under the provisions of the British North America Act, but that it would be within the power of parliament to contribute, by grant, to such provinces as adopted such legislation, following the precedent set in the matter of technical education, highway construction, and, more recently, the Old Age Pension Act.

Then I find that section 7 states:

In order that this matter might be further dealt with, your committee recommends to parliament that at the next session this question be again referred to the committee on industrial and international relations.

I have no objection at all to adopting this recommendation. It is made clear that the matter is a provincial one. Of course the hon. member for Winnipeg North Centre is a little aggressive in these matters. He would like us to enact legislation which would not be within our jurisdiction.

Mr. WOODSWORTH: If the hon. member will permit me, it is also made clear by the report that it is quite competent for parliament to proceed along the lines followed in connection with old age pensions.

Mr. LAPOINTE: To help; to make grants. That is why the committee has reported that the matter should be further dealt with at the next session of parliament.

Mr. WOODSWORTH: Quite so.

Mr. LAPOINTE: I do not see why we should have such an outburst on the part of the hon. gentleman.

Mr. WOODSWORTH: The point is simply this. If I understood the Prime Minister aright, he was going to interpret the report that there was no obligation whatever to implement it by legislation, and I take the ground that if the report means anything, it means that we should study the problem further with a definite view of enacting legislation. If the government is not prepared to take it in that way, the government ought to make that very clear now so that the country at large can understand the situation.

Mr. MACKENZIE KING: I think I made my position clear to my hon. friend. If he assumes that in passing the report at this time the government is obligating itself to ask the house to vote money for unemployment insurance—

Mr. WOODSWORTH: No.

Mr. MACKENZIE KING: —he should understand clearly that the government would not support the report.

Mr. WOODSWORTH: No, I did not suggest that.

Mr. MACKENZIE KING: That is the point I wish to make clear.

Mr. A. W. NEILL (Comox-Alberni): I think it was thoroughly understood by the committee and, I hope, by the house, that this is merely an interim report and an interim report does not carry with it any insistent demand for legislation or action forthwith by the government except to carry out the recommendations contained in the seventh paragraph that investigations be continued next year and to obtain data asked for in paragraphs five and six. I do not think it will hurt the house or the country to accept and endorse the principle. I would point out that this is no new thing. As far back as 1919, the Union government, I suppose, brought together a national industrial conference of Dominion and provincial governments with representative employers and labour men, on the subjects of industrial relations and labour laws, and for the consideration of the labour features of the treaty of Peace. That conference sat for quite a while and went very thoroughly into all phases of the question. I find that they report on some sixteen items, and the third item reads as follows:

We recommend immediate inquiry by expert boards into the following subjects, with a view to early legislation:
(a) State insurance against unemployment, sickness, invalidity and old age.

That recommendation was adopted. If that was the opinion of this conference in 1919, that an immediate inquiry should be made with a view to early legislation, I do not think we are very much ahead of the times when we ask, nearly ten years later, that we endorse the principle of unemployment insurance.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicatd by an asterisk.)

CIVIL SERVICE—PROFESSIONAL AND TECHNICAL OFFICIALS

Mr. COOTE:

Has the government received a report from the civil service commission in regard to increased compensation for those engaged in professional and scientific work in the government service?

Mr. RINFRET: May 21st a report was forwarded by the Civil Service Commission to council, with reference to salary revision for the professional and scientific services.

DOMINION ELECTIONS—COST IN ALBERTA

Mr. SPENCER:

What was the cost to the government in each of the federal constituencies of Alberta in the Dominion elections of 1925 and 1926, respectively?

Mr. RINFRET:

Electoral District	1925	1926
Acadia	$ 11,926 97	$ 11,099 36
Athabaska	18,425 80	12,801 30
Battle River	9,938 56	9,314 15
Bow River	8,463 01	7,196 91
Calgary East	8,479 46	8,389 97
Calgary West	9,107 06	8,160 19
Camrose	9,260 41	9,072 45
Edmonton East	8,364 35	7,907 84
Edmonton West	10,001 97	9,584 99
Lethbridge	8,166 62	6,977 29
Macleod	9,953 82	8,861 54
Medicine Hat	8,502 77	8,023 37
Peace River	20,998 21	17,625 73
Red Deer	8,339 97	7,951 07
Vegreville	5,863 31	5,319 99
Wetaskiwin	10,378 88	10,492 23
	$ 166,171 17	$ 148,778 38

THE KING'S PRINTER

Mr. QUINN:

1. On what date did F. A. Acland enter the printing bureau and take up the duties of King's Printer?

2. What age is F. A. Acland?

3. What are the qualifications of the King's Printer?

4. Where, at what place, and during what period of time did F. A. Acland acquire a practical or technical knowledge of the commercial and job printing trade, either as a pressman, bookbinder, hand or machine compositor, lithographer, engraver or any of the technical qualifications necessary to efficiently direct and manage a large printing plant, such as the printing bureau and as required by the act creating the department?

5. How many years and during what period was F. A. Acland employed in the Labour department?

6. What were the reasons given for his transfer from the Labour department to the printing bureau?

Mr. RINFRET:

1. Mr. F. A. Acland was appointed King's Printer by order in council P.C. 2038, June 15, 1921, being at that time Deputy Minister of Labour, and the appointment of King's Printer carrying no compensation; in 1923 Mr. Acland ceased to function as Deputy Minister of Labour and, under P.C. 1727, August 27, 1923, performed only the duties of King's Printer, receiving a salary at the same rate as that paid him as Deputy Minister of Labour. On September 1, 1923, he removed his official headquarters to the printing bureau.

2. Date of birth, August 9, 1861.

3. Chap. 162, Sec. 7, R.S.C. 1927, reads as follows: "No person shall be appointed King's Printer unless he has been actively engaged for at least ten years in the business of printing or publishing, or in the superintendence of the printing and cognate services of the parliament or government of Canada."

4. Mr. Acland was appointed by the government and has the necessary qualifications.

5. March 1, 1907, to August 31, 1923.

6. P.C. 1727, August 27, 1923, contains the following statements: "The Minister submits that experience has shown that the person charged with the duties attaching to the office of King's Printer cannot, with due regard to the public interest, give any portion of his official time to the administrative duties of another department.

JERSEY COVE, N.S., WHARF

Mr. JOHNSTONE (Cape Breton North Victoria):

1. What are the names of persons who worked on the Jersey Cove wharf, Victoria county, during the year ending March 31, 1926, and amount paid to each?

2. What are the names of persons who supplied material for said wharf, and amount paid each, in 1926?

Mr. ELLIOTT:

1:

Daniel Montgomery, foreman	$ 82 00
Norman MacRitchie	40 25
Malcolm MacDonald	23 38
Kenneth MacInnis	12 38
Peter MacInnis	23 75
Kenneth Buchanan	32 50
Murdoch MacDonald	25 00
Harry Montgomery	38 75
Daniel Smith	21 25
Daniel Buchanan	7 50
John MacDonald	15 00
Alexander Nicholson	33 25
Murdoch MacRitchie	2 50
Charlie Fader	7 50

2.

Thomson & Sutherland	$ 25 00
Musgrave & Sons	155 82
Frank A. Bill & Sons	41 50
Murdoch MacDonald	260 40
Peter J. MacInnis	71 00
John A. MacAskill	318 86
Daniel Smith	88 56
Alexander Nicholson	126 32
Angus MacDonald	233 80
Malcolm MacDonald	76 50
Oxford Paper Co	3 58
Archie Buchanan	464 02

MR. P. A. FORSYTH

Mr. EDWARDS (Frontenac-Addington):

1. Was P. A. Forsyth, postmaster at Whitney, New Brunswick, dismissed last September?
2. If so, what were the charge or charges against him and by whom laid?
3. Was P. A. Forsyth given an opportunity to defend himself against these charges?
4. Did the department receive a petition signed by some 70 persons asking that Mr. Forsyth be retained as postmaster?
5. How long had he occupied the position of postmaster?

Mr. VENIOT:

1. Yes.
2. Political partisanship. By the member for the constituency.
3. No.
4. Petition received.
5. Since 1st March, 1909.

ROYAL MINT, OTTAWA

Mr. MALONEY:

1. Under whose direction is the Royal Mint at Ottawa?
2. Why are some employees at the Royal Mint at Ottawa given superannuation on retirement while others are given only a gratuity?

Mr. ROBB:

1. The Ottawa Mint is constituted as a branch of the Royal Mint by the Ottawa Mint Proclamation, 1907, and as such its administration is under the immediate control of the master of the mint and the lords commissioners of His Majesty's treasury.

2. Appointments to the staff are made by the treasury under section 15 of the Coinage Act, 1870, which also authorizes the assignment of duties and the award of salaries. Certain posts are established, the holders of which come under the provisions of the Imperial Superannuation Acts, while other posts are unestablished, the holders not being entitled to pension but receiving under certain conditions a gratuity on retirement.

MR. F. G. BRONSKILL

Mr. MALONEY:

1. What is the present salary of Mr. F. G. Bronskill, accountant, Department of Public Printing and Stationery?
2. Has the King's Printer placed an increase in salary or change from Grade 5 to Grade 6 Accountant, in the main estimates for Mr. Bronskill?
3. What are the qualifications of the accountant, and where and when did Mr. Bronskill receive "five years" experience in the measuring and auditing of printing and binding work?
4. Has Mr. Bronskill ever had any experience or competent knowledge of accounting or bookkeeping outside of what he has picked up in the Printing Bureau?
5. If so, in what establishment did he serve his probationary period?
6. Have any one of the other 31 officials whose salaries are provided for in the main estimates been recommended for a change in grade or increase in salary by the King's Printer?
7. Are they not considered efficient or worthy of promotion?

Mr. RINFRET:

1. $4,240.

2. (a) No. Mr. Bronskill's salary at present is the maximum of grade 5, which is also the minimum of grade 6; no increase of salary is included in the estimates. (b) Yes. A change from grade 5 to grade 6, departmental accountant.

3. (a) The qualifications of the accountant as provided by chap. 162, sec. 12, R.S.C., 1927, are as follows: "No person shall be appointed accountant unless he has a competent knowledge of book-keeping and accounts, and has had at least five years' experience in the measuring and auditing of printing and binding work, either in a printing or publishing establishment, or in the service of the parliament or government of Canada." (b) In the department and during his service therein.

4. Answered by reply to No. 5.

5. Mr. Bronskill has had 36 years' experience in the department and is competent to perform the duties of his present position. Mr. Bronskill was appointed assistant accountant by order in council, P.C. 38/2480, September 12, 1912, and was promoted to his present position by the Civil Service Commission October 1, 1922.

6. Others have been and will be so recommended as conditions have permitted or will permit.

7. Answered by reply to No. 6.

MR. JOHN D. LOGAN

Mr. HUBBS:

1. When was Mr. John D. Logan appointed to the archives staff?

2. What date did he leave to go to the United States?
3. What date was his resignation received?
4. Was he paid his salary and expenses during his absence in the United States?
5. If so, what sum did he receive?

Mr. RINFRET:

1. 16th February, 1925.
2. 10th September, 1926.
3. 17th December, 1927.
4. He was paid his salary during his absence in the United States on various occasions, amounting in all to about twelve months.
5. His salary was $2,400 per year and statutory increase in 1927.

UNOPPOSED MOTIONS FOR PAPERS

SEVEN SISTERS FALLS

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, orders in council, between the government of Canada or any member thereof, or officials and any other person or persons in reference to the development of water-power on the Seven Sisters site and Slave falls, including all correspondence with the government of Manitoba, the city of Winnipeg and all other private companies seeking to control power sites on the Winnipeg river in Manitoba.

MANITOBA PAPER COMPANY

Mr. BISSETT:

For a copy of all papers, letters, correspondence and other documents, exchanged between the government of the province of Manitoba and the hon. the Minister of the Interior, relative to the sale or proposed sale of pulpwood in the province of Manitoba to the Manitoba Paper Company.

CANADIAN NATIONAL RAILWAYS—CARTAGE

Mr. HEAPS:

For a copy of any agreements or contracts entered into between the Canadian National Railways and the National Cartage Company of the city of Winnipeg.

DOMINION GOVERNMENT RENTALS—CALGARY

Mr. ADSHEAD:

For a return showing:—
1. The buildings or parts of buildings rented by the Dominion government in the city of Calgary, Alberta.
2. For what purpose rented.
3. The annual rental of each such building.
4. From whom rented.
5. The date of termination of each lease.

SALARIES OF TECHNICAL AND PROFESSIONAL CIVIL SERVANTS

Mr. TOLMIE:

For a copy of recommendations re salaries of technical and professional men and women in the civil service which were handed the treasury board on May 23rd by the Civil Service Commission, and referred to by the Finance minister in the house on the 30th of May, 1928.

[Mr. Hubbs.]

INTERNATIONAL PEACE

MULTILATERAL TREATY PROPOSED BY THE UNITED STATES

On the orders of the day:

Mr. E. J. GARLAND (Bow River): I desire to direct the attention of the Prime Minister to the fact that on the 18th of May, speaking in this house in answer to a question, he stated to the hon. member for St. Lawrence-St. George (Mr. Cahan) that it was erroneous to assume that the British government could not sign the treaty of peace known as the Kellogg treaty without the concurrence of the Dominion. But on the 19th of May, Sir Austen Chamberlain, in a letter to Mr. Kellogg, stated that the treaty because of its very nature could not be participated in otherwise than jointly and simultaneously with the dominions and India—a seeming contradiction to the Prime Minister's statement. That in itself was serious, but on the following day, May 20th, Sir Austen Chamberlain in a further letter to Mr. Kellogg, intimated that because England had certain interests in unspecified territories throughout the world, she would sign the treaty only on the distinct understanding that it did not prejudice her freedom of action in respect to those territories and her interest therein.

I now desire to ask the Prime Minister, because of the obvious commitments and moral obligations implied in the reservations made by Sir Austen Chamberlain, whether he would be willing to agree that this house shall have an opportunity of discussing the treaty before its ratification, and secondly, would he care to give the house a statement as to his acceptance or otherwise of the Chamberlain reservations.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reply to my hon. friend, I would say first with respect to any alleged conflict of opinion between Sir Austen Chamberlain and myself, that I do not think there is any, I was speaking with respect to the policy of the Canadian government as to the signing of the treaty, and I indicated that, having regard to conditions of which we would wish to take account on the invitation being extended to us we would be quite prepared to sign. Sir Austen Chamberlain was speaking with respect to the position of the British government, and announcing its policy. The British government is free to pursue whatever course it wishes with respect to signing the treaty. It may have reservations which it will wish to make, and which it has a perfect right to make. As I say, Sir Austen Chamberlain has given the point of view of the British government, stating its

policy with respect to the invitation extended to it. I have given our point of view with respect to the invitation as extended to Canada.

As to the treaty being submitted to parliament for approval, if my hon. friend has looked over the correspondence, as I am sure he has, he will have noticed that in the reply sent to the United States, our government intimated that the treaty would be submitted to parliament for approval before ratification was recommended.

With respect to the last question of my hon. friend, as to whether this government would express any dissent or approval of the reservations suggested by Sir Austen Chamberlain, I consider that is a matter with which the British government itself should deal. I do not think we are called upon at this time to give any further expression of our views.

CIVIL SERVICE

RECLASSIFICATION OF POSTAL SERVICE EMPLOYEES

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, may I ask the Postmaster General what action has been taken in regard to the salaries of railway mail clerks and also refer him to the promise he made some time ago in relation thereto?

Hon. P. J. VENIOT (Postmaster General): Already within the last two weeks, Mr. Speaker, I have answered that question twice. But I was further asked if the commission had given any reasons why they did not carry out the recommendations of the Postmaster General as to the increase of salaries of postal helpers, postal clerks, mail carriers and railway mail clerks, to which I answered that I had received no reasons from the commission. Since that time, however, the commission has seen fit to give reasons through the Secretary of State, and with the permission of the house I will read the reasons, which will clear up the whole situation. The letter received by me previous to this was dated May 22, which I read to the house at the time. This is dated May 23 and reads as follows:

Dear Mr. Rinfret,

In view of the discussion which took place in the House of Commons on Monday last with reference to the refusal of the Civil Service Commissioners to recommend higher rates of compensation for certain classes of employees in the postal service, the Civil Service Commissioners have prepared a brief explanation of their action therein, and would be pleased to have you make this explanation to the house.

On September 19th, 1927, at the request of the Civil Service Commission, the Deputy Postmaster General submitted the following suggestions with regard to maximum salary for certain classes in the postal service:

Postal clerks in grade 6 post offices and up—maximum $1,800 per annum. Present salary range $1,080-$1,740.

Postal clerks in post offices of grade 3 to grade 5—maximum $1,680 per annum. Present salary range $1,080-$1,620.

Letter carriers—maximum $1,560 per annum plus uniform and boots. Present salary range $1,080-$1,500 plus uniform and boots.

Mail porters—maximum $1,560 per annum. Present salary range $1,080-$1,500 plus uniform and boots in certain instances.

and at a later date suggested an increase of $60 in maximum for the class, railway mail clerk, or a new maximum salary of $1,860, the present salary for which class is $1,080-$1,800 plus mileage.

The commission has been giving attention to the question of salaries for Post Office and Customs department classes almost continuously since April, 1924, and has in this time increased the maximum and minimum salaries for all of the classes $240, the revision of 1924 granting an increase of $180 and the revision of 1927 an increase of $60 per annum, the letter carrier receiving an extra increase of $60 in the minimum.

The commission believes that the salaries paid this class of employee are equitable and comparable with other salaries paid for somewhat similar kinds of work in other government departments and feels that if any increase is recommended for the postal classes that a corresponding increase must be recommended for Customs classes and certain classes in the Department of Immigration and Colonization, as well as for a considerable number of other classes in other departments of the government service who are engaged in work of a nature not much different and carrying as great responsibility as that of employees in the Post Office Department.

In the opinion of the commissioners it would be entirely unfair to the Customs, Immigration and other employees with somewhat similar kind of work to perform to recommend higher rates of compensation for the postal classes without making recommendations for higher compensation for the classes in which these employees are classified.

To increase the postal employees' salaries an amount of $60 in minimum and maximum would create an additional estimated expenditure of approximately $550,000, and the additional amount required to include Customs, Immigration and other classes throughout the service which, in the opinion of the commission, should participate would cost approximately $400,000, or a total increased expenditure of $950,000.

In the commission's letter of May 2nd, 1928,—

This comes to the point brought up by my hon. friend.

—to the Post Office Department, the department was advised that the Civil Service Commission while not agreeable to raising the basic rates of pay for railway mail clerks would be pleased to further consider the question of providing by means of allowances, or by the grading of runs, higher remuneration for such railway mail clerks as have duties of higher grade than the ordinary.

Right here I may say that that situation is now under consideration in co-operation with the Civil Service Commission.

Attached hereto is a schedule showing in brief form the various salary recommendations and salary changes made in the postal classes since May 31, 1924.

The commissioners would also like to draw attention to the fact that in practically every centre in Canada the recruiting field for positions in the Post Office Department would not indicate that the salaries now paid do not render the positions desirable inasmuch as every time a postal examination is advertised there are long eligible lists of properly qualified applicants established; and that for a number of years no difficulty has been encountered in obtaining the desired number of properly qualified employees for post office positions.

Yours sincerely,

W. J. Roche.
J. Emile Tremblay.

I will not read the schedule.

Mr. McQUARRIE: Does the minister intend to accept the ruling of the commission?

Mr. SPEAKER: Order. There is nothing before the house to debate.

Mr. McQUARRIE: It is just a question, Mr. Speaker, arising out of the minister's answer. Does the Postmaster General intend to accept the ruling of the Civil Service Commission, or is he going to take any other action?

Mr. VENIOT: What other action can I take? We have given full power to the Civil Service Commission under the act, and if they do not recommend an increase of salaries I can proceed no further, except perhaps by way of asking for an amendment to the Civil Service Act.

Hon. W. A. BLACK (Halifax): Mr. Speaker, I desire to ask the Postmaster General a question with regard to these railway clerks. I would call his attention to his reply to a question placed on the order paper by the hon. member for Toronto Northwest (Mr. Church). It will be found at page 2429 of Hansard for April 13, 1927. I will not read the question, which is somewhat lengthy, but here are a few words of the minister's reply:

The answer to that would be: The more or less hazardous nature of railway mail clerks' duties was taken into consideration when the original compensation schedules were fixed, and the present salary revision is not intended to alter the relativity between the compensation schedules for the different classes, but simply to provide a general increase to the service as a whole.

Mr. SPEAKER: The question is rather involved and I would advise the hon. member to put it on the order paper.

[Mr. Veniot.]

Mr. GEARY: This need hardly go on the order paper, if the Postmaster General will implement in one slight particular the statement he has made. In the letter he read from the Civil Service Commission there is no reference to the hazardous nature of the work of railway clerks. Was that before the Civil Service Commission?

Mr. VENIOT: Yes; that was placed before them. In fact, I believe that in one of their letters they refer to it. I made a public statement in the house last winter as to the hazardous work and that was brought before the commission.

Mr. GEARY: And that is under consideration now?

Mr. VENIOT: We are considering it at the present time.

MR. McGIBBON—EXPLANATION

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, addressing the committee last night on the narcotic drug evil—a thing that I have a very strong conviction on and also considerable information about—I regret to say that in the discussion my remarks might be construed as applying to the Minister of Health (Mr. King). That was not my intention at all, and I hope the minister will be good enough to take my word for it.

Mr. MACKENZIE KING: Hear, hear.

Mr. McGIBBON: My point was that I could not agree—and I cannot yet—that the measures to counteract the narcotic drug traffic in this country are satisfactory. That was the impression I desired to convey. However, I hope the minister will be good enough to accept this explanation.

CANADIAN NATIONAL RAILWAYS

SHIPMENT OF HALIBUT FROM PRINCE RUPERT

On the orders of the day:

Mr. J. C. BRADY (Skeena): I wish to direct the attention of the Minister of Railways to a very serious condition that prevails at Prince Rupert. I have a telegram to the effect that the day before yesterday 260,000 pounds of halibut and the following day, yesterday, 230,000 pounds, were on the market and only three cars were available, with the result that lots were drawn to see whether Canadian or American orders for halibut to be sent east would be filled. The American vessels succeeded in getting these three cars. Meanwhile the Canadian Halibut Owners'

Association have had to take their fish to Vancouver and they request that the Minister of Railways immediately get cars ready to take away the heavy load of fish. They say that cars are being taken from the port to transport fruit from Okanagan. The matter is quite serious and I have two or three telegrams. Will the minister be good enough to advise what should be done?

Hon. CHARLES A. DUNNING (Minister of Railways): I shall be pleased to bring my hon. friend's question to the attention of the management, who of course deal with matters of car distribution and operation generally. I should appreciate it if he would let me have one of the telegrams.

SALE OF SCHOOL LANDS—ALBERTA

On the orders of the day:

Mr. H. E. SPENCER (Battle River): On May 14 notice was given in votes and proceedings asking for copies of some seven files in the Interior department with reference to school lands. A day or so afterwards these requests were entertained by the house, and although nearly three weeks have elapsed the files have not been brought down. Some members are very anxious to have these copies of files before the Interior estimates come up. Is there any possibility of their being brought down?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sorry the Minister of the Interior (Mr. Stewart) is engaged at the moment in a meeting of a committee. I will direct his attention to the request and I am sure his desire will be to have the information brought down immediately. I do not know why it has been overlooked.

SUPPLY

DEPARTMENT OF PUBLIC WORKS

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

Public buildings—Ottawa, New departmental buildings, $500,000; Parliament building, $130,000; National Research Council laboratories, $750,000.

Mr. MANION: The hon. member for Vancouver Centre wished to say a few words on this vote.

Hon. J. C. ELLIOTT (Minister of Public Works): I understand he wishes to speak in regard to the New Edinburgh mills, but that is not in this item.

Sir GEORGE PERLEY: I am very pleased that this building is to be put up as soon as it possibly can be. I want to suggest to the minister again, as I have done in private conversation, that it is a grave question whether that cornerstone is not too near the street. I should like to have him look into that matter again. Now that we are putting up these fine buildings for all time they should be erected a reasonable number of feet from the street. I think he should look into the matter again to make sure that the cornerstone, which I understood was only temporary but which the minister has since told me is permanent, is not too near Wellington street.

Mr. ELLIOTT: The matter is under consideration.

Mr. COOTE: Has the minister considered securing property on Wellington street between Metcalfe and O'Connor for the purpose of putting up the new building next to the main structure, thus bringing the whole block opposite here into harmony? It would be far better than putting the new building away down where the present Bureau of Statistics stands.

Mr. ELLIOTT: The suggestion is by no means a new one. The records show that in at least the last thirty years it has been put forward from time to time.

Mr. HEAPS: Is it the settled intention of the government to erect the government buildings along Wellington street in a direct line? I am just wondering if the minister could not get some architectural or other expert advice in regard to a different location for these buildings.

Mr. ELLIOTT: I know my hon. friend's views on the matter, because we have discussed it on different occasions, but the plan being followed by the department is one which was arrived at after a good deal of careful consideration, and it is the layout provided by a number of architects some years ago. That is what is proposed to be done in connection with this building at any rate, and I want to be frank with my hon. friend in saying that it is the intention of the government to make this the first of a series of buildings to be erected.

Mr. HEAPS: When the architects came to that decision there was no idea of acquiring property in the centre of the city for the proposed park. In view of the change which has been made in the meantime does not the minister think it would be advisable to get the opinion of experts on this question, to see whether another location would not be much more desirable than the location on Wellington street, which I personally think is not the best.

Mr. LAVIGUEUR: I would like to ask the minister if any arrangements have been made for the purchase of the Bank of Montreal property on St. Peter street, Quebec city. I understand that the Bank of Montreal offered to sell their building to the department at a very low figure, and since the Department of National Revenue require more space in that city, that building would be a very good location for the income tax branch.

Mr. ELLIOTT: Some offers have been made by the Bank of Montreal, but no decision has been made to purchase that property.

Mr. LAVIGUEUR: Is the minister contemplating continuing the negotiations with the Bank of Montreal? I might add that they are offering this building at about half its valuation.

Mr. ELLIOTT: I think it is only fair to say that at present the negotiations, if they can be called such, are not at all active. What may happen in the future is difficult to say, but they are not progressing rapidly at present.

Mr. SPENCER: Is it the intention of the government to move the Bureau of Statistics permanently away from the centre of the city, or whether the new location is to be only temporary.

Mr. ELLIOTT: Under the present proposal the bureau must be removed from its present location in order to proceed with the construction of the departmental building. It will be placed on the property for which I hope this house will pass the estimate when we reach it, that is, the Edwards property down on the bank of the river. That is the present arrangement.

Item agreed to.

Harbours and rivers, $2,350,000.

Mr. COOTE: I am sure we have no objection to this item, but I take this opportunity to ask the minister whether, in the interval between now and next session, he will see whether this chamber can be better lighted. I do not want to place the whole responsibility on the minister; I am afraid sometimes he thinks we bring too many requests to him, but anyone going from this chamber to the railway committee room will be struck with the better lighting which prevails there. I think it is altogether too dark here, and I am sure it could be improved if the matter were brought to the attention of the engineers.

[Mr. Heaps.]

Mr. ELLIOTT: I will be very glad to give the matter consideration.

Mr. FRASER: I would like to ask the minister a question with regard to the item:

Lower lakes terminal, $1,500,000.

Has the department decided where that money is to be spent?

Mr. ELLIOTT: I would say that at present the decision is somewhat contingent upon the arrangement which can be made with the government of the United States as to the work to be done in their own channels. The government have arrived at a decision, provided suitable arrangements can be made.

Mr. GEARY: Can we not get a little closer to it than that? If the government have arrived at a decision, providing certain arrangements can be made, I suppose the whole matter will be opened again if those arrangements cannot be made, but perhaps we might know at what decision the government have arrived?

Mr. ELLIOTT: I have no objection to giving my hon. friend that information. The recommendation of the engineers is that the elevators should be placed in the vicinity of Prescott, providing satisfactory arrangements can be made with the government of the United States with regard to dredging their portion of the channel.

Mr. GEARY: I suppose that no matter where the terminals were located some arrangement would have to be made with the United States in regard to dredging?

Mr. ELLIOTT: Not necessarily.

Mr. GEARY: That is the only point on which an arrangement must be reached?

Mr. ELLIOTT: I think so.

Mr. GEARY: Could the minister tell us if he has any doubt whatever but that the location in the end will be, as he has indicated, near Prescott? Are the arrangements to be made of any great importance; is there any doubt about their being carried out? Are there any formidable obstacles in the way?

Mr. ELLIOTT: I expect that the arrangements can be carried out; I think we are reasonably certain that they will be carried out, but they have not been completed and there is always some uncertainty.

Mr. GEARY: But the minister is reasonably sure that he has settled on the location?

Mr. ELLIOTT: Quite so.

Mr. GEARY: Could he indicate when the negotiations may be expected to be concluded so that work may be commenced, and when we may expect work to commence under this item?

Mr. ELLIOTT: I would expect that negotiations would be completed perhaps within the next few months.

Mr. GEARY: And I suppose work will commence then?

Mr. ELLIOTT: Work will commence in the fall or late summer, as soon as the arrangements are completed. We are anxious to get along.

Mr. FRASER: Is it anticipated that a substantial portion of this amount will be spent this year?

Mr. ELLIOTT: It all depends on how soon we get started. If we get an answer right away the greater part of this vote may be spent this fall.

Mr. GEARY: If I am not troubling the minister too much, will this be the total cost of the work, or is this a sort of interim appropriation?

Mr. ELLIOTT: This is just a progress appropriation.

Mr. GEARY: Has the minister any idea of what the total cost will be?

Mr. ELLIOTT: It will be in the neighbourhood of $4,000,000.

Mr. ROSS (Kingston): May I ask the minister if his decision was based upon the recommendation of the three officers of the government selected for that purpose?

Mr. ELLIOTT: Yes, I would tell my hon. friend that that is the case.

Mr. ROSS (Kingston): Is there any objection to the report being laid on the table?

Mr. ELLIOTT: I do not think there is any serious objection, except the report makes certain recommendations as to what the engineers consider should be done by our neighbours to the south. I would rather not lay it on the table unless my hon. friends insist. The matter is still one of negotiation, and I would rather leave things as they are.

Mr. SPENCE: Is there any objection to our seeing the report?

Mr. ELLIOTT: Not the slightest.

Mr. ROSS (Kingston): In case the understanding is not carried out has the government any alternative site or program, because within a year arrangements must be made for the receipt of the grain boats coming through the new Welland canal. As the minister knows, there are certain large boats which cannot go down through the islands.

Mr. ELLIOTT: A number of sites were considered and reported upon, but serious consideration has not been given to any of the other sites since it has been decided to accept the Prescott site. There is so little doubt in the minds of the members of the government, as to suitable arrangements being made, that up to the present time no extended consideration has been given to any of the other sites.

Mr. ROSS (Kingston): The decision was arrived at based upon the report of these three engineers?

Mr. ELLIOTT: Yes.

Item agreed to.

Ellis Bay—harbour improvements, $300,000.

Mr. ELLIOTT: In view of the various objections which were made by members of the house, I am going to suggest that one of my colleagues move that this vote be reduced to $200,000, and that it be made conditional upon the wharf being at the disposal of the public. My information is that all boats travelling in that channel are permitted to use that wharf. It is very important as a place of shelter, and I have found, on making inquiries since the vote was up before, that about 347 vessels used it last year. This figure may not be correct as I have not the details available, but it is a very large number.

There was the further objection raised by my hon. friends from East Calgary (Mr. Adshead) and Quebec South (Mr. Power) that the public did not have access to this private property. I think hon. members in every section of the house will understand the difficulty there is in dealing with a situation of this kind. Until 1926 this property was not utilized for anything except pleasure purposes. Since that time there has been a development there, and I think every member who considers the results derived from it must consider that it has been in the best interests of the country as a whole. The arrangement at the present time is that 420,000 cords of pulpwood will be removed each year. Last year there were 300,000 cords removed, and a little less than that the year before, but the arrangement is that 420,000 cords will be removed this year and each subsequent year. It is thought that the growth will amount to 450,000 cords, according to the estimates of

the men who tramped over the area at the time of purchase. Objection has been taken to the fact that it was a privately owned island and the people who were there had not the right a British subject should have to go back and forth at will. That is largely a matter for the provincial government, but I feel that we should say to the company that we expect them to obtain for the people who are engaged there the privileges which a British subject should have. I do not think it is an unreasonable request that some hon. members of the committee make that a substantial part of this vote should stand over until another year. In the meantime, what is granted will be conditional upon the public having the use of the wharf.

Mr. DICKIE: Is it the intention to export any of this pulpwood across the line?

Mr. ELLIOTT: The arrangement with the three paper companies, two at Three Rivers and one at Port Alfred, is that this pulpwood will be made into paper at these three Canadian mills. Since the matter was before the committee before I have gone into it in a good deal of detail, and I find that the expenditure for wages during the calendar year 1927 amounts to about $2,000,000. They pay the bushmen $75 per month and board and housing in the lumber camps. They have expended nearly an equal amount in the purchase of supplies, largely from Canadian farmers. The paper to be made from this pulpwood at these three mills will run to a value of around $20,000,000 per year.

The CHAIRMAN: When this vote was last before the committee the member for East Calgary moved that the vote be reduced by $290,000. The question is on this amendment.

Mr. ADSHEAD: I have listened to what the Minister of Public Works has said, and I want to assure the committee that my amendment to this vote was not with the purpose of obstructing. All the discussion that has taken place, except at the present time, has been on the questions of revenue or profit, what business would be brought to the Dominion of Canada, and what revenue might be paid to the Dominion exchequer. What caused me to be so greatly interested in the matter was the utter absence of any provision for preserving the rights of the people living on the island. It is a fact that the habitants on the island, as my hon. friend from Quebec South has pointed out, have absolutely no rights as Canadian citizens. They have to buy their stores from the company at whatever prices the company sees fit to ask. Before I can go on to the island I have to ask permission and my business is inquired into. It is a perfect example of a benevolent Mussolini autocracy. It is quite true that the company maintains private hospitals, schools, and so forth, but it taxes the inhabitants for them and the latter do not enjoy any of the ordinary rights of Canadian citizens. The Manchester Guardian has this to say about the island of Anticosti:

> Technically, Anticosti is part of Canada's domain. It is part of the county of Saguenay in the province of Quebec. But its island isolation and its exclusive ownership give it some of the qualities of an independent kingdom.

It is a kingdom within the Dominion of Canada.

> In practice the control exercised by the federal authorities is casual and meagre. On Anticosti there is the autocratic government of private ownership that brooks no popular rule. The inhabitants of the island are there on sufferance; they have no voice in its rule. There is a closed door beside which that of China gapes by comparison. The Anticosti Corporation is a law unto itself; it permits entry or prohibits landing at will.

In view of the benevolent Mussolini organization which controls the island, I cannot support any grant to the corporation on the mere statement of the minister that he expects it to do so and so. I want to know first that the inhabitants of the island have the rights which they are supposed to enjoy under the British flag. The company who own the island have the Canadian flag flying over it. They like it for their own protection; they like it because they are going to get some grants of money, but the inhabitants of the island are deprived of what I would call Canadian rights. We in this corner of the house are occasionally criticized because we are analytical and critical in regard to various things and we are told that we have no constructive policy to offer in matters of this sort. Before I sit down I want to give the conditions under which I might support any grant to the island. I will not support it on the statement of the minister that he will tell the company: We expect you to do so and so. I want to know that it is being done before one dollar more of Canada's money is handed over to the corporation which owns the island. I am glad to see that the Minister of Public Works has taken into consideration the question of the right of any Canadian vessel to enter that harbour and to use the wharf subject to whatever government dues there may be, if there are any. It is not good enough for me to have the Minister of Public Works state that he will request or expect the company

to do so and so. I must be satisfied that the inhabitants have the rights which Canadian citizens enjoy. Therefore I make four propositions and if they are accepted and put into force I shall be prepared to support a grant of $100,000. The propositions are as follows:

1. That all vessels shall have the right of use of the harbour and wharf, paying dues as per government schedule, if there are any. The minister has provided for that.

2. That the district known as the residential part shall be surveyed and incorporated as a town in the province of Quebec, not as a private town owned by a private company but as an incorporated town with all the rights of a town.

3. That the residents of the aforesaid residential district shall have the same rights and privileges of self-government, free speech and assembly and industrial organization as Canadians enjoy in any other town in Quebec.

4. That as far as that part of the island known as the town is concerned, any person shall have the same free right of entry as to any other Canadian town.

In other words, when I visit Quebec or Montreal I enter as a Canadian citizen and I am not questioned as to what I want there. I have the right to go there and any Canadian citizen should have the right to visit that town and to transact business there without being questioned or, if the company do not like him, being told to make himself scarce. If they expect a grant of Canadian money—and the inhabitants of the island are contributing part of that money by their work—I would suggest that all the inhabitants should have the same Canadian rights as we have. If these conditions are imposed and enforced before a dollar of the grant is paid over, I will support the grant, but otherwise I cannot support it.

Sir GEORGE PERLEY: I know it has been the policy of the Public Works department under both administrations to give assistance to companies that have started enterprises on navigable waters. I know of several rivers in Quebec where enterprises have been started and work given to the public and where there has been need of dredging or building wharves to carry on the business. In such cases the Department of Public Works has been in the habit of giving assistance in that connection and, I think in most cases, quite proper. But I want to draw the attention of the minister to the fact that in nearly all of these cases the work is going on in a place where people are already living and where the land is owned by various people and not all by one company. I consider this Anticosti island is in a class by itself. The island is owned entirely by the corporation and I do not see any public interest to justify the Department of Public Works in paying part of the expenses of doing that business. These companies are powerful companies who are doing good work; they have bought the island purely for private gain, and the construction of wharves and the dredging done at the island are entirely for their own use. The public get no use out of this at all. It seems to me that the company ought properly to stand all the cost required to enable them to develop the resources of the island and to take the pulpwood away. I do not see why the Department of Public Works should vote all this money for purely private purposes. There is no other object in this expenditure than to enable these companies to make money out of their pulpwood and therefore it seems to me that the minister is going in the wrong direction. I do not think the precedents of other votes to enable enterprises to get started apply in this instance at all. Further than that, as I understand the matter—and if I am wrong the minister will put me right—this island being entirely private property, works built on it will really belong to the company. That is to say, nominally they will be the property of the Dominion government, but as a matter of fact they will be used only by the company except in a few instances such as the minister has mentioned where they may be used for shelter in case of storm. Therefore I see no justification for any of this vote. It is purely for the purpose of putting money into the pockets of the people who own the island.

Mr. LAVIGUEUR: May I ask the minister if any money has previously been expended on Anticosti island at Ellis bay for harbour or dredging purposes?

Mr. ELLIOTT: The amount spent by the company runs close to $2,500,000. The company built the wharf entirely at their own expense. It is an excellent wharf, and as the engineer says, it is so situated that:

> This development scheme will be a great aid to shipping in the gulf of the St. Lawrence as it is proposed to make Ellis bay the provision centre for ships in the gulf where coal and fresh water will be obtainable at the new wharf. There will also be adequate protection for shipping in bad weather and a sea-going tug will be kept on hand to render assistance to ships in distress in the gulf.

What my hon. friend says about assistance in other cases is quite true. For years back the government has endeavoured to encourage

development along proper lines of industrial activity, either by building the wharf and doing the dredging, with the company bearing part of the cost, or the company building the wharf and the government doing the dredging. But in this case the cost of the wharf is so much out of proportion to the cost of the dredging that the department, after very careful consideration, decided that it was only fair to do the dredging. It is to be done in the main channel of the St. Lawrence, and the company itself has no jurisdiction in the channel; it could not do the dredging. The work is also of value, as I have said, from the standpoint of a shelter for ships in that part of the St. Lawrence, which as my hon. friends all know is a pretty difficult part so far as navigation is concerned. I am told that last year one boat was able to avail itself of the shelter of this dock, with the result that possibly the lives of the crew on the boat, numbering twenty-eight, were saved, so that it is valuable from the standpoint of protection to those who have to travel these waters. The fact that the company have expended $2,500,000 made the department feel that it was not doing any more in this case, nor for that matter bearing as large a proportion of the general expense, as has been done in other cases. I think this is good business; it is a development that should be encouraged, and I think the company is doing a fair proportion of the work.

Mr. LAVIGUEUR: Possibly the minister did not quite understand my question. I know personally that this company has spent a considerable amount of money on the island for wharves and other purposes, but what I wanted to know was if the Department of Public Works had already spent any money for harbour or dredging purposes on the island.

Mr. ELLIOTT: No, except what has been done under this contract last year.

Mr. LAVIGUEUR: What was the amount spent?

Mr. ELLIOTT: The amount of work that has been done is $187,000.

Sir GEORGE PERLEY: What is the total amount?

Mr. ELLIOTT: Just about half a million dollars.

Mr. HEAPS: The Minister of Public Works has dealt with certain aspects of this question, but has not touched upon one or two points that have been raised by the hon. member for East Calgary which are of great importance to this country, and on which he ought to give us a little more definite assurance than he has so far done this morning.

At the present time there are no public highways in Anticosti. I understand that the island is about the size of the whole province of Prince Edward Island, and that the owners of the island could debar anyone from walking in any part of that large domain. There are no public health regulations, and no laws pertaining to sanitation. All these questions are of vital importance. There is no such thing as law and order on that island, and so far as law and order is concerned it can be run just as suits the company best. I think under these circumstances, before one cent of assistance is given by the government, we should receive the definite assurance from the minister that all these matters I have mentioned will be looked after and put on the same footing as in other parts of Canada. I believe also that the owners of the island control the landing privileges, and consquently the landing of vessels there would depend on the goodwill of the owners of the island. That is not as it ought to be. If we are going to give grants, we ought to have something to say as to the wages that shall be paid and the working conditions that shall prevail. I believe that the company could, if they wished, and it has been done in other parts of the country, prevent a man going on the island to organize the workers into what I might call a legitimate trades union. Company towns in Canada have done that within recent times; and we might find that a person who wanted to land on the island would get no farther than the wharf. I want him to have permission to go to any part of the island, just as he could to any part of the city of Montreal or the city of Quebec. I wish the minister would rise in his place and assure the house that none of this money will be granted by the government until they have the assurance from the owners that all these matters will be put on a proper footing.

Mr. CANNON: As a representative of the district where the island is situated, I want to say just a few words. The hon. member for Argenteuil has pointed out that, after all, whatever is done on this island is done for the pecuniary benefit of the company which is operating on the island. Well, that applies to all companies. Companies are not philanthropic associations; they are in business for a profit, and this organization on the island is in the lumbering business for

the purpose of making a profit to be distributed among its shareholders, just like any other company in Canada.

The dredging which the government is now proposing to do is necessary in order to connect the main channel in the river St. Lawrence with the wharves of the company. These wharves were built and paid for entirely by the company, and if my information is correct over one million dollars has been expended by the company for new wharfage accommodation. Is it reasonable after a company has gone to that expense that the government of Canada should disregard that large industrial development, and refuse to do anything whatsoever in assisting in that development, when the government does it everywhere else in Canada? If the government refuse, there is no other authority except the authority which lies with this parliament and with this federal government to do that dredging. No private corporation can dredge in the river St. Lawrence.

Mr. HEAPS: Could they not dredge with the consent of the government?

Mr. CANNON: Probably they might, but would that principle be adopted by parliament? Could the principle be defended before this house of allowing private individuals or private corporations to start dredging in the river St. Lawrence? It is a public channel.

Mr. HEAPS: Under the control of the government, I said.

Mr. CANNON: I do not think it would be a good principle to allow individuals to start dredging in the river St. Lawrence, which is the most important channel of navigation we have. This has to be done by the government.

Mr. HEAPS: Why?

Mr. CANNON: Why? In the same way that we cannot allow individuals to do construction work on railways. Our railways, as well as the river St. Lawrence, have to be under the control of a central authority.

Mr. WOODSWORTH: Was not that principle adopted by the government in the case of some survey work last year in northern Manitoba, where the government did the work but the bills were paid by the Manitoba Paper Company, which would profit by the survey?

Mr. CANNON: It might be so; but my hon. friend would not for one moment compare surveying territory in Manitoba with allowing private corporations to dredge in the river St. Lawrence and interfere with navigation.

Mr. WOODSWORTH: Why not?

Mr. CANNON: Now, Mr. Chairman, the question has been raised of this island being private property—

Mr. CAMPBELL: Could not the work be done by the government and be paid for by the company?

Mr. CANNON: Yes; that principle was adopted somewhere else. We made arrangements with other companies whereby the government paid two-thirds of the cost of the work and the company one-third. But, as has been pointed out by the Minister of Public Works, in this particular work the company has already expended over two million dollars in building wharves. In the other instances where the cost of the dredging was shared by a company and the government the wharves as a rule were built by the government itself.

Mr. WOODSWORTH: A moment ago the minister said it was done for profit not for philanthropy.

Mr. CANNON: I mean lumbering is a commercial enterprise; there is no doubt about that. Now, as to this island being in the hands of a private company. Well, first of all we must bear in mind that that company bought the rights of Senator Menier. The senator derived his rights from the Coffin estate. This island of Anticosti is in a seigneury.

Mr. HEAPS: The feudal system.

Mr. CANNON: We have to take things in this country as they are. We have other seigneuries in the province of Quebec.

Mr. WOODSWORTH: Is that Liberal doctrine?

Mr. CANNON: It is not my fault if three hundred years ago the king of France granted seigneuries;—

Mr. WOODSWORTH: But there is something to be said—

Mr. CANNON: —and there is such a thing in this country as vested rights.

Mr. WOODSWORTH: We understand that is Liberal doctrine too.

Mr. CANNON: Would my hon. friend for one moment contend that on account of a special system of land tenure having been

established in this country over three hundred years ago, we are to change that now? Coming to my last point, I want the members of the committee to bear in mind that in the case of land tenure we immediately enter a field which is altogether provincial. We cannot do anything even if we wanted to. My hon. friend from Winnipeg North Centre (Mr. Woodsworth) mentioned "Liberal doctrine". There is one principle of Liberal doctrine that he will subscribe to—the autonomy of the provinces. Well, if we are to respect provincial autonomy we have to keep away from property and civil rights.

Mr. WOODSWORTH: Does the hon. minister suggest that the principle of autonomy means that we have to make this grant?

Mr. CANNON: I do not think my hon. friend is putting that question seriously.

Mr. WOODSWORTH: I am putting it seriously. Let me ask the question this way: Simply because a king of France three hundred years ago granted a seigneury, does it mean that now industrial development has taken place we in Canada must make money grants to a company which is attempting to exploit that island?

Mr. CANNON: My hon. friend has misunderstood me. I am not arguing in favour of this grant because the island is a seigneury, but I am answering the argument of my hon. friend that before we do any dredging we ought to change the land system on this island. I say we cannot change it because it is not within the competence of this parliament. The provincial government has sole jurisdiction as to property and civil rights.

Now, Mr. Chairman, the conditions on this island are not as bad as they have been described, for if they were people would not go there. If the people were treated in such a way as to recall feudal days, as has been said in this house, how could they be induced to go and work there? The people are absolutely free to go or not to go. No one can force them to go and work on that island if they do not want to.

Mr. HEAPS: Economic necessity drives them to work there.

Mr. CANNON: No economic necessity will drive people from the province of Quebec, as I know them, to become slaves. I am aware how the business on this island is carried on. Every fall when the people leave the city of Quebec to work on the island they go there as free men, and they come back as free men.

[Mr. Cannon.]

Sir GEORGE PERLEY: Mr. Chairman, I do not want to interrupt, but may I ask the Solicitor General a question? I quite understand that people are not obliged to go to the island against their will; but can anybody go there without a pass from the company?

Mr. CANNON: Certainly.

Sir GEORGE PERLEY: Is anybody permitted to land there without having a permit or pass from the company?

Mr. CANNON: Certainly; over three hundred vessels went there last year.

Sir GEORGE PERLEY: That does not answer my question.

Mr. CANNON: How could three hundred vessels go there if people were not allowed to land?

Sir GEORGE PERLEY: They got permits.

Mr. CANNON: My hon. friend has experience in the lumber business—

Sir GEORGE PERLEY: I should like an answer to my question.

Mr. CANNON: I will answer the question. My hon. friend has had experience in that line of business. Would he contend for one moment that the holder of a license to cut timber in the province of Quebec or the province of Ontario, even though he is not the owner of the soil, would allow the public generally to roam through his limits and endanger them? He would not. It is not done anywhere. My hon. friend knows that. Timber holders protect their property. Why should not the owners of Anticosti protect their property also?

Mr. WOODSWORTH: What civil rights have those workmen from Quebec on Anticosti island?

Mr. CANNON: I can tell my hon. friend that the people of Quebec protect themselves and their rights.

Mr. WOODSWORTH: That is not an answer to my question. I ask: What civil rights have the workmen from Quebec on Anticosti island?

Mr. CANNON: They have the same rights as other labour men throughout Canada.

Mr. WOODSWORTH: No.

Mr. CANNON: The provincial government of Quebec would not allow to prevail on the island the condition of things which has been described in this house and in certain newspapers. That is not the kind of government we have in Quebec.

Mr. WOODSWORTH: Are the conditions described by the member for Quebec South (Mr. Power) wrongly described?

Mr. CANNON: To a certain extent they are. My hon. friend from Quebec South has experience in the way timber companies conduct business. He knows that what the people at Anticosti do is simply to protect their property as every other company does. I am fully confident that should the employees of that company consider themselves not treated as they ought to be, as regards municipal organization or otherwise, they know what to do. They have one authority to whom they can appeal any time, any day, any month, and that authority is not the Dominion parliament; it is the provincial legislature and the provincial government, the government of the province of Quebec. And knowing the prime minister of the province as I know him, I have no doubt justice will be done to the people of Anticosti as justice is done to all people in our province. Moreover, if the people were not satisfied either with this government or with the provincial government the courts of the province are there to protect the rights of all citizens; and what shows that conditions on the island in no way approximate the conditions that have been described is the fact that no action ever has been taken at any time in the courts by anyone.

Mr. HEAPS: How far away is Anticosti island?

Mr. CANNON: Anticosti island is not at the north pole; it is in the district of Charlevoix-Saguenay. We have an organization in Quebec which extends throughout the province and these people are not isolated. I submit these facts: First, we are doing for this company what has been done for others in many instances; secondly, as regards the amount, as the Minister of Public Works has suggested, it might be reduced to cover the work actually done this year; thirdly, the proper authority to deal with the matter is the provincial government and the provincial courts and not the federal government; and in the fourth place, speaking from my own personal knowledge, you will never find people from Quebec going to work on that island to become slaves, for they would not go there if the company did not treat them properly.

Mr. EDWARDS (Frontenac): I want to congratulate the Solicitor General on the overshadowing influence of his very strong and aggressive personality on the Minister of Public Works. He is entitled to that tribute, and I only wish I could enlist his services in regard to another island which happens to be situated in the St. Lawrence river, which is opposite Kingston, and which is known by the name of Simcoe. That little island is peopled by a population entirely of farmers. A couple of years ago when the ice on the St. Lawrence went out it carried away their wharf and since that time they have been asking, and I have been asking on their behalf, for a little consideration in order to have a wharf built to enable vessels to come in there and give the farmers of the island some service. For the last two years the farmers of the island have been unable to market their stock, their hay or anything else until nature has provided them with a bridge by freezing over the river. In the summer months they cannot get off at all. The people of the island have not been asking for $300,000 nor $100,000 nor $1,000. They say, "If you will give us six or seven hundred dollars we are so anxious to have the wharf, which means so much to us, that we the farmers of the island will give our own work gratis. Let the department send their man down to supervise the work and we will not ask pay for what we do in building the wharf". All these people ask for is six or seven hundred dollars. Can I get the ear of the government in that respect? Can I get any assistance from the hard-hearted Minister of Public Works? He does not look hard-hearted, but he is apparently extremely hard-hearted and absolutely callous, indifferent and hard-shelled, unless someone with the engaging personality of the Solicitor General can approach him, and then they can get anywhere up into six figures for anything at all, no matter where it is. But the farmers on that island have received no consideration whatever from this government. This government can tear down half the city of Ottawa to satisfy the ambitious whims of the right hon. the Prime Minister to make a monument for himself in the shape of what I suppose we shall in years to come call King's park. The government can give hundreds of thousands, millions in that way but the farmers on this island cannot even get six or seven hundred dollars to put up a wharf to enable them to market their produce in summer. They must wait until the ice comes and the good Lord provides them with a bridge so that they can get off the island. But $300,000 is nothing in Anticosti, away in the gulf, where even ordinary citizens are restricted in their rights to go and come, everything being under the control of one corporation. The government can spend this money now to provide them with what they need, and when the timber is cut off the island they can move off. I should not

be doing my duty if I did not point out to this committee and to the house the absolutely unfair position which the government has taken in regard to some of these small amounts which are rightly asked for by people in various parts of the Dominion. No consideration whatever is given these demands. It is not a question of the rights of the case; it is a question of these people having sent to this parliament a member who sits on this side of the house instead of on the other side. That is the long and short of it; that is the size of it; that is the big and little of it, and it is mostly little.

Mr. MACKENZIE KING: When my hon. friend made his unkind reference to myself I was on the point of getting up to support him. I think he has made a fairly strong case for the people of whom he speaks, and if I can be of assistance to him I shall be glad to do what I can.

Mr. EDWARDS (Frontenac): When I paid a tribute to the Solicitor General I appreciated his influence and his engaging personality. But if I am to have the assistance of the right hon. the Prime Minister, then I must say, with all due deference to the Solicitor General, that I should prefer help from the right hon. gentleman.

Mr. POWER: Much as I dislike not being of the same opinion as the Solicitor General, he has intimated that some of the statements I made recently were of a rather reckless character, and I must, at least in justice to myself, point out to him that wherever he gets his information he is grossly misinformed. With reference to his statement that people have not been ill treated on that island, I distinctly remember that in the autumn of 1926 for several days the newspapapers of Quebec were filled with complaints of labourers returning from Anticosti island in regard to the conditions they found there. I personally saw a number of these people who told me that they had been sent there in the fall of the year without any shelter or any means to provide for them. They were told that they had to go to work in the bush and they had great difficulty in getting off the island on to the government boat which is there to bring extra supplies. The tales which were told and repeated in the newspapers, which I could produce in the house if I had time, would indicate that at that time, at any rate, the government of the island, which was the Anticosti Corporation, was not such a beneficial and beneficent government as my friend the Solicitor General would have us believe.

With regard to the rights of vessels to land at the island, yesterday I happened to receive a letter from a gentleman whose name I do not wish to give unless the house insist. He is a ship captain, and says:

> During the year 1927 I was connected with a steamship which was operating at times to Anticosti island, and I have on file in my office here a registered letter from the Anticosti Corporation warning me that any person landed on the island without written permission from the company would be deported at the expense of the vessel which landed him.
>
> I have also a letter from Guy Tombs Limited, traffic manager for the Anticosti Corporation, warning us that our boat must not under any conditions sail for Ellis bay without having first obtained the telegraphic permission of the corporation. This was in May, 1927, and I am holding the letters as proof of my statements.

It has been stated that any citizen on Anticosti island has the same rights enjoyed by other citizens of Canada, but personally I would not like to see a friend of mine who happened to be a labour organizer land at Ellis bay. In the first place he would not land, but if he did he would leave very soon. Then with regard to the statement that this company have only the same rights as other timber limit holders in the province of Quebec, and that these timber limit holders may exclude persons from their limits—

Mr. CANNON: If my hon. friend will allow me, I did not say they only had the rights of other timber limit holders. I said they had greater rights, but I compared the way the ordinary timber limit holder with inferior rights treated the general public.

Mr. POWER: I understood the Solicitor General to say that ordinary persons were not permitted to cross the territory of timber limit holders in the province of Quebec. Having been connected for a long time with people who were timber limit holders and having brought my hon. friend fishing within those limits, I know that they permit certain kinds of people to cross their limits at all events. Perhaps that was because I was with him, but at any rate I must say that the rights of timber limit holders in the province of Quebec are not the feudal rights exercised by the Anticosti Corporation.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. MACKENZIE KING: I would like to have the unanimous consent of the house to enable the chairman of the committee on agriculture and colonization to present a report.

The Speaker resumed the chair and the house reverted to the order of motions.

IMMIGRATION

REPORT OF COMMITTEE ON AGRICULTURE AND COLONIZATION

Mr. W. F. KAY (Brome-Missisquoi), presented the tenth report of the select standing committee on agriculture and colonization, as follows:

The Select Standing Committee on Agriculture and Colonization begs leave to present its tenth report as follows:

Pursuant to an order of reference dated Monday, February 20, 1928, your committee took into its consideration the Immigration Act and regulations thereunder, and the general subject of immigration including the work of the Department of Immigration and Colonization.

Your committee has held 36 sittings and has called before it the following 29 witnesses, namely:

Hon. Robert Forke, Minister of Immigration and Colonization.
W. J. Egan, Deputy Minister of Immigration.
A. L. Jolliffe, Commissioner, Department of Immigration.
Dr. J. A. Amyot, Deputy Minister, Department of Health.
Dr. D. A. Clark, Assistant Deputy Minister, Department of Health.
W. J. Black, Director of Colonization, Canadian National Railways.
J. S. Dennis, Director of Colonization, Canadian Pacific Railway Company.
J. N. K. Macalister, Assistant Director of Colonization, Canadian Pacific Railway Company.
Sir Henry Thornton, President, Canadian National Railways.
E. W. Beatty, President, Canadian Pacific Railway Company.
Canon Vernon, Church of England.
Canon Burd, Church of England, Saskatchewan Synod.
Miss Gertrude Childs, Secretary of the Social Welfare Commission of Winnipeg.
Sir Joseph Flavelle, Toronto.
Albert Chamberlain, President, British Welcome and Welfare League of Toronto.
Hugh Farthing, Representative of the British Empire League of Canada.
Professor H. Barton, Dean of the Faculty of Agriculture, McGill.
Hon. George Langley, Regina.
Miss N. E. Mackie, former Immigration and Colonization worker.
C. A. Magrath, Toronto.
Col. James Stibbard of the British Permanent Forces.
Col. T. R. Tudge of the Salvation Army.
Staff Captain Owen Culshaw of the Salvation Army.
M. J. Coldwell, Regina.
Hon. Mr. Manion, M.P.
Hon. E. J. McMurray, Winnipeg.
M. N. Campbell, M.P.
Lieut.-Col. Cecil G. Williams of the Navy League.
George H. Corbet, representing several Social Service Welfare Societies of Montreal.

In addition to hearing the foregoing witnesses your committee took under consideration resolutions and petitions submitted by various organizations throughout the country.

Your committee begs leave to report its conclusions and recommendations as follows, namely:

Conditions under which Citizens of various Countries are admitted to Canada

The committee is convinced that there is considerable misapprehension and lack of information regarding conditions on which persons from different parts of the world are admitted to Canada. In order to remove this misapprehension and to have a clear background on which to base any recommendation, the committee gives the following brief summary.

British

1. All British subjects from the United Kingdom or from any of the British dominions are eligible to enter Canada, provided they are sound mentally and physically and in a position to maintain themselves until employment can be secured.

No passport is required.

The passage rate for immigrants from the British Isles generally is $91.25.

2. British agricultural workers are specially encouraged by the establishment of a low rate of $9.73 at the instance of the Canadian government.

3. British domestic workers are also provided for at the same rate as agricultural workers and in special cases even this small amount is advanced as a loan.

4. Families of British agricultural workers who have already emigrated to Canada are given the benefit of the special rate of $9.73 for adults and free passage to all children under seventeen. In this case, also, loans are made in special cases to provide for the transportation of such families.

5. British children over fourteen and under seventeen who are brought into Canada under the auspices of certain juvenile societies, have their passages paid; and an additional amount is paid to such societies to cover the railroad fares and incidental expenses of such children.

6. British boys over fourteen and under seventeen years of age, emigrating to Canada to approved farm homes, receive free passage to their destination.

Northern European Countries — (Norway, Sweden, Denmark, Finland, Germany, Switzerland, Holland, Belgium and France).

Any subjects or citizens of these countries are eligible for entry to Canada provided they are sound mentally and physically and are in a position to maintain themselves until employment can be secured.

These people are required to have passports.

The average minimum ocean rate is approximately $120.

No special rate or assistance of any kind is given by the Canadian government to subjects or citizens of these countries.

Central and Southern European countries—(Austria, Hugary, Poland, Roumania, Lithunia, Esthonia, Latvia, Bulgaria, Jugo-Slavia, Czecho-Slovakia).

Only agricultural workers, domestic servants or those within a prescribed degree of relationship to residents already legally admitted to Canada are permitted to come in from these countries. Special exceptions may be made in cases in which the Minister of Immigration is satisfied that their labour or service is required in Canada.

These people are required to have passports.

The average minimum ocean rate is approximately $135.

No special rate or assistance of any kind is given by the Canadian government to subjects or citizens of these countries.

United States.

All citizens of the United States are eligible to emigrate to Canada provide they are sound mentally and physically and in a position to maintain themselves until employment can be secured.

No passport is required.

From the above it will be seen that emigrants from the United Kingdom stand in a specially favourable position as compared with emigrants from continental countries, not only with regard to general passage rates but particularly with respect to the very greatly reduced rates given to agricultural and domestic workers from the United Kingdom.

For the further encouragement of British immigration the following schemes for land settlement should be noted:—

3,000 Family Scheme.

British families have been brought out to Canada at a special steamship rate, and they are located by the Canadian government on vacant soldier settlement lands. The British government supplies to each such family a maximum of $1,500 cash for stock and equipment. All repayments are made by the settler for the price of the farm and for the stock and equipment loan, in equal yearly instalments, during a period of twenty-five years at the low interest rate of 5 per cent. The Canadian government provides additional assistance by way of selection, settlement and supervision, free of charge.

British-Dominion-Provincial Land Settlement Scheme.

Under this scheme the provincial government provides the farm. The British government supplies $1,500 for stock and equipment. The Canadian government recruits the settler and provides settlement and supervision, free of charge, and, in addition, shares on a 50-50 basis any loss on account of stock and equipment. In the event of the default of a settler within the first two years the loss of interest on account of the purchase price of the land is shared on the following basis:—

Provincial government..	25 per cent
Dominion..	25 per cent
British..	50 per cent

This scheme has already been adopted by two of the provinces and negotiations are now being carried on with another province.

Training and Placement of British Boys in Farm Homes.

[Mr. Kay.]

Selected boys are given free passage from the United Kingdom to Canada, and institutions known as "training farms" are established by several provinces for receiving these British boys and distributing them among approved farm homes. The Dominion and provincial governments each contribute $10 per boy towards the operation of the farm, and the British government makes a grant of $20 for the same purpose.

Land Settlement for British Boys.

The object is to establish on farms of their own, British boys who have come to Canada, and who have acquired the necessary experience in farm work, and who have each saved $500. Under this scheme the British government loans $1,250, the Dominion government $1,000, the provincial government $250 and these loans, with the boy's savings, aggregate $3,000 which is available for his settlement on the farm.

To indicate the importance of this work the British and Canadian governments have entered into an agreement to spend $5,000,000 during the next ten years in making such loans.

As illustrating the special efforts put forward to encourage British immigration, the evidence shows that the Canadian Department of Immigration spends in this work $16.67 for each British immigrant as compared with an average cost of 11 cents per head for immigrants from the continental countries.

The committee heard evidence in detail respecting the organization of the Department of Immigration, and concerning all phases of its activities as carried on both separately and in conjunction with many governmental and voluntary organizations, and in relation thereto the committee makes the following recommendations and suggestions.

Federal Responsibility.

In the opinion of the committee the responsibility and control of the selection of immigrants, no matter by whom recruited must rest solely and exclusively with the government of Canada.

Provincial Co-operation.

The committee recommends that special efforts be now made to extend the field of activity of the provincial authorities particularly in the matter of placement, settlement and supervision of immigrants, and that, with this in view, the federal government consider contributing to defray the cost of provincial co-operation for that purpose.

Medical Examination

There have been complaints about the new system of medical inspection under which Canadian doctors conduct the medical examination of prospective immigrants in the United Kingdom. It appears that this new system was inaugurated as a result of representations made to the Department of Immigration by steamship companies, by provincial governments, by the Dominion Council of Health, and by other social service organizations.

Several reasons were urged in favour of the change:

1. Great hardship was imposed on the immigrant who had been passed by the medical inspectors in the United Kingdom and then upon coming to Canada was subsequently rejected on arrival or after admission.

2. A large number of deportations have taken place on account of the mental or physical un-

fitness of those who had been passed as mentally and physically fit before leaving the United Kingdom.

3. The proportion of immigrants committed to mental institutions in Canada has been excessive.

The new system affords free medical examination of prospective immigrants by Canadian doctors before they take passage for Canada. Twenty-one Canadian doctors and forty-five roster doctors are conducting medical inspection in the British Isles, and there are 332 centres where medical examinations are conducted, and, in addition, special provisions are made for medical examination in isolated communities.

On the continent there are seven Canadian doctors whose work is confined to examining all immigrants at the continental ports of embarkation. Previous to this examination by Canadian doctors the continental immigrant is subjected to a medical examination near his home under the auspices of the steamship company. Quarantine, fumigation and other precautions are exacted at the continental ports of embarkation in addition to the medical examination by the Canadian doctors.

The suggestion was made that the volume of emigration from the British Isles to Canada was being reduced by the new medical arrangement, but the evidence showed that there has been a greater decrease in emigration from the British Isles to the other overseas dominions and to the United States.

The committee was impressed with the fact that the medical officers to whom is entrusted the medical examination of intending emigrants have a serious responsibility to Canada, not only to the federal government but also to the provinces. It is their duty to ascertain that intending emigrants are physically and mentally fit to take their places and do their share as Canadian citizens. In this connection, and more particularly with regard to immigration from the continent of Europe the committee quotes the resolution passed by the Social Service Council of Canada at its meeting recently held in Montreal as follows:

"The Social Service Council of Canada having in mind the burden now laid on the various provinces of Canada in providing for the idiots and the insane, and the unfortunate results of admission into this country of the moron and feeble minded, desires to urge upon the federal government a continued and strict adherence to the provisions of the Immigration Act, in order that the door may not be open for the entrance of these types of prohibited undesirables."

Owing to the present arrangements a considerable amount of misunderstanding and dissatisfaction has arisen during the transition period. Certain objections were mentioned by witnesses, some of which have already been remedied. The present system of medical examination in the British Isles was inaugurated primarily for the benefit and protection of the British emigrant. The Department of Immigration and Department of Health should, it is considered, make the most exhaustive efforts to see that the new system is perfected so as to eliminate, as far as possible, inconvenience, delay and expense to the prospective emigrant, and to dispel the idea that there is any intention, on the part of the Canadian government, to restrict or hinder the coming to Canada of British subjects. For this purpose the committee recommends that the present system would be improved and that it would obviate delay and inconvenience to the prospective emigrant, especially those who reside in the rural districts of the British Isles, if the medical examinations were made by British local doctors paid by, and under the supervision and control of, the Canadian medical authorities, who should be located at convenient centres of population.

Special Passage Rates for British Settlers

1. 'Teen Age.

The Committee approves of all previous efforts to promote and encourage 'teen age immigration from Great Britain and recommends that the age limit for boy immigrants be extended to boys 14 to 19 years of age, both inclusive.

2. Domestics.

That the arrangements now in effect for the movement of domestics from the United Kingdom to Canada be continued.

3. Family Re-union.

That measures be taken to extend the assisted passage privileges to the families of immigrants from Great Britain who are now in Canada and who have so far established themselves as to have a reasonable prospect of being able to support their families in this country.

4. Reduction in Ocean Rates for all British Immigrants.

That measures be taken at an early date to arrange a conference between the federal and British governments and the Atlantic steamship companies with the object of obtaining a reduction in ocean rates to British immigrants to approximately £10.

Railway Rates for Canadian Landseekers

The committee also recommend that measures be taken to ascertain whether the railways will restore the home seekers rates in effect prior to the war, making such rates effective eastbound as well as westbound.

Land Settlement

1. The committee having heard the evidence in connection with the experiment of the 3,000 Settlement Scheme, now almost completed, recommend that time be given to test this form of land settlement before embarking upon extended schemes of this character.

2. The committee approve of the extension to other provinces of the tripartite agreement with the British, federal and provincial governments for the encouragement of land settlement by the British emigrant.

3. The committee recommend, subject to the completion of satisfactory arrangements with governments of the provinces, that assistance equal to that given by the British government to British emigrant boys be extended by the government of Canada to the Canadian youth who are trained in agriculture.

Letters of Assurance of Employment
"Permits"—so-called

Your committee recommend that letters of assurance of employment shall state the names, addresses, occupations and nationality of the persons to be admitted and that an annual return be made by the Minister of Immigra-

tion to parliament within thirty days of its meeting, giving particulars of all such letters, showing the names of persons so admitted, their addresses, occupation and nationality, the names and addresses of the persons who made the application for each such admission and of any other person who endorsed or made favourable representation in support of such application.

Railways' Continental Agreement

There was in the evidence, considerable criticism of certain features of the railways' agreement. The committee has some doubts as to the desirability of giving to the railways special authority to recruit immigrants, but as certain restrictions were imposed in connection with the renewal of the agreement in October, 1927, the committee is of the opinion that in order to ascertain the results of its operation under the new conditions, the present agreement might be continued according to its terms, but with this exception—that the system of nominations of immigrants from non-preferred countries under the railways' agreement should be confined forthwith to the following degrees of relationship; father or mother, husband or wife, son or daughter, brother or sister of any individual who is now engaged in farming in Canada, and further that the existing railways' agreement should not be renewed in its present form.

Increasing Employment

Your committee would also recommend that the government make an intensive and comprehensive study of the possibilities of increasing industrial and agricultural development in Canada with a view to attracting capital and providing wider and increased opportunities for employment not only for our own people, but for prospective immigrants.

Your committee recommends that 1,500 copies in English and 500 copies in French of the minutes of evidence and of this report, be printed in blue book form and that standing order 64 be suspended in relation thereto.

A copy of the minutes of procedure and evidence is appended hereto for the information of the house.

All of which is respectfully submitted.

Chairman.

SUPPLY

DEPARTMENT OF MINES

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

Mines

For investigation of mineral resources and deposits; of the mining and metallurgical industries, and of mineral technology: wages, expenses of testing and research laboratories, investigation by Dominion Fuel Board, including salaries and all other expenses, $200,000.

For operation of peat bog at Alfred, Ont., $50,000.

For publications, English and French, purchase of books, laboratory supplies, instruments, miscellaneous assistance and contingencies, $45,000.

For transportation charges from outlying provinces on ore shipments which may be sent to the ore dressing plant of the mines branch at Ottawa for testing purposes, under regulations approved by the Minister of Mines, $1.000.

To compensate J. H. Fortune for quarters, fuel, light and water supplied him as resident caretaker of the mines branch building, Sussex st., vacated because of the necessity of utilizing the caretaker's quarters for storage and laboratory space, $400.—Total, $296,400.

Mr. FRASER: Why the decrease in this vote?

Hon. CHARLES STEWART (Minister of Mines): Two hundred thousand dollars is to be spent on the investigation of mineral resources and deposits; of the mining and metallurgical industries, and of mineral technology. Perhaps an explanation would be in order regarding the operations of the peat bog at Alfred, Ont. Last year difficulty arose through the experiment not being completed before the company took it over. They were not able to finance the undertaking, but are hopeful that they will be able to do so and to repay the government. We took it over but were only able to instal the machinery necessary to carry on, get it all in shape and move the plant across the railway track, and put in the switch necessary for convenient loading. The staff anticipate being able to commence operations this year with a full force, and I hope they will operate the plant during the whole season. We will not require as much money this year.

Mr. BENNETT: What are the company's obligations; if I remember right, there was an agreement.

Mr. STEWART (Edmonton): The original agreement was for the purchase of the site then existing, and carrying on the work in rented premises. They could not make a satisfactory agreement with the proprietor, and since that time we have purchased property across the railroad tracks. We now own that bog by direct purchase.

Mr. BENNETT: What did you pay for it?

Mr. STEWART (Edmonton): $5,150 is the purchase price. We hope to manufacture this season in a commercial way and establish this industry on a commercial basis. We also hope that the company will be able to finance it and take it off our hands.

Mr. FRASER: How much money was spent last year?

Mr. STEWART (Edmonton): $64,128.

Mr. FRASER: Was there any production?

Mr. STEWART (Edmonton): No.

Mr. CANTLEY: Mr. Chairman, when I referred to this matter last year the minister

was very emphatic that important results were going to be obtained during the last twelve months. This bog has been a sink of iniquity for a great number of years. There has been more lying done about it, not by the minister but by others connected with it, than perhaps any other single enterprise this government has undertaken. The minister need not think that he will ever make a commercial success out of operating this peat bog; it is not possible to do it. Peat cannot be dried commercially so as to get a new dollar back for an old one. Wherever peat is used the world over it is only by the local people, who spade it out, stack it up and air-dry it. Peat contains a very considerable amount of moisture that cannot be evarporated or driven out by heat or in any other way, because it is microscopically combined with the peat itself. That is a fact that I have no doubt the minister knows as does everybody else who has had experience in handling peat in a scientific way. Why continue this farce of endeavouring to operate something that cannot be done commercially? I am at a loss to understand why the minister persists in doing that. The late Doctor Haanel wrestled with this matter for nearly twenty years and got nowhere. The minister will get nowhere and no department on earth can make a success commercially of this matter. Why then persist in the endeavour?

Mr. STEWART (Edmonton): One can never tell of course until the experiment is completed.

Mr. CANTLEY: There are some scientific facts that speak for themselves and cannot be disputed.

Mr. STEWART (Edmonton): After investigating almost every process, we have come to the conclusion, just as my hon. friend has stated, that there is only one process that shows any possibilities of success and that is air-drying by spreading a comparatively thin coat over the surface of the ground. One primary difficulty that we have to overcome is the moisture in the air in this locality. I confess that is rather a serious proposition; it is serious to the extent that it curtails the output. We have all the machinery in place; we have the electric current there to carry the experiment to a conclusion, and we hope to manufacture peat this year. But of course I am not going to say for a moment that if we have a very wet summer we shall get a large quantity of peat, because the quantity depends on how fast you can dry it. The Danish process is about to be put into effect at Sherbrooke, Quebec, entirely independent of the government. They have the machinery on the ground; they have spent some money on the project, so that I think that is a fair indication that they mean business. I want to carry the experiment to a conclusion and to demonstrate whether or not peat can be manufactured successfully. I admit at once it cannot be shipped any great distance because it is too bulky.

Mr. CANTLEY: The department have been struggling with this matter for a number of years and the minister will admit they have never got anywhere.

Mr. STEWART (Edmonton): No.

Mr. CANTLEY: Well, he may as well admit it, because there is no question that is the fact. The reports from his department covering a period of ten or fifteen years point to that fact, and he admits that the only process of dealing with peat is by air-drying. The amount of labour you have to put on the material is more than the commercial value of the product after it reaches the consumer. That is all there is to the matter. Where peat is being used it is being used by the residents or natives of the country digging it for themselves and air-drying it. In other words, the cost of labour is not included. It is not a commercial matter; it is simply a domestic affair. The people in the immediate locality could probably do the same thing. The peat will not bear transportation or working by any method, mechanical or otherwise, that the minister may employ provided he pays the ruling rate of wages. The minister will be forced to come back when we review the matter next year and admit that the result of his operations is that just as much money has been lost as was the case in former years. Perhaps some other people are now trying the experiment in Quebec, if that be so they will have a similar experience to that of the minister.

Mr. FRASER: I do not propose to criticize the vote. What I want to know is this. Supposing the operations are successful at Alfred, does the minister know of other places in Canada where the process can be applied successfully?

Mr. STEWART (Edmonton): Yes, I know a peat bog near my old home in the vicinity of Holland Landing, a very fine bog. There are any number of bogs.

Mr. FRASER: In Alberta?

Mr. STEWART (Edmonton): No, in Ontario. There are any number of bogs in

Ontario. Some of them may not be as adaptable to working as the one at Alfred, but there is no question about the quantity of peat if we can develop a process for handling it.

Mr. FRASER: Has the minister any information in regard to the western provinces?

Mr. STEWART (Edmonton): No.

Mr. RYERSON: Is the minister aware of the experiment carried on or the amount of money expended in Welland and Wellington counties in connection with the very process he is speaking of, namely, the air-drying process of producing peat? A very large expenditure was made there and the same company has spent a great deal of money in this section in the very bogs that I think the government are working on to-day. In view of the failure of private capital in this respect, the government is very foolish to continue the work.

Mr. EDWARDS (Frontenac): I am afraid I cannot agree with the views of some hon. gentlemen on this side who have spoken in regard to the matter. My reason for taking that stand is that there are in the county of Frontenac bogs which give great promise along this line. Some people there are interested and they have a right to look forward with hope to something being done which will make their property of real value in this regard. One or two in Frontenac county have written me in regard to the operation at Alfred and they are anxiously awaiting the result of the government's investigation into the peat proposition in that part of Ontario. I am interested in the experiment, largely because of their interest, and I think everyone will agree that in Ontario if we could handle the peat in a way that would satisfy some of the demands of the public, it would be of great value in a province which has no coal. There may be and likely are similar properties in Quebec. These provinces have at present only the white coal, that is the water-power, to depend upon. They are certainly at a disadvantage in having no coal and I would not be doing my duty in regard to this item if I did not give it support and look forward with hope to something being done which will prove of real value to the development of similar properties in the constituency which I represent.

Mr. GARLAND (Bow River): The vote under consideration is one that has occupied a good deal of time in the house in the years that have passed. Frankly I never understood why the experiment was started in the first place. Even if fuel that could be used was developed from these peat bogs, its light weight, bulkiness and cost of transportation to any great distance would make the use of it almost prohibitive. Therefore outside of areas within the vicinity of the bogs themselves there would be little hope that this peat fuel could be put to any general use. Moreover, because of the nature of the fuel, the low heating value of it, it would be of use only in the fall or spring months of the year. In fact I think the minister himself is reasonably convinced of the truth of that statement. I have however no desire to impede the passing of the vote at this stage, if, as the minister says, he now having set up this plant and having certain equipment there, merely desires to complete the investigation. I would like to ask the minister how much more money will be required to complete this infernal investigation which has been going on now for so many years without anything in the way of concrete results whatsoever.

Mr. STEWART (Edmonton): This is not any more infernal an operation than the one we started at Bienfait. I should not say I started it, but I had the honour of trying to complete it. Notwithstanding the fact that we have spent $1,000,000 of good hard cash of this Dominion on that experiment, which was said to be a failure, there is construction of a plant going on there, not to utilize exactly the same process as was evolved, but nearly the same process. By a high temperature process we are going to carbonize coal at that mine, and make out of what is a comparatively low grade fuel a rather high grade fuel in a territory where there is no fuel of that character. We cannot say that any experiment of this kind is going to turn out a dead failure. All I have to say is that we have purchased all the machinery, we are going to operate the plant at Alfred, and we expect it to carry itself this year. So far as we are concerned we intend to demonstrate, by costs and otherwise, in this year's operation, what peat can be produced for, what it can be sold for, and whether it can meet the competition in an area beyond one hundred miles of coal coming in from outside sources for fuel purposes, at least in the fall and in the spring, when there is a market for a reasonable quantity of this fuel.

Mr. GARLAND (Bow River): Are we to understand that the minister means the vote granted this year will complete the experimental work?

Mr. STEWART (Edmonton): This is for operating the plant.

Mr. GARLAND (Bow River): No more money will be asked for next year?

Mr. STEWART (Edmonton): Not unless we have to operate the plant next year, and I hope not, because I am hoping that the company will take it over. I am informed that to-day the plant is turning out one hundred and sixty tons of fuel. That will be sold, and we will recoup ourselves, but we need money to carry on.

Mr. GARLAND (Bow River): Was there any revenue from the plant last year?

Mr. STEWART (Edmonton): We did not manufacture any last year. We were buying new machinery and buying the peat bog, and it was all outlay on plant and equipment.

Mr. EDWARDS (Frontenac): Is there a blue book report on the operations thus far which I could get? I should like to have a publication of that kind.

Mr. STEWART (Edmonton): There will be. I would not say that it is in print, but it can be produced and printed for the use of hon. members.

Mr. FRASER: How much of that $1,000 for transportation charges on ore shipments was spent last year?

Mr. STEWART (Edmonton): Not one dollar, I am sorry to say. As my hon. friend knows, that was put in the estimates as a result of the agitation for the construction of a plant in British Columbia, which we did not consider advisable at that time. We had in the estimates at one time an item of $10,000 I think, for the purpose of transporting samples of ore from British Columbia and all outlying points in Canada to Ottawa for testing purposes, but advantage has not been taken of that appropriation. We did not spend one dollar of it last year.

Mr. PETTIT: I would remind the minister that there is in the township at Wainfleet, in the county of Welland, an area of peat bog of several thousand acres. It might be well to investigate the possibilities there.

Mr. SIMPSON: I would ask the minister if under this vote an amount is appropriated for subscriptions to periodicals and newspapers?

Mr. STEWART (Edmonton): Yes, $45,000.

Mr. SIMPSON: Has the minister a record of the amount expended by his department for subscriptions to newspapers and periodicals during the year 1927.

Mr. STEWART (Edmonton): I have not a detailed statement here.

Mr. SIMPSON: According to a return that was tabled in the house, I find that the Department of the Interior, including Mines and Indian affairs, took under the heading of newspapers, 213 publications and paid for 296 subscriptions, and under the heading of "other publications" took 673 publications and paid for 912 subscriptions, at a total cost of $7,499.14. Included in these figures were 145 subscriptions to daily newspapers. It appeared to me that there was an evident lack of proper supervision, not only in this department, but in every department of the government, with respect to expenditure along these lines, and in order to bring the matter to the attention of the Minister of the Interior and of ministers of other departments I would like to give the figures for each department now, rather than bring them up when the estimates of the respective departments are before the committee for consideration:

Newspapers and Periodicals Subscribed for by each Department of Government, Year 1925

(Return No. 197)

Cost		Subscriptions to other publications	Subscriptions to newspapers
$ 5,551 94	Dept. Agriculture	1,348	251
208 44	Public Archives	11	31
100 00	Auditor General	10	8
127 09	Civil Service Commission	11	14
1,248 99	Customs and Excise	153	41
393 86	External Affairs	9	41
453 04	Prime Minister's Office	..	84
460 49	Finance	30	42
1,209 76	Governor General	..	152
1,848 50	Dept. of Health	171	24
762 02	Dept. of Immigration	46	91
165 38	Dept. of Indian Affairs	14	20
325 31	Dept. of Insurance	45	4
5,460 13	Dept. of Interior	556	256
2,493 17	Dept. of Justice	474	91
1,337 55	Dept. of Labour	150	127

Newspapers and Periodicals Subscribed for by each Department of Government, Year 1925
—Concluded

Cost		Subscriptions to other publications	Subscriptions to newspapers
1,281 74	Marine and Fisheries	58	65
469 95	Royal Canadian Mounted Police	22	55
1,873 63	Dept. of Mines	342	20
2,039 10	National Defence	250	41
103 49	Patent Office	15	5
332 05	Post Office Dept.	14	52
27 00	Privy Council	..	3
468 79	Dept. Printing and Stationery	66	35
551 85	Public Works	74	26
838 93	Railways and Canals	88	76
587 15	Secretary of State	18	57
514 42	Soldiers' Civil Re-establishment	57	29
212 73	Soldier Settlement Board	20	36
1,315 84	Trade and Commerce	123	77
$32,762 34		4,175	1,854
	Total subscriptions		6,029

That makes a total cost for subscriptions to newspapers, periodicals and trade journals of $32,762.34, not including those for the reading room. It is difficult to determine from the Auditor General's report what is allotted to each department for subscriptions to newspapers and periodicals, but I find in this return that in the Department of Labour there is an increase for 1927 over 1925 of $445.57; and there may be increases in some of the other departments.

I fully appreciate the necessity of subscribing for newspapers and trade and technical journals, but I fail to see any reason for buying so many copies. For instance, in the Department of Agriculture I find the following: Manitoba Free Press, 13 copies; Montreal Gazette, 12 copies; Montreal Star, 6 copies; Toronto Globe, 7 copies; Farmers' Advocate, London, 67 copies; Northwestern Farmer, Winnipeg, 32 copies; Farm and Dairy, Peterborough, 22 copies; Farmers Sun, 19 copies; Grain Growers' Guide, 32 copies; Canadian Official Railway Guide, 18 copies; Family Herald and Weekly Star, 15 copies—and also one copy of Canadian Sports and Daily Racing Form. Presumably the Minister of Agriculture (Mr. Motherwell) is preparing for the races. In the Department of the Interior I find the following subscriptions to newspapers and periodicals: Calgary Herald, 6; Edmonton Bulletin, 7; Edmonton Journal, 4; Lethbridge Herald, 4; Vancouver Daily Province, 5; Manitoba Free Press, 11; and so on; Financial Post, 4; Saturday Night, 5. In all departments of government I find, aside from the reading room, the subscriptions to daily papers number 1,200. As an example: Ottawa Journal, 136; Ottawa Citizen, 116; Manitoba Free Press, 77; Montreal Gazette, 105; Montreal Star, 53; Toronto Globe, 68; Toronto Saturday Night, 32; MacLean's Magazine, 22.

As I stated a moment ago, I fully realize the necessity of subscribing for a certain number of newspapers and trade and technical journals. But when we go home and attempt to explain to some of our constituents that we cannot get a rural mail route established, or that we have not sufficient money to furnish them with anything better than a tri-weekly mail service, and they know that the various departments of government are subscribing for 1,200 copies of daily newspapers, it will be hard to explain to them why the postal service should suffer. I bring this to the attention of the minister and his colleagues in the hope that they will look into the matter.

Mr. CANTLEY: Referring again to the Alfred peat bog, I find last year we spent altogether $22,898.27. This included $4,353 for land, leaving $18,545, of which labour costs represent only $1,876 and a few cents. In other words, over nine-tenths of the expenditure is overhead.

An hon. MEMBER: Rent and salaries.

Mr. CANTLEY: I will come to that in a moment. The manager gets $6,000 a year, and his clerk is in receipt of $1,260 odd. But the entire labour bill is only $1,876. How can any enterprise of that character stand such a disproportionate overhead? The Irishman at home spades out his peat and there is no overhead. In no other way can this fuel be used economically. Now let me refer to another matter. I understood the minister to say he was doing some briquetting in the west.

Mr. STEWART (Edmonton): Not now.

Mr. CANTLEY: Where?

Mr. STEWART (Edmonton): Bienfait, Sask.

Mr. CANTLEY: You have abandoned that?

Mr. STEWART (Edmonton): Yes, four or five years ago.

Mr. CANTLEY: I congratulate the minister on his display of good sense as to that matter. I hope he will do the same with regard to the Alfred bog, and the sooner the better.

Mr. ROSS (Kingston): Two of the main activities of the department, I notice, are in connection with the explosives division. Is the department doing anything beyond the inspection of explosives?

Mr. STEWART (Edmonton): There is the testing of explosives by Colonel Ogilvy. There is also the inspection of the explosive plants, but this is not done usually by him, unless there is some special reason; ordinarily the work is attended to by the mounted police, who look after the safety of the public in connection with this inspection.

Mr. ROSS (Kingston): How many explosive companies are operating in Canada at the present time, or have they all been bought up by the Americans?

Mr. STEWART (Edmonton): There are twelve factories operating in the Dominion.

Mr. ROSS (Kingston): On page 3 of the report the beneficiation of iron ore is dealt with. Has any practical result come from this research work?

Mr. STEWART (Edmonton): There is a rather lengthy report which I shall be glad to give to my hon. friend. It goes into details showing what is being done. Without reference to the report, we must confess that we have not got very far with the development of new treatments of any sort. Investigations have been carried along old lines.

Mr. ROSS (Kingston): I shall be glad to get the report. In my opinion, as I have pointed out before, there has been a want of co-operation; the government has not paid sufficient attention to these reports. Was the minister really carrying out his free trade principles, or was he discharging his function as minister of the mining department, when he allowed the Robb budget to bring in all these products required for insecticides and so on? Here are two or three reports which deal with the importance of these things, especially with reference to arsenic. The very products from our own mines which enter into these insecticides and fungicides are brought in from the United States. This report, which gives a survey of Canada, was intended to locate the arsenic areas in Canada, but with the introduction of these products from the United States our research work has practically stopped. The minister might support this change in the tariff by arguing that it was not a matter of price, but I think he will agree with me that as these by-products of the smelters are used up, and in view of the fact that one-third of the supply of arsenic comes from these smelters, in proportion as this material is consumed in the United States and we have abandoned research work, the price is bound to rise. There is no question about that. At one time, when arsenic was used less extensively as an insecticide, it was a drug on the market; it was very cheap. But as it came into use the price rose. If we are not busy locating and making use of our own supplies in Canada the price will go up. Therefore the minister should be intensely active in the development of our own ores and the products which will provide us with a supply of these commodities. It is worth while calling attention to that fact. These reports are being published, book after book, and nothing is being done, notwithstanding that a great deal of expense is incurred. Money is being spent without producing the results intended for the development of our own industries.

Mr. EDWARDS (Frontenac): An hon. member asked a question with regard to these publications. He put some very valuable information on the record this afternoon, and I am sure the minister himself must possess a huge fund of interesting material which he would like to divulge to the committee in regard to papers, periodicals, and so forth that come to his department. Here is one publication known as the Journal of Heredity. I do not know whether this is one of the publications in the minister's department, but it is printed in Washington. There are seventeen of these. Does this "heredity" refer to a certain type of gentlemen, the aristocracy of Canada, or has it reference to animals? I do not know whether the journal of heredity concerns itself with two-legged or four-legged animals. I should like the minister to take us into his confidence and let us know whether his department is spending money to furnish all the staff with these various publications.

Mr. STEWART (Edmonton): Perhaps my hon. friend will wait until we come to the Department of the Interior, but if there are any in the Mines department I shall be glad to give him what information I have.

Mr. EDWARDS (Frontenac): I presume you have a number of publications in the Mines branch.

Mr. STEWART (Edmonton): Quite a number.

Mr. EDWARDS (Frontenac): Is that to provide the various members of the staff each with a copy?

Mr. STEWART (Edmonton): No.

Mr. EDWARDS (Frontenac): The number seems unnecessarily large. Possibly it is not, but that is the way it strikes me. The minister did not give the reason for such a number when my hon. friend behind me gave the information he did.

Mr. STEWART (Edmonton): The hon. gentleman who previously spoke with reference to the matter had in mind newspapers that were coming in for use in the department. I believe he said that twenty newspapers came into the Mines department. I cannot say that this should be considered an excessive number because every day information must be available to various officers in the department. With respect to periodicals, this department occasionally uses a great many. The exchange of new ideas in almost every line of metallurgy in which the officers of the department are interested is invaluable, and of course it would necessitate access to everything that is going on throughout the world in the way of new development and the evolution of new ideas. I am unable to tell my hon. friend why it is necessary to have twenty newspapers in one department. However I will inquire into the necessity for that number.

Mr. CANTLEY: With regard to the supply of arsenic, which is coming into the country in increasing quantities all the time, I would suggest to the minister that instead of whipping dead horses, as he has been doing in the briquetting of coal, and endeavouring to do the impossible so far as peat is concerned, he might turn his attention to the question of utilizing our ores in Canada in relation to the supply of arsenic. It is estimated that there are in Nova Scotia 100,000 tons of tailings containing a considerable percentage of arsenic. The hon. member for Kingston has referred to the output of the smelters, and has asked what is being done by the department with regard to the investigation of that matter, which is certainly of vital importance to the country at this moment. A large market is assured to-day and we are depending entirely on our neighbours for that supply.

Mr. STEWART (Edmonton): There is no question about the quantities of arsenic available in Canada. It does not need a geological survey to establish the fact. It is perhaps very much in the same position as was the asbestos market a year or two ago. As my hon. friend knows, there was any quantity of asbestos, but the industry was almost dead. Of course the hon. member would suggest protection at once.

Mr. CANTLEY: Any reasonable man would.

Mr. STEWART (Edmonton): I will not get into an argument with my hon. friend about that this afternoon; we will argue it some other time. Our business as a Mines department is to lend geological aid if necessary where prospectors have made discoveries, and to assist them in testing. But apart from the experiment made by the government in the briquetting of coal and the experiment in connection with peat, we are not trying to undertake commercial development of these ores. That is the point I am trying to make.

Mr. CANTLEY: We are not asking the minister to undertake commercial development. We are asking the minister to undertake the research work which he claims his department is doing, and I presume that is all he is claiming in regard to peat. Why does he not transfer his activities to questions which are pressing to-day, which are of some very considerable importance and in connection with which research work is necessary? No other question is perhaps more important than that to which I have referred. Why does the minister waste his time on matters of no importance while neglecting other matters which require attention to-day, this altogether apart from the question of protection, to which he has been good enough to refer. I am glad to know that at times he has glimmerings of intelligence in regard to the operation of his department.

Mr. COOTE: I would like to ask the minister whether this is the proper place to discuss the oil well regulations?

Mr. STEWART (Edmonton): I think that had better come up under the Department of the Interior, because they are practically controlled by that department.

Sir GEORGE PERLEY: Before this item passes I would like to suggest to the minister that he should reduce this amount for the

peat experiment. I do not see why he needs $50,000. I could tell the committee a lot about peat from my own unfortunate experience many years ago, but this is not the time to do so. I do not object to the experiment being carried on in the hope of discovering some way to utilize this natural product, but it does seem that $50,000 is too much to pay for a pure experiment. I wonder if the minister cannot reduce this vote.

Mr. STEWART (Edmonton): We have aimed at the production of 15,000 tons of fuel this year at this plant. It is not the idea to create the impression that large commercial plants could be successfully operated because, as my hon. friend from Pictou has said, of necessity this fuel can only supply the market contiguous to the point of production. Peat cannot be shipped great distances because it is bulky and light and carries a fairly high freight rate, but this year we expect to produce 15,000 tons. We hope to produce that at $3.50 per ton, and that is about what we estimate will be the outlay during the season. We expect to recoup ourselves by the sale of peat, so we are simply asking for a sum with which to carry on this year.

Item agreed to.

Geological survey, $331,000.

Mr. FRASER: How many parties have you in the field this year?

Mr. STEWART (Edmonton): We have fifty-two parties.

Mr. FRASER: Are there any more in British Columbia than were there last year?

Mr. STEWART (Edmonton): No, there has been a permanent arrangement with British Columbia almost since union for geological survey work. I think we have eleven parties there.

Mr. CANTLEY: May I ask what parties you have in Nova Scotia this year, and what districts they are in?

Mr. STEWART (Edmonton): Mr. E. R. Faribault is in the gold-bearing districts in Yarmouth county. He will also continue systematic geological mapping on the Annapolis quadrangle. Mr. J. A. MacDonald will make control surveys in the southwestern part of the province. Aerial photographs have been taken of this part and geological map-sheets contributory to the systematic geological and geographical survey of the province will be made from these photographs and the control surveys. Mr. I W. Jones will complete a geological survey of Springhill quadrangle. Mr. W. A. Bell will make a supplementary examination of the coal area at New Glasgow, and Mr. Bell and Mr. G. W. H. Norman will continue a systematic geological survey of Ainslie quadrangle.

Mr. FRASER: I would like to ask the minister when the reports of the work done last year will be made available?

Mr. STEWART (Edmonton): We will start to issue them shortly and possibly before fall all the reports having to do with the operations last year will be in your hands.

Mr. FRASER: This work was done during the season of 1927, and would be completed by September of that year.

Mr. STEWART (Edmonton): No, it would be later than that.

Mr. FRASER: Most of the field parties in British Columbia are finished by the end of September. Could not the preliminary reports of these surveys be issued? Could not the issuance of these reports be speeded up, so that they would be available to the public at an earlier date? We will not receive those reports until July or August. Surely that could be speeded up so that the information would be made available earlier in the year.

Mr. STEWART (Edmonton): One of our difficulties, as my hon. friend knows, is that maps must accompany these reports, and there is a good deal of work necessary to prepare the details. Possibly we could get out a summary which would be available to the public who wish to have the benefit of that information at the beginning of the spring work, but one of the difficulties here at Ottawa is that the printing bureau is working overtime on parliamentary work from the moment the session opens until it closes, and it is very difficult to get printing done.

Mr. FRASER: Could we not cut down on the sessional work?

Mr. STEWART (Edmonton): I do not know, but I do know that they are working nights.

Mr. FRASER: Could we not cut out some of the sessional work?

Mr. CANTLEY: I would like to refer to one other matter. Last year as the minister knows, or at all events his chief officers know, a company did a lot of deep drilling in the maritime provinces.

Mr. STEWART (Edmonton): A private company?

Mr. CANTLEY: Yes, in a search for oil. At Governor's island near Charlottetown, P.E.I., they put down one hole to a very considerable depth; as a matter of fact I think

they put down two bore holes, but one was lost. The records of that work must be of very considerable value, and I would like to know if the department have kept in touch with the work and if they have been able to get the log of these drillings, which must contain a very considerable amount of information in regard to the strata and the possibility of oil being in that locality.

Mr. STEWART (Edmonton): I am told that we have that log on file in the department, and it can be procured.

Mr. CANTLEY: Similar work is now being done in Cape Breton near lake Ainslie and I presume the department is keeping in touch with the men on the ground in regard to that well?

Mr. STEWART (Edmonton): Yes.

Item agreed to.

Mines—amount required for expenses in connection with movement of coal from Alberta to Ontario and from Nova Scotia and New Brunswick to Quebec and Ontario, under the provisions of orders in council P.C. 439 and P.C. 539, $150,000.

Mr. HEAPS: Could the minister give the committee any idea of the amount of coal that will be shipped this summer?

Mr. STEWART (Edmonton): It would be very difficult to make even an estimate of the amount that will be moved. We know that contracts are being made for Nova Scotia coal outside of the old areas in which coal from the maritime provinces was formerly sold in Ontario; in Cochrane, for example. Bituminous coal will be sold in the territory that distance from Montreal. Alberta coal is being sold in a good many different parts of Ontario.

Mr. HEAPS: The minister has no idea of the amount of coal being moved under this subsidy?

Mr. STEWART (Edmonton): I could not say.

Mr. HEAPS: When this subsidy was arranged with the Alberta government did the minister take into consideration the cost of the coal at the mine mouth? From the information I have I understand that coal of a similar character can be mined in the United States under similar conditions at about one-half the cost. I would like to know if the government has done anything to ascertain the cost of coal at the mine mouth in the province of Alberta. I understand that the Alberta government has not been able to obtain that cost, and I was wondering if the Dominion government have anything to show that the price charged is a fair price.

Mr. STEWART (Edmonton): It is a very difficult proposition you have presented, because so much depends on the volume and the length of time the mine is operating, to arrive at the cost of raising the coal. There is a considerable difference between the cost charged for coal in Alberta and that in the United States, but whether or not they can raise coal as cheaply, whether or not their volume is as large, and whether all the factors that go to make up the cost of coal are the same, I am unable to say.

We have not made inquiry as to the f.o.b. prices being charged, as that is a matter which the Ontario consumers or the Ontario government and the Alberta government ought to adjust between themselves. The movement is fixed at a rate of $6.75 per ton, and we are only interested in the freight movement of the coal; to ensure a rate which will be reasonable and just for that movement. The matter of selling coal is entirely in the hands of the two governments concerned, not in ours.

Mr. HEAPS: I think the federal government should be vitally concerned in the cost of coal at the mine mouth, because, after all, if you are going to subsidize coal going to other provinces the first consideration is whether a fair price is being charged at the mine mouth. According to an inquiry which was held recently in the United States, it was shown coal was being sold at the rate of $2.25 at the mine mouth. It is evident that the operators in the United States are willing to give that cost, and I want to know why the operators in Alberta or other parts of Canada are not willing to give the same information. They have always refused to give it in Alberta, and I think the minister ought to know that there is a fixed price there. In other words, there is a ring of coal operators and they charge whatever the traffic will bear. A price of $4.50 or $4.95 at the mine mouth, in my estimation, is altogether too high. Before one cent in the way of subsidy for the moving of this coal is spent, I think it is our duty to find out whether a proper price is being charged at the mine mouth. The Alberta government and the operators have been asking this government to give certain concessions in order to obtain the Ontario market. I would like to see the Ontario market supplied with coal from the province of Alberta or from the maritime provinces,

but the operators, particularly in Alberta, have given no concessions whatsoever in order to obtain that particular market.

About ten years ago we had a similar situation in western Canada where the operators in Alberta said that if they could only obtain the Manitoba market their problems would be solved. They have now a very large share of the Manitoba market but their problems have not been solved in any way; they are just about where they were ten years ago, more mines have been opened and the mining industry is in about the same position as it was in 1918 or 1919.

The same condition applies in the United States regarding the length of time in the year the mines are operated. The mines of the United States are idle for a good period of the year, and some of them operate no longer or not even as long as do the mines in Alberta. Mr. Chairman, I do think that before the government continues with this subsidy it should take steps to find out what it costs to produce one ton of coal in Alberta, taking all things into consideration, and then we will know whether they are worthy of consideration. At the present time prices run from $4.50 to $4.95 per ton, and when the operators of Alberta are asking the government for assistance I think they should find out if they are worthy of it.

Mr. EVANS: How much money has been paid in the way of subsidy on Nova Scotia coal coming to Ontario, how much coal has been hauled under that subsidy, and where has it been shipped to in Ontario?

Mr. STEWART (Edmonton): My hon. friend is in error when he states it is a subsidy; it is merely an amount that the board will fix over and above $6.75 per ton for this test movement. It is not a definite subsidy, our interest being only in the freight haul. I do not want to get the government into the position of being made responsible for coal prices either in Ontario or Alberta. That is a problem for the people who administer the Mines Act in the province of Alberta, and it is a problem for either the consumers or the government of the province of Ontario. We are only interested in the freight rate and we have agreed to assist in a test movement to demonstrate what is a fair and reasonable rate to be charged for the movement of this commodity both from the east and west. No money will be paid until the end of the season when the Board of Railway Commissioners will estimate what is reasonable and just to be paid to the railway companies for this movement, and I am asking for the $150,000 to provide against that contingency.

Mr. EVANS: Is there not a subsidy being paid on Nova Scotia coal moving west?

Mr. STEWART (Edmonton): No. There was a subsidy of one-fifth of a cent per mile up to 50 cents per ton some years ago. There was approximately $19,000 paid on that occasion for that movement. But this is the same movement as the one we inaugurated from Alberta and it is based on the same principle.

Mr. CANTLEY: I want to direct the attention of the minister to the question of the movement of coal from the west and from Nova Scotia. As he knows, the rate from Alberta is fixed at $6.75 and from Nova Scotia points to Montreal it is is fixed at $3 and from New Brunswick at $2.10. The distance from Alberta points is practically 1,989, or say 2,000 miles. That figures out at about 3.39 mills per ton mile on which I presume the rate was based. Taking the same rate per ton mile we find that the Minto rate ought to be considerably lower than $2.10, which is the rate issued. The Canadian Pacific mileage from Minto to Montreal is 501 miles. At 3.39 mills that gives a rate of $1.70 instead of $2.10. If you take the mileage by the Canadian National road it is 547.6 miles, which would give a rate of a little under $1.85 instead of $2.10. Therefore by the shortest route which should govern we would be entitled to a rate of $1.70 or even by the longest route to a rate of $1.85. Why put in a rate of $2.10?

Mr. STEWART (Edmonton): I am greatly interested in this movement, but I do not think we got down to the exact figures that my hon. friend has presented. In every case in a freight movement of this kind the long haul gets the more reasonable rate. That is generally admitted. Probably my hon. friend will argue that there should not be that much difference. I am accepting his figures; I do not know the correctness of them, but I am sure he has gone into the matter fairly and that his figures are correct. We are endeavouring to treat both east and west alike in connection with this test movement. I have much more hope of assistance to the eastern industry by widening the market by the rail and water haul via Montreal than by the all-rail haul under almost any conditions.

Mr. CANTLEY: I am not interested at the moment in the rail and water haul. That has some advantage, I will admit. It will apply to Cape Breton; it does not apply to the mainland. The minister's statement about the long haul is all right in reference to a haul between divisional points, but it is not

a factor where the distance is 500 miles as compared with 2,000 miles where you are passing over one or several divisions to another, because your divisional charges are the same in either case.

I come to the question of the Spring Hill district where the distance is 684.4 miles, about one-third of the Alberta distance, I will admit, but passing over a divisional point, so that the minister's argument does not apply. The rate here should be $2.32 per ton, not $3 as we are charged for the whole province of Nova Scotia—a flat rate of $3 irrespective of distance. If you take the Stellarton district, the distance is 768 miles, and at 3.39 mills the rate would figure out at about $2.60, whereas we are charged $3. The rate from Spring Hill should of course be a little less becauses the distance is less. The rate from Sydney on the same basis would be $3.24. There I admit you are giving Sydney an advantage, but the fact is that no coal will be moved from Sydney under this scheme; it is not expected that it should be moved from there. But a large quantity of coal should be moved from Spring Hill and from the Pictou district to overcome seasonal unemployment and from those points we are asked to pay too much. A level rate for the whole province of Nova Scotia based on practically the greatest mileage that can be found in the province, namely from Sydney, and disregarding the Pictou and Cumberland fields is not fair treatment as compared with that which the other province has received in this regard. New Brunswick is entitled to a rate of $1.70 from Minto, Spring Hill a rate of $2.32 and the Pictou district a rate of $2.60. I do not think any coal will be moved from the island of Cape Breton, but it is entitled to a rate of $3. Why does the minister not give us in the several maritime coal districts the same treatment as he is giving to the west? That is the question I ask and I should like to get an answer.

Mr. STEWART (Edmonton): The maritimes start off with an advantage of twenty per cent covering all rates. That applies in the first instance.

Mr. CANTLEY: The 20 per cent does not apply to this special rate.

Mr. STEWART (Edmonton): That is true, but my hon. friend is taking the total rate on the long haul against his short haul and figuring that he is working at a disadvantage. Minto coal, however, comes into this city under the old rate. We are desirous of extending the use of it so far as we can. Minto coal has been burned in this plant.

Mr. CANTLEY: I know that. Pictou coal comes up in the summer but not in the winter.

Mr. STEWART (Edmonton): It comes up by rail.

Mr. CANTLEY: No, it comes by water to Montreal.

Mr. STEWART (Edmonton): I did not understand that it came by water. My understanding was that it came by rail. We are trying to give my hon. friend a rate that will put his coal into this market and that will be as nearly commensurate with the rate to the western provinces as we can make it. My. hon. friend will, I admit, find some discrepancies, but he will agree with me that when we made the attempt before, the maritime provinces were the only portion of Canada to profit by the movement. Moreover, this is a test movement. Accurate figures, I trust, will be taken of the movement. We made one zone of the province of Alberta. We do not say, for example, that the rate from Drumheller will be less than the rate from the mountains where there is perhaps a longer haul of about 200 miles. We took the maritimes as a zone and divided them into two with the exception that we gave Minto in New Brunswick, which is the shortest haul, the lowest rate.

Mr. CANTLEY: That is not a fair statement of the facts. As regards the zoning in Alberta, the whole territory is embraced within a zone of 200 miles.

Mr. STEWART (Edmonton): Quite right.

Mr. CANTLEY: Nine-tenths of the coal comes from one point, namely, Drumheller. The minister has not dealt with the maritime provinces in the same way at all. We are entitled from Minto, New Brunswick, to a rate of $1.70 on the mileage. The minister talks about a long haul and a short haul. A haul of 750 miles is by no means a short haul and it is entitled to just as equitable a rate and it costs no more per ton mile than a haul of 2,000 miles. The fact remains that we have not received fair treatment in this matter. We have been charged $3 where we ought to be charged $1.70, $2.32 and $2.60 from Minto, Spring Hill and Pictou respectively. The minister might just as well admit the situation and rectify it.

Mr. STEWART (Edmonton): The minister is not going to admit it at all.

Mr. CANTLEY: I do not know that he admits anything, but at all events he cannot change the facts, and the facts are as I have stated.

Mr. VENIOT: Does the hon. gentleman say that Minto coal goes to Montreal by water?

Mr. CANTLEY: No, I was talking of Pictou coal, which is better than Minto coal.

Mr. GARLAND (Bow River): It was with some little surprise that I heard the remarks of the hon. member for North Winnipeg. When he suggests that it might be wise for the sake of the industry and as a matter of research to get at the production costs of the coal, I agree with him, but when he comes along with the categorical statement that the minister and parliament should not spend one cent of this vote until after the costs of the operators have been produced, there I disagree with him, and in disagreeing with him I am in good company, because I am in his own company or that of his associates. I have in my hand a copy of an editorial from the Canadian Trade Unionist, which I would call to the hon. member's attention.

Mr. HEAPS: Does the hon. member know what he is quoting from when he is quoting from that paper?

Mr. GARLAND (Bow River): I am quoting from my hon. friend's friends. It says:

> The successful culmination of the negotiations that have been carried on will be a source of much gratification to all who have aided their progress. The Canadian Trade Unionist feels proud that it has taken part in the campaign. It is now four years since we published the first of our series of articles urging on Canadian workmen the value to themselves of spending the money made in Canada for the Canadian coal of a sister province.

Again:

> There is still the securing of a market for the product,. . . and the influence of labour is to be seen in this resolution from the representatives of a typically working-class constituency. Like results can be obtained elsewhere.

I quote from another editorial, this time from the Labour Leader, which the hon. member for Winnipeg North may have heard of. It says:

> If we take it for granted that the test is to spread over the three years movement and is an attempt to create a permanent Ontario market, the results as far as labour in particular is concerned are very far-reaching. They affect labour as a whole throughout the entire Dominion, not merely the trades and callings directly associated with the mining or movement of the fuel, but others as well.
>
> In the immediate past, the condition of miners in western Canadian coal fields has been an unhappy one. Skilled workmen, they have only been able to work a little more than six months of the year.

And sometimes less than that:

> Limited markets have restricted the output of the mines and made all-year-round operation an impossibility. The miners, therefore, for their off-seasons have been forced, here and there, in search of some sort of seasonal occupation.
>
> Not only would a substantial Ontario market for the coal relieve distressing conditions among the mine workers, but it is clear that it would also stabilize labour conditions throughout the west, which are now unsettled, due to the number of men who must spend a great portion of each year looking for any sort of fill-in occupation that they can find.
>
> As well as the direct effect on living conditions among the miners themselves and its effect on other types of business dependent on the miner's patronage, the result as far as the railways are concerned is no minor one.

It is only at that particular point that I wish to take issue with the hon. member for North Winnipeg. The miners themselves are absolutely in accord with this test movement. They feel that it has offered them some hope of greater continuity of work throughout the year, more days employment, and they leave to their own organizations the adjustment of the wage scale. But when the hon. member for North Winnipeg rises and suggests that we should not give a cent of this money until after the costs of the operators have been produced, I must disagree with him. He went further and stated categorically that the operators in Alberta had a ring and were fixing prices. I do not know where he gets his facts. I have no brief for the operators. My friendship is entirely for the miners. I have stated that often and will state it again, in front of the operators or anybody else; I am stating it now. To my knowledge there is not only no deliberate ring so far as the Drumheller field is concerned, but there is keen competition in the securing of markets. In this city of Ottawa one of the Drumheller mines is now offering coal at a cut rate, at 25 cents a ton below the price charged by other mines. That should dispel the hon. gentleman's belief that there is any deliberate ring. That is all I wish to say on this matter at the moment, and I trust the hon. member for North Winnipeg will not be provoked any further.

Mr. HEAPS: Who fixes the price of Alberta coal?

Mr. NEILL: The minister has told us that we must not call this a bounty. I call it

a hand-out. It is going to cost us $150,000, and surely it is worthy of a name. It must not be called a bounty or a subsidy. What would the minister call it?

Item agreed to.

Indian Affairs—salaries, $171,992.50; contingencies, $20,000.

Mr. BENNETT: It would seem this might be an appropriate place to make a few observations with respect to the condition of the Eskimos. The minister has had his attention directed to this matter on more than one occasion, and considerable sums of money have been expended for the purpose of improving their condition. I understand that every winter there is considerable hardship endured by the Eskimos, and the only remedy that has been suggested that would be at all equal to the demands made upon the department would be to import a number of reindeer from Norway, and to establish herds up there, as has been done so successfully by Mr. Lopp in Alaska. I know the minister gave the matter some consideration, and there is a considerable number of people who will be very anxious to know from a statement by the minister in this house just what is being done, and what may be done, in the way of affording this measure of relief to this native population of our country to whom we owe so large an obligation.

Mr. STEWART (Edmonton): The importation of reindeer was attempted by the department on the east coast and was a failure, we understand, because of the fact that they were not well located on proper grazing grounds. The reindeer nearly all died. Since that time our attention has been directed to the fact that in Alaska the American government have made a very great success of the rearing and domesticating of reindeer They are rearing the reindeer in their wild state, and have a very considerable market both for the fur and the meat, and as a commercial undertaking it is proving to be quite a success. There have been in the employ of the department for two years two gentlemen who have made a study of the food and other conditions of the reindeer, and it is hoped to make a success in this direction yet. They have been in the north now for a period of two years, and we shall soon have their report. In addition to that, the hon. member for Vancouver South (Mr. Ladner), on behalf of others, approached the department about a year ago to lease a very large territory in the vicinity of Hudson bay.

Mr. BENNETT: In the Mackenzie basin?

[Mr. Neill.]

Mr. STEWART (Edmonton): West of Hudson bay. The land was required for individuals who had made a success of rearing reindeer in Alaska. They wished to import a very considerable herd and make a thorough test of the possibilities of raising reindeer in that territory. I think arrangements have been practically completed, and we will soon have, as a private enterprise, a herd of reindeer established there, and year by year a certain number of animals will be turned over to the government, which we will then give to Eskimos, who will be trained to establish small herds. This work we trust will be beneficial to the Eskimos from the standpoint both of meat supply and of fur.

Mr. BENNETT: I have no desire to detain the committee, but possibly the minister has seen a letter which was published in the Toronto Globe with respect to this matter, pointing out the conditions under which the Eskimos are living and the necessity for action being taken to provide for their wants.

Mr. STEWART (Edmonton): Is that the Rev. Mr. Walton's letter?

Mr. BENNETT: I am referring to the letters written by him and also by Mr. R. H. Knowles of Toronto. There is also an editorial in the Globe with respect to the matter, which I placed among my files for reference when dealing with the estimates. The movement of reindeer to the Mackenzie basin will not entirely meet the demand for further consideration by the aboriginal population in another section of the northwest. There are about six thousand souls in all, and the story told of their privations and sufferings demands that action be taken to prevent a recurrence of those conditions, for the minister himself on a previous occasion pointed out that we owe to the aborigines a sacred duty that is not lightly to be disregarded. Under the circumstances, if the experiment to establish reindeer in that part of the Northwest Territories immediately concerned has been unsatisfactory, I think a larger sum should be placed at the disposal of the minister to make possible the absolute prevention of a recurrence of the hardships and suffering which those people have undergone.

Mr. STEWART (Edmonton): I am asking for a considerable sum in another place—

Mr. BENNETT: I know.

Mr. STEWART (Edmonton): —but largely for the purpose of securing supplies from the traders. The Hudson's Bay Company, for example, have posts along Coronation gulf

and around Churchill where the Eskimos congregate, and they are most likely to know whether the natives are in distress. This occurs in the winter season, when sometimes whole tribes are wiped out. I neglected to say that the investigation we are making by those two gentlemen from the United States is along Coronation gulf.

Mr. BENNETT: The Porsild Brothers?

Mr. STEWART (Edmonton): I am not sure if that is the name. They have made a study of the subject, so we will have some assurance that there will be the necessary feed available if the deer are moved in. We are having difficulty with our Indians all through the northern territory. On that account we are asking for larger sums for medical attention and supplies. The high prices at which fur is selling to-day is a great incentive to the white trapper to interfere very seriously with the livelihood of the Indians—so serious that we are going to kill some of the older buffalo in the northern herd and reserve the meat for that territory.

Mr. BENNETT: In the Globe editorial it is stated that a ninety-eight pound bag of flour was sold to the Eskimos at from fourteen to sixteen dollars, and a tin of beef at seventy-five cents. There are only six thousand of them in all. If that is so, I think the minister should state to the house very frankly that he regards the Dominion's obligation to feed and clothe them to be of such importance that he will see to it that the Eskimos are properly looked after. I think that is all that can be fairly asked of the department.

Mr. STEWART (Edmonton): I am glad my hon. friend has brought this matter up, for it is one on which the house needs information. The reports we receive are usually from a year to eighteen months after the occurrence—

Mr. BENNETT: That is the trouble.

Mr. STEWART (Edmonton): —and we do not discover there has been distress and suffering until it is too late to apply a remedy.

Mr. BENNETT: Usually they are dead.

Mr. STEWART (Edmonton): Yes. So far we have had to trust pretty largely to the northern traders. We are trying to get into that territory police posts just as quickly as my hon. friend will give us the men. We have established a number of posts there during the last two or three years, and we are endeavouring to teach the natives to apply to the mounted police as our direct representatives. Let me say that I do not think those natives have always been used by the traders as they should have been, and the mounted police are exercising a very salutary influence on the traders operating in that northern territory. With the extension of the mounted police service I think we shall be able to take measures more adequately to protect the natives than we have been able to in the past.

Mr. ADSHEAD: From what I can hear in this corner you are discussing Indian affairs?

Mr. STEWART (Edmonton): No, civil government.

Item agreed to.

Indians—Ontario and Quebec, $317,107.

Mr. SPENCER: Will the minister explain the general increases in these votes?

Mr. STEWART (Edmonton): In this vote there is an increase of $8,000 for relief and medical attendance. Without going into details, I may say that we have to increase our votes all along the line for assistance of this kind to our Indian wards.

Mr. BENNETT: There is no doubt about it.

Mr. STEWART (Edmonton): I am afraid that in the future we shall have to increase these votes very materially, because we are not in any way meeting the requirements for stamping out tuberculosis, which is very prevalent amongst the Indians. Indeed, it is increasing to some extent. Of course, that means better housing, better care—

Mr. BENNETT: And medical attention.

Mr. STEWART (Edmonton): Yes. In every case we are asking for some increase in the votes for hospitals and so forth.

Mr. BENNETT: What is the Indian population of Canada at present?

Mr. STEWART (Edmonton): 105,000.

Mr. BENNETT: I wholly agree with what the minister has said. There is evidence on many reserves that notwithstanding the efforts made the population is decreasing, and if there is any duty we owe in the world it is the duty we owe the Indians and Eskimos, the aborigines who are the wards of the nation. I should like the minister to make it perfectly clear that early this year he will take steps to prevent destitution and starvation among the Indians and Eskimo population in the far northern part of the country. If we do not move now these people will die of starvation this winter.

Mr. STEWART (Edmonton): In the Coronation gulf area we now have a mounted police force which was recently established on Baffin island. In the north, where the Indians congregate, we are also policed.

Mr. BENNETT: But further east?

Mr. STEWART (Edmonton): The northern end of Quebec is the one weak spot in the organization.

Mr. BENNETT: And that is where the Eskimos are suffering.

Mr. STEWART (Edmonton): There is a considerable number of Eskimos there and we have some apprehension, but we are taking the precaution to ensure that the traders will at least endeavour to see that no destitution occurs. But we must have a police force there.

Mr. BENNETT: And start now.

Mr. EDWARDS (Frontenac): What is the acreage in Indian reserves in each of the provinces?

Mr. STEWART (Edmonton): I can give the number of reserves but I doubt whether I can give the exact acreage.

Mr. EDWARDS (Frontenac): Have certain lands, formerly Indian reservations, been acquired or taken over by the government, and if so, what lands were given in substitution therefor?

Mr. STEWART (Edmonton): I can best answer that question by citing what is going on at present in the Peace river country where there are three small reserves in the thickly settled district there. There are not very many Indians on them, it is true, but what we propose doing there, subject always of course to approval by the Indian band themselves, is to sell these and substitute other lands which are not so valuable and which are of a greater distance westward. Generally speaking, where there is a sale of a reserve or of any portion of a reserve, the sale takes place after a vote has been taken by the Indian band on the reserve. Their consent is obtained and the land is then sold at public auction. That method was departed from in some cases when soldier settlement was quite active. The Saddle lake reserve in Alberta is one I know of particularly. In that case there was set aside at a fixed value a certain portion of the reserve, with the consent of the Indians, of course, and $10 an acre was decided upon as the price. There was no public auction in that instance. But in the case of the Blackfoot reserve where the land was not required—it is in the vicinity of my hon. friend's constituency—the Indians voted and the land was sold at public auction to the highest bidder. The practice in all cases is, first, to obtain the consent of the band, and secondly, to sell at public auction to the highest bidder, the funds to be preserved of course in the interests of the band itself.

[Mr. Bennett.]

Mr. EDWARDS (Frontenac): Why was that procedure departed from in the case of the Saddle lake reserve?

Mr. STEWART (Edmonton): It had been presumed that the land was required for soldier settlement purposes, but it finally turned out that it was not; and as the government were in duty bound to pay over the $10 an acre to the Indians or to the band funds other disposition had to be made of the land.

Mr. EDWARDS (Frontenac): What was that disposition?

Mr. STEWART (Edmonton): Part of it was sold to British families. I know there was one portion that went to local people by allotment at $10 an acre—a small portion on the eastern side of the reserve.

Mr. BENNETT: That was not sold by auction?

Mr. STEWART (Edmonton): No.

Mr. BENNETT: Does not the law require it to be sold by auction?

Mr. STEWART (Edmonton): It was sold to the Soldier Settlement Board. It had gone out of the control of the Department of Indian Affairs, and it was sold to the board who made this adjustment.

Mr. EDWARDS (Frontenac): Was not a large block of that Saddle lake reserve disposed of to one corporation or organization, and by them resold, they being in full control?

Mr. STEWART (Edmonton): My hon. friend is referring to the British families settled under the Hebridean association. They were settled by the Soldier Settlement Board on these lands which were assumed to be required for soldier settlers but were not, and which were subsequently settled by these Hebrideans.

Mr. EDWARDS (Frontenac): I did not suppose that the Hebrideans, who were brought out under the Scottish Immigration Aid Association, had settled there at all.

Mr. STEWART (Edmonton): The minister (Mr. Forke) now tells me that they were not; they were British settlers who were put on the land under the British Empire settlement scheme.

Mr. EDWARDS (Frontenac): Then no large portion of the reserve was disposed of en bloc to any organization or association?

Mr. STEWART (Edmonton): No; only in so far as the Soldier Settlement Board acquired it at $10 an acre.

Mr. SPENCER: Was $10 an acre the average price of raw land around the Saddle lake reserve?

Mr. STEWART (Edmonton): I cannot say; I should think so.

Mr. SPENCER: Perhaps the Minister of Immigration can tell us.

Mr. STEWART (Edmonton): It happened prior to our time; the allotment was made under the previous government. But $10 an acre was a fair price for raw land in that vicinity at that time.

Mr. KENNEDY: What reserves in the Peace river country have been voted on by Indians?

Mr. STEWART (Edmonton): None as yet.

Mr. KENNEDY: Was a vote taken last summer?

Mr. STEWART (Edmonton): No; an attempt was made but we did not get the Indians together.

Mr. KENNEDY: Is it the intention to take a vote again?

Mr. STEWART (Edmonton): This summer.

Item agreed to.

Indians—Manitoba, Saskatchewan, Alberta and Northwest Territories, $918,257.

Mr. FANSHER (Last Mountain): Will the minister explain the ramifications of this vote? It is a large vote and there is an increase.

Mr. STEWART (Edmonton): The largest proportion of the vote, $40,000, is for destitute Indians, to meet treaty obligations. The three prairie provinces cover a very considerable area and we require this additional amount. I emphasize the necessity for doing something, along with the provincial government, to provide hunting grounds for the Indians apart from the reserves on which they live. If we cannot succeed in doing that, and the Indians come into competition with the white man and are obliged to earn their livelihood, they will starve to death. That is as the situation appears to us. Consequently we are constantly asked for more money to relieve destitution and for illness resulting from destitution, and we have pared these sums to the lowest possible amount. These Indians are our wards; we must do the best we can for them, and without going into a detailed explanation I would say to my hon. friend that every dollar of this amount will be needed for the purpose for which it is voted.

Mr. WOODSWORTH: In regard to the policy of the department I should like to ask the minister whether it is contemplated that the Indians will have to earn their living by hunting, and if so, whether it is a good thing to bring young Indians to boarding schools, keep them there for six or eight years, then turn them out again without having given them the opportunity to acquire hunting habits.

Mr. STEWART (Edmonton): I have given this question very considerable attention and I have watched the development of some of these young people, so I might say that I have very great hopes of making a change in connection with the young Indians whom we can put at once into the occupation of farming. For example, take the Blood reserve in Alberta; we have an allocation of land for the young student as soon as he is ready to leave school, and we endeavour to build a small house for him and to become responsible for the purchase of stock and implements, although in a very limited way. We have every prospect of success there, and the reason I lay so much emphasis on this is because I am led to believe it will be successful through what I have seen on the Six Nations reserve in Ontario. Of course there are good and bad Indians just as there are good and bad white men, but on that reserve they are making a fair success of agriculture. However, in answer to my hon. friend's direct question about the hunting Indian, the northern Indian, who is brought to school and then turned loose at the age of fifteen or sixteen years, neither a hunter nor a half-trained white man; that is the problem which is giving us the most concern at the present time. The Indians who live in agricultural areas usually work for the surrounding farmers, and they make good workmen. I am not decrying the advantages of education to the young Indian, but we should have something to put him at as soon as he leaves school in order that he may earn his livelihood, and we have not overcome that difficulty as yet, although we are giving it very careful consideration.

Mr. WOODSWORTH: Just one other question in connection with these industrial schools. Would it not be well to encourage

the young Indians to become Canadian citizens, or to make it possible for them to become Canadian citizens, in order that they might assume the full responsibilities of citizenship?

Mr. STEWART (Edmonton): Of course that is the whole idea behind the education given them, and it is the solution of the whole difficulty. However, when that happy condition will be attained is a different matter. I do think that the quicker we teach them the virtuous ways of the white man and his methods of earning a livelihood the better it will be for our Indian wards and the sooner they will be able to assume the white man's responsibility. That is what we have in view.

Mr. BENNETT: I think perhaps the minister might have presented the other side of the picture as well. There is no doubt that in some parts of western Canada the Indians have produced very substantial quantities of grain. In Saskatchewan, say south of the Saskatchewan river; in Alberta, say south of Strathcona, and in Manitoba, they have produced very substantial quantities of grain. Perhaps the minister has the information with him, and I am sure the committee would be interested to know the number of bushels of grain produced by the Indians in those provinces last year. I visited two of the reserves last year and was greatly taken with the improved conditions under which they are carrying on agriculture. I am not an authority upon agriculture at all, but the amount of grain they produced was really very wonderful. At one place, as the minister will recall, they had an elevator which was subsequently sold; they had many thousands of bushels of grain which they sold during the year; they had good horses, some excellent cattle and good equipment. In some instances very active government supporters were anxious to sell them increased quantities of equipment to an extent far in excess of their requirements; no doubt the minister will recollect that in one case so much of this machinery was sold that if they had produced enough grain to utilize the number of harvesting machines in their possession they might have ranked with the great grain producers of the world. However, that condition was overcome in due season, like most things of the world; we will get them in due season if we faint not. I think the committee might be interested in hearing just what these Indians produced last year; I think the result is highly creditable to those who have had the responsibility of conducting the business of the Indian department in its various ramifications.

[Mr. Woodsworth.]

Mr. STEWART (Edmonton): I want to make it clear that only a small proportion of our Indian population earn their livelihood through agriculture; if all Indians did so our difficulties would be ended. I am not pleading for the Indian capable of earning his livelihood in agriculture but I am pleading very strongly for the Indian, wherever he may be, in whatever province of Canada, who is not engaged in agriculture and who is having rather a difficult time. However, as my hon. friend has pointed out, I think it would be of interest to the committee to know just how the Indians have come out in the production of grain. Last year in the three prairie provinces of Manitoba, Saskatchewan and Alberta they had 37,307 acres of land under crop which produced 603,621 bushels of wheat; of oats they had about 21,000 acres under cultivation, which produced about 398,000 bushels; of barley they had 4,441 acres under cultivation, which produced 75,435 bushels. Then we have a very detailed statement of the amount of vegetables they raised, the hay and so on; I think the figures I have given will suffice, but if the committee desire I will give a copy to Hansard and have the complete statement put in.

Mr. KENNEDY: What seems to be the chief difficulty in getting a vote taken among the Indians in regard to the disposal of some of the reserves, such as those in the settled parts of the Peace River country?

Mr. STEWART (Edmonton): Well, as my hon. friend knows, it is very difficult to get those Indians on the reserve, and he also knows that unless we get a fairly representative vote we are likely to have trouble with the band because they were not consulted. That happens on almost every occasion, but we are making a determined effort to have that vote taken this year, and I hope the vote will represent the great majority of the band interested.

Mr. KENNEDY: Is it necessary that the Indians meet on the reserve?

Mr. STEWART (Edmonton): Yes.

Mr. KENNEDY: Is it not possible to take the vote when they come to get their treaty money?

Mr. STEWART (Edmonton): No, we have followed the principle of having the votes taken on the reserve. I had exactly the same difficulty on a small reserve west of Edmonton, where we tried for three years to get a vote taken. Last year we finally succeeded.

Mr. KENNEDY: One of the great troubles in connection with these reserves in the Peace River country occurs in grasshopper years. Although the neighbouring farmers do their best to cope with the plague, the reserve close by seem to contain a plentiful supply of grasshoppers for the whole community. That fact has stirred up a tremendous amount of feeling in the community.

Mr. COOTE: I have just one remark to make in connection with this item. I should like to ask the minister to give us an assurance that the young Indians after they leave these industrial schools will be given the necessary equipment with which to start farming on the reserves. I have had a good many complaints from the Indians to the effect that they have had difficulty in getting the department to give them equipment. I do not suggest that there is ground for all these complaints, but I would like to have the assurance of the minister that he will be as liberal as possible in the furnishing of equipment to these young Indians who are willing to start farms of their own.

Mr. STEWART (Edmonton): I think I can give my hon. friend that assurance, but I would not promise that we will satisfy the young Indians, because they want a full set of equipment to start with. We try to be as generous as we can in starting up a young man in that way, and I do not think there is any complaint to be made.

Mr. LUCAS: Do these Indians receive agricultural education at the school?

Mr. STEWART (Edmonton): Yes.

Mr. LUCAS: How much land is there in connection with the school at Edmonton?

Mr. STEWART (Edmonton): I think the farm consists of about eight hundred acres.

Mr. FANSHER (Last Mountain): Does the young Indian have to pay for the equipment out of the proceeds of the crops, or is it given to him?

Mr. STEWART (Edmonton): We expect him to pay for it. He does not always do so, but we lead him to understand that he is under an obligation to repay us.

Mr. SPENCER: Is this equipment charged at full price, or at the cost price plus a certain percentage of profit?

Mr. STEWART (Edmonton): In the case of animals, we have to purchase them at the going price, and the Indian is charged exactly what we pay for them. We can make a very advantageous arrangement regarding implements, because we are buying for about a dozen reservations. We get the advantage of a discount, which is given to the Indians.

Mr. FANSHER (Last Mountain): Is the department contemplating doing anything regarding the debts some of these Indians have incurred? I should like the minister to state whether some of this vote is for that purpose, or whether there is any provision made for that.

Mr. STEWART (Edmonton): We have investigated all these accounts, and where receipts can be produced from the Indian agent we feel there is an obligation on the department to pay. Unfortunately there were a lot of transactions where the agent was never consulted, a sale direct to the Indian. We have made no attempt to clean these up, but year by year we have been wiping off all these old accounts where receipts could be produced. We have not been using any of these votes for that purpose, but have endeavoured to do this by using the band funds and other means. I would like to say that we have them all cleared up, but there was a very considerable amount when I started in to fix up this mess.

Mr. FANSHER (Last Mountain): Do I understand from the minister that there has never been a vote for this purpose?

Mr. STEWART (Edmonton): I am informed that we have never had a vote for this purpose.

Item agreed to.

Indians—Yukon, $19,000.

Mr. SPENCER: How many Indians are there in the Yukon territory?

Mr. STEWART (Edmonton): 1,528.

Item agreed to.

Indians—general, $231,500.

Mr. LUCAS: Would the minister tell the committee the total Indian population of Canada?

Mr. STEWART (Edmonton): It is somewhere in the neighbourhood of 100,000.

Item agreed to.

Indian education, including the construction of school buildings, $2,160,310.

Mr. EDWARDS (Frontenac): Would the minister be good enough to give us a general statement in regard to this item of Indian education and how it is carried on?

Mr. STEWART (Edmonton): With the exception of the day schools, this work is carried on very largely by the religious organizations—such churches as the Roman Catholic, the Anglican, the United church and the Presbyterian. In the day schools all the teachers are employed by the government. They must be certificated, and they are inspected by the provincial school inspectors of the province in which they are located. Under the old system the churches asumed the whole responsibility regarding the boarding schools, and received a per capita grant for this work from the government. When I came here I changed the system somewhat, as I found most of the church organizations were in rather severe financial difficulties. We took over such buildings as we deemed to be decent and worth while repairing, and commenced a program of construction of new buildings. We have been spending in the neighbourhood of $500,000 or $550,000 annually in the purchase and construction of new buildings, keeping in mind the necessities of the organizations which have this work in hand, and the necessities of the communities in which they are built. In the British Columbia vote there is an additional $100,000, due to a recommendation made by the joint committee which dealt with this matter last year.

Mr. EDWARDS (Frontenac): I wanted to get a comparison of the Indians educated in the day schools and in the so-called private schools.

Mr. STEWART (Edmonton): We are constructing a new boarding school at Shubenacadie, Nova Scotia. We believe better training can be given the Indian child in the boarding school than in the day school, because it is very difficult to get him to be at all regular in his attendance at the day school. We have him under control all the time in the boarding school, as he remains there during the whole school period. In the day schools, which are located in all the provinces, we have 4,005 boys and 3,859 girls, or a total of 7,864. In our residential schools, which are located in Ontario, Manitoba, Saskatchewan, Alberta, the Northwest Territories, British Columbia and the Yukon, we have 3,208 boys, 3,433 girls, or a total of 6,641. Therefore there are all told about 14,000 children attending school.

Mr. BRADY: In the Indian schools, particularly the boarding schools, does the department supervise or control in any way the program, for instance, of technical and agricultural work? Is there a defined system whereby the young Indian, instead of receiving the ordinary education which is of little value to him, really becomes a productive agent? I ask the question because I know from my experience in visiting the Indian schools that there is a great waste. In other words, they reach a certain stage; they learn to read and write and a few other things, and then they have absolutely nothing to fall back upon. Is there a defined program of technical education of the Indian boys?

Mr. STEWART (Edmonton): The very difficulty that my hon. friend mentions is one to which we have given some thought in an endeavour to see if we can remedy it; but if he knows anything about the Indian, his habits and environment, he will realize the difficulty. We are endeavouring to teach the girls domestic work in addition to the ordinary public school curriculum, and the boys, such outdoor work as will come to hand in any given institution. In Kamloops, for example, the boys are trained in irrigation work because in that territory the boys are going out into fruit growing areas and drier sections. In the north we give them as much education as we can in regard to agriculture, even as labourers, if need be, so that when they go out they may carry on in competition with their white brothers.

Mr. ROSS (Kingston): Have there been any epidemics amongst the Indians apart from the tubercular trouble?

Mr. STEWART (Edmonton): Yes, what the doctors call the "flu" or influenza is a very serious menace to the Indians in the wooded areas, but we have not had any serious outbreak recently. Tuberculosis is the worst enemy we have to contend with amongst the Indian tribes.

Item agreed to.

GOVERNMENT OF THE NORTHWEST TERRITORIES

Department of the Interior—salaries and expenses connected with the administration of the territories, including the erection of buildings, investigation work, schools, relief to destitutes, maintenance of prisoners and insane patients, administration of the Northwest Game Act and the Wood buffalo park, etc., $200,000.

Explorations—salaries and contingencies, equipment and supplies, etc., $75,480.

Administration of Eskimo affairs, including salaries, relief, care, maintenance, education, medical supplies, travelling expenses, etc., $50,000.—Total $325,480.

Mr. SPENCER: Would the minister give the committee some information as to the number of buffalo taken from Wainwright park to the north?

Mr. STEWART (Edmonton): For three years we have been transferring young buffalo under two years of age from Wainwright park to the territory in the north. We started this as an experiment, but we now have a very considerable herd in the north and I doubt if we shall continue it after this year. We are sending up another contingent of buffalo this year. We feel that from this point onward the surplus stock both at Wainwright and at Lamont might very well be slaughtered and the hides sold, the government getting the advantage of the sale of the meat and the fur.

Mr. LUCAS: Has the minister any report on how the buffalo are doing in the north?

Mr. STEWART (Edmonton): They are doing very well. They have mixed with the native herd there. True, the buffalo that are in captivity are not as large as the northern buffalo, but there is no doubt that they will be a very fine herd if they are protected.

Mr. KENNEDY: I have had some complaints regarding the refusal by the department to parties seeking licenses to buy fur in the Northwest Territories. What are the conditions in regard to that?

Mr. STEWART (Edmonton): The act of last year was to have come into effect this year. Of course I am very anxious that we should receive some revenue out of the Northwest Territories, and we are entitled to get it, particularly as all the other provinces in Canada have a fur tax; but through a mistake in the revision of the statutes by the committee the wrong year was inserted, which would have meant that I would have to reintroduce the act at this session to have the matter rectified. I thought it well to let it go and it will come into effect next year automatically under the provisions of the act. My reason for doing this was that I received a very largely signed petition from the residents of the Northwest Territories protesting against the imposition of this tax and asking that some investigation be had with respect to the administration of affairs up there as they affect the Indians, and the white people as well, living along the Mackenzie basin. Three weeks ago I sent a representative of the Department of the Interior and a representative of the Department of Indian Affairs up there. We have given them a list of questionnaires and they are to meet the people, at convenient points which will be well advertised to the residents of the north, to take evidence not only with respect to the fur tax, but with regard to every other matter that may be agitating the minds of the residents of that territory, and to report back to the government this fall. But the act will come into effect automatically in 1929.

Mr. KENNEDY: On what grounds were certain parties refused licenses to go into the Northwest Territories to trade?

Mr. STEWART (Edmonton): No one is refused a license who will settle down at one point. If he will designate the place where he wishes to trade, we issue the license at once, but the difficulty is that we have had so many people in the past who are known as transient traders. Our Assyrian friends are very fond of that kind of thing. As my hon. friend knows, the custom in the past among the legitimate traders has been for them to make loans either by way of supplies or of money to the trappers, who then go out and get a supply of fur and bring it back and pay their debts by the sale of that fur. But the difficulty is that along may come one of these chaps who sometimes pays cash, and who travels daily and picks up the fur that rightly belongs to the individual who has grubstaked the trapper or lent him the money, and then the travelling trader disappears out of the country. We found this was an evil which we had to take some steps to remedy, and our remedy was to give everyone a license who will settle down and trade at any given point. We want to know where they are going to trade, and we issue a license to them for that particular locality. They cannot go in and settle down at any designated point without opening what we know as a post. The man we have prohibited from trading is the trapper who travels around and picks up the fur, and usually cheats the man from whom he buys it.

Mr. MILLAR: Are any of the buffalo herd in captivity?

Mr. STEWART (Edmonton): None of the herd is in captivity in the sense that we have a fence around them, but we have wardens looking after them. They are in the same position as that formerly occupied by a herd of cattle.

Mr. MILLAR: Has it been found necessary to take any steps to protect them from wolves?

Mr. STEWART (Edmonton): Does my hon. friend mean the young buffalo? No. They mix with the herd, which will defend them against the attacks of the wolves. The wolves always pull down the older and weaker buffalo, and it would be pretty dangerous for the calves if they were not protected from the wolves by the other members of the herd. Our losses from wolves in the past were not serious, but we are carrying on an open warfare against them. We pay a very high bounty for the skin, and encourage the hunting of the wolf as much as possible.

Mr. MILLAR: How much is the bounty?

Mr. STEWART (Edmonton): Thirty dollars.

Mr. ROSS (Kingston): Under this vote there is investigational work carried on. What does that consist of?

Mr. STEWART (Edmonton): The investigation is very largely investigation of the territory. For example, we have men who are investigating pastures for the reindeer. We have investigations of various matters going on there. There is the investigation, for instance, by these men who were sent up to hear the grievances and bring back reports.

Item agreed to.

Dominion Lands and Parks

Salaries of the Dominion Lands outside service, $630,000.

Dominion land contingencies, etc., $170,000.

Amount required to pay the fees of the Board of Examiners for D.L.S., of the secretary and of the sub-examiners and for travelling expenses, stationery, printing, rent of room and furniture, etc. (The fees of Messrs. F. H. Peters, W. M. Tobey and Harry B. Parry, members of the Board, and J. A. Cote, secretary, are to be paid out of this sum), $2,000.

To assist in publishing the transactions of the Association of Dominion Land Surveyors, $125.

Protection of timber, tree culture, inspection and management of forest reserves, surveys of forest resources and research in forestry and forest products, etc., $1,466,050.

Grant to Canadian Forestry Association, $4,000.

For investigations of water and power resources, including the Dominion Hydrometric survey and for the administration of the Dominion Water Power, Irrigation and Reclamation Acts, $500,000.

To cover professional assistance engaged by the governor in council to assist the departmental officers who are advising re international and boundary waterway questions, $15,000.

Amount required to meet expenses of Lake of the Woods control board, $10,000.

To provide for the expenses connected with Canadian National parks, historic sites, care of indigents in the parks, etc., and to reimburse the provincial government for the salaries of police magistrates at Banff and at Jasper, $1,315,000.

Administration of the Migratory Birds Convention Act, $58,825.

Engraving, lithographing, printing and preparation of maps, plans, reports, and kindred publications of the Dominion, including salaries and necessary materials for same, etc., $239,540.

Costs of litigation and legal expenses, $10,000.

Ordnance, admiralty and railway lands:—salaries and expenses, $28,270.

Grant to Alpine Club of Canada, $1,000.

To pay Mrs. E. S. Forbes a compassionate allowance equal to one-half of the salary of her husband, payable monthly, $1,050.

Amount required to pay salaries and expenses connected with seed grain and relief collections, etc., $47,460.

Amount required to transfer buffalo from Buffalo park, Wainright, Alta., to the Wood Buffalo park near Fort Smith, N.W.T., $15,000. Total, $4,513,320.

Mr. DICKIE: The Minister of the Interior in February last contributed an article to the Natural Resources of Canada magazine which challenged at least my admiration. He said in part:

> The great expansion of the pulp and paper industry indicated above is cause for concern as to the adequacy of pulpwood supplies to meet the future demands of the industry. It is my opinion that gross production has been developed as far as it should be, for the time being at least. Until we are more certain that our pulpwood supplies will sustain the industry on a permanent basis there is no justification for continuation of the rather hectic expansion witnessed in the past few years. Rather the time is more opportune for concentration of effort upon refinement of methods and the more complete manufacture at Canadian mills of pulpwood extracted from Canadian forests.

I wish the minister would implement these ideas with action with respect to the pulpwood situation in Canada. Last year Mr. Angus Graham, of the Quebec Forestry Association, in an address that he delivered at Tacoma on the Pacific coast, threw a little light on this subject by saying that in the province of Quebec there were 110,000 square miles of pulpwood limits, and the pulpwood averaged 6.4 cords per acre. Last year we exported from Canada 1,500,000 cords of pulpwood. That represented an area of 360 square miles denuded of pulpwood timber, to be sent across the line to enhance the prestige and prosperity of the United States. It would seem to me that this is a serious state of affairs. We sent 1,500,000 cords of pulpwood across the line when we should have manufactured it here in our own country. We received for it $15,000,000. If that 1,500,000 cords had been manufactured into paper in Canada at $65 a ton, it would have produced $80,000,000 worth of paper. Deducting the $15,000,000 that we received for this 1,500,000 cords from the $80,000,000 that we would have received had we manufactured it into paper,

we have a loss of $65,000,000 to this country. If we had unlimited quantities of pulpwood the situation would be different, but as it is we can see the end of our supply. The Minister of the Interior sees the end of it and why is now not the time to put an export tax on pulpwood and let it go to the mills in our own country to be manufactured into paper here, giving employment to labour and tending to the enrichment of Canada generally? 1,500,000 cords of pulpwood, if manufactured in this country, would mean a population of 250,000 more for Canada. We are bribing people to come to this country to go on the land, to go here, there and everywhere. Why not induce them to come here by building up our industries and offering them opportunities? There is not one argument against preventing the exportation of spruce pulpwood. There may be some slight argument in favour of allowing poplar pulpwood to be sent across the line because there is hardly the demand for poplar here that we would like to see. It is a tree that grows rapidly and dies quickly. It may be all right to export poplar pulpwood across the line, until we develop the soda pulp process to a greater extend in this country. Economists tell us that it costs at least $25 a cord to raise spruce pulpwood timber here, and we are letting it go out of this country at $10 a cord. Let us look a little further into the future, and make this a country to which people will be attracted without the extraordinary inducements we have been offering them in the past.

Mr. STEWART (Edmonton): This is a matter that has been raised almost yearly. The department have been giving the question of an export tax some consideration, and I confess that to me it appeals very strongly. But this is one of the difficulties. Immediately, it is a tax that will be borne by the Canadian who sells the wood; he will have to accept a reduced price. In the maritimes and in Quebec I am told that the competition due to the wood going out of the country has the effect of raising the price for the pulpwood manufactured in Canada. There may not be a very great deal in that argument, but it has been presented to me. May I say why I am so much interested in this? If the present quantity of wood exported continued, the revenue from an export tax of 50 cents to $1 a cord would enable us to extend our fire protection activities to a much larger degree without calling upon the treasury for any money. The objection raised when this matter has been discussed is that a large proportion of the pulpwood, particularly from the east, is under contract to American concerns. They have been coming into Canada and establishing plants at a pretty rapid rate during the last year or two. As to overproduction, we have reached that stage now, and I may point out to my hon. friend that beyond placing an export tax on our wood we have very little control over the provincial forests, other than those in the three prairie provinces and in the railway belt in British Columbia. But in Manitoba, where a very considerable export was going on, we now have established a mill and we do control the territory from which the operators get their supplies of pulpwood. I have made the deal contingent on those people purchasing nearly all the wood offered by the farmers and those who have private limits. I propose this year to have a survey of the cutting going on in Manitoba and Saskatchewan, and next year I shall try to limit the extent of those operations. I know some of my friends from Manitoba will not like to hear this, because many of the farmers in the northern district earn their livelihood by cutting and selling pulpwood, and most of it goes over into the United States. Now we are keeping the bulk of it in Canada, and it will be manufactured at the Pine Falls mill in Manitoba. I do not think they will require to manufacture a single stick of pulpwood cut off their own limit; all will be purchased from settlers in the locality. That is what we have done where we control the situation. I am in hopes that our action will be followed by the provinces in dealing with this matter.

Mr. DICKIE: Already British Columbia, Ontario and Quebec prohibit the exportation of timber except from privately owned lands. That is why I am asking the government to impose an export tax. This parliament is the only body with power to do so. I do not care for an embargo; I think an export tax should be levied. We have just passed the apex of the lumber industry, and from now on it will begin to decline. I have seen the forests wiped out in several states of the union, and I realize the seriousness of our own position. When we lose our forest wealth we are losing one of our greatest assets. It is all nonsense to talk of the yearly increment keeping pace with the yearly cut. It was said the other day that in Anticosti the annual growth would keep pace with the cutting of the timber. That is arrant nonsense to all who know anything about forest conditions. Let any hon. gentleman the next time he goes to Hull count the annular rings

on the pulpwood piled along the street at the boundary, and he will find that thirty-five, forty and fifty years is the age of those trees. Our spruce pulpwood is the best we have. Let us conserve it. Spend money ad lib to protect it, if possible, from insect pests and fire. But let us stop exportation, which is economically foolish. It can be done, sir, and now is the time.

Mr. MILLAR: Does the tree-planting forestry stations vote come under this item?

Mr. STEWART (Edmonton): It comes under protection of timber, but my hon. friend may as well proceed.

Mr. MILLAR: Since the forestry station at Indian Head is near my home I have gathered some information which I should like to present to the committee. The Indian Head tree-planting station was established in 1904. Another was established at Sutherland, Saskatchewan, in 1914. The purpose of these stations is the propagation and distribution of seedlings and cuttings for the formation of windbreaks; permanent plantations for forestry research; demonstration of fruit-growing and horticultural possibilities under tree protection. The early distribution of seedlings and cuttings to bona fide farmers has increased rapidly, from 58,800 to 47 farmers in 1904, to over 5,000,000 annually to between 5,500 and 6,000 farmers. Up to the spring of 1927, 93,000,000 broad leaf seedlings and cuttings and 2,568,000 evergreen seedlings and transplants have been distributed for prairie planting. This represents the establishment of between 45,000 and 50,000 windbreaks and shelter belts in the three prairie provinces. Observations are made annually by tree-planting inspectors of thousands of plantations. In this way the service maintains a close check on the success of the distribution scheme. In 1921, 7,643 plantations were observed, and 6,292, or 83 per cent, were found to be in a good healthy condition; 1,331, or 14 per cent, were classed as in fair shape, and likely to respond to better treatment. In 1901 there were only 54 farmers requesting assistance in tree-planting. 1927 was a banner year in prairie tree-planting. 12,528 farms were listed for inspection either for further tree-planting or for new plantations. Indications point to a heavier demand in 1928. The appropriation for tree-planting in 1910 was $29,592. At the time the distribution averaged not more than 2,500,000 trees, and instruction service was given to 6,718 farmers. In 1926 the appropriation necessary to carry on the work had increased to $79,000, but close to 7,000,000 trees were being distributed, and inspection and transplanting services were being given to over 12,500 farmers. The estimate for 1928-29 is over $94,000, an increase of about 16 per cent. There are now 40,000 plantations, and these valued at $300 each would represent $12,000,000, or, $11,200,000 in excess of the total cost since 1901. That gives in a concise form something of the work that is being done. For every dollar expended at this station the country is getting a full dollars' worth in return. The work is excellently supervised, and is carried on in a way which is likely to bring continued success such as has been achieved in the past. It is only fair that I should take this opportunity to express this appreciation of the work that is being done there.

Mr. FRASER: On May 3 the minister replied to certain questions that I had on the order paper in regard to the discharge of a fire ranger in the railway belt in British Columbia, a Mr. W. E. White. The information is that after fourteen years' service Mr. White was discharged from the department for active political partisanship, although no complaint about his services had been received by the officials of the department. The minister says that he was discharged for active political partisanship. How is the fact established that he was a political partisan?

Mr. STEWART (Edmonton): There are about five or six thousand employees in the department and I cannot answer that question. I do not think we have the information here but we could get it at six o'clock.

Mr. FRASER: Will the minister have that information here after eight o'clock?

Mr. STEWART (Edmonton): Yes, I will get it during recess.

Mr. FRASER: I understand that an investigation was held and the report submitted to the department. This man requested a copy of the report and it was refused him. He thinks, and I agree with him, that he is entitled to a copy of the report.

Mr. STEWART (Edmonton): Was it an investigation before a commission?

Mr. FRASER: Yes, by a commissioner.

Mr. STEWART (Edmonton): He is certainly entitled to it.

Mr. FRASER: The department refused it.

Mr. STEWART (Edmonton): I do not understand that.

Mr. COOTE: I wish to refer to the regulations in regard to the control of natural gas. I have here a clipping from the Calgary

Herald from which I learn that a gentleman named Davies, who is said to be an expert on this subject, states that:

> Gas equivalent to 87½ carloads of coal is being wasted at Turner valley daily, and 140,000 horse-power are being burned up daily as a result of gas wastage from wells now under production.

He states that the total gas production in Turner valley at the present time is estimated to be 91,500,000 cubic feet per day. Further on this statement is made:

> Taking the figures of 22,000,000 as being the total average used each day, at present there are 91,000,000 less 22,000,000 or 69,000,000 cubic feet being burned each day. During the coldest winter days this amount would drop to 58.000,000, but in the warm summer days it would rise to 81,000,000. . . . . Then, 20,000 cubic feet of Turner valley gas under average temperature and pressure in Calgary equals approximately one ton of good Drumheller coal. Then, 20,000,000 cubic feet of natural gas equals 1,000 tons of coal and 70,000,000 cubic feet of gas equals 3,500, tons of coal. There are forty tons to a car; therefore this means eighty-seven and a half cars of coal being wasted each day.

I will not quote further from this article but I wish to direct the attention of the minister to the fact that, according to this authority, we are wasting three times as much gas as we are using in the Turner valley field. That means that if we have a sufficient supply of gas to last Calgary and other towns sixty years, we are going to use it up in twenty years and people will then have to go back to coal. Natural gas or even its equal is something which it is almost impossible for us to produce once we have wasted it, and we shall have to go back to coal. There are many places in Ontario and the United States where natural gas has been wasted, and now that the fields are exhausted the people have had to resort to burning coal at a greater cost and certainly at greater inconvenience. Natural gas is possibly the best fuel for cooking and heating which we have, although of course it would not be difficult to get the hon. member for Bow River to except Alberta coal. I bring this matter to the attention of the minister because I find in the regulations, as printed and distributed by the department, the following under regulation 29:

> In case natural gas is discovered through boring operations on a location, the lessee shall take all reasonable and proper precautions to prevent the waste of such natural gas, and his operations shall be so conducted as to enable him, immediately upon discovery, to control and prevent the escape of such gas.

Is the minister enforcing that regulation? Most of these wells are drilled on Dominion government land and I am sure he will realize that something should be done. I ask him now whether he is taking steps to enforce the regulations; if not perhaps he would enlighten the committee as to the reason for not doing so.

Mr. STEWART (Edmonton): The matter is one to which we have been giving a great deal of attention in our department, because the waste of natural gas is rather serious. We have tried to study the question and the results of our investigation would indicate that we cannot shut off that gas. The difficulty of holding the piping, under the most tremendous pressure which we encountered in the first wells, has been overcome by the cementing of the pipe into the limestone rock before drilling into the parent body itself. I had thought of reinforcing the piping from that point upward so that we might be able to hold the pressure. But after we had investigated that scheme to some extent we discovered that with any volume of flow through the four and a half inch pipe, you cannot make it a profitable undertaking for the extracting of the gasoline content, so that to that extent the well would be useless. We had therefore to abandon that idea. The thing that interested me most happened about three weeks ago. A gentleman said that if he got the assurance that he would have no difficulty in procuring gas and delivering it, he would undertake to organize a company to lay a pipeline as far as Winnipeg, piping this gas to Winnipeg and intervening towns and hamlets, and using it to that extent. As my hon. friend knows, there has been a very decided aversion to the exportation of gas; for about three years attempts have been made to secure permission to export gas from a well near the international boundary, and no one felt like taking the responsibility of permitting the export of that gas. Of course in that case it is not escaping, but if the oil industry in the Turner valley is to go on we must make provision for free flowage from the parent supply or it cannot be profitably taken off. We have proven that, and some method must be found to take care of the extra amount of gas which cannot be utilized for the purposes for which they are now using it. We have thought of lampblack, but as my hon. friend knows that article is so cheap that it is hardly worth while making the venture, and in addition it is a very expensive way of using the gas. However, I wish to assure my hon. friend that the Alberta government have become interested in this question and they propose to study it. I have been in communication with them and have offered such information as we have gathered, and in conjunction with them we are putting our men to

work to see if something cannot be done to utilize this escaping gas, which I agree should be curtailed and stopped as nearly as it is possible to do so without injuring the industry itself, because I think my hon. friend will agree that the industry is rather valuable. I may be frank in saying that I have thought that in connection with the territory we control we should discourage the sinking of any more wells until some method has been worked out for the utilization of this surplus product.

Mr. COOTE: I am glad to hear the minister say that he would like to stop the wastage of this gas, because this is really a very serious question. According to the estimates which I read, an amount of gas equal to about 3,400 tons of coal is being burned up every day.

Mr. STEWART (Edmonton): There was one thing I forgot to mention. About 60 per cent of the present volume of production is not under the control of the federal government; it comes from privately owned property.

Mr. COOTE: It seems to me that the government might very well go so far as to exercise control over that property also; I do not think that would be going beyond the powers which we should exercise. Let me bring to the attention of the committee and the minister section 29a of the regulations:

> In the event of natural gas being discovered through boring operations conducted on a petroleum and natural gas location acquired under the provisions of the regulations—if the escape of such gas is not prevented—the minister may take such effective means as may appear to him to be necessary or expedient in the public interest to control and prevent the escape of the natural gas—

It seems to me that those words are very clear; if it is in the public interest to prevent this waste the minister has the power to step in and take any measures which may be necessary to that end. Personally I think the minister might go the limit in preventing this waste, and I also think that if he has no effective way of preventing the waste of gas from the wells already drilled certainly he should discourage the drilling of any more wells until such time as he is willing or able to take measures to prevent this waste. It may be going quite a long way to suggest that we prevent the drilling of these wells, but I think this is one of our most valuable natural resources, and in the exploitation of our resources there is nothing I dislike more than to see that gas burning away every day. There is such a volume of gas burned that at night the reflection of the fire can be seen for a distance of fifty miles. It is quite a sight, and is worth going a long distance to see, but every time I see it I am impressed with the way we are wasting our natural resources. It is a shame; I do not know any other word for it. I do not want to lay all the blame on the minister; possibly he finds himself in a difficult situation, but if he would enforce the regulations which I read and which were in force when the leases were granted I think he could stop the waste. The last regulation which I read gives him power to act in the matter, and as far as I am concerned I would go a long way in supporting him if he would stop the waste of the gas.

Mr. STEWART (Edmonton): While we might make all the regulations in the world we could apply them only where we have jurisdiction, and we have not jurisdiction over privately owned lands in Alberta. I am not seeking to escape in that way; I do not want my hon. friend to think I am looking for a way out, but two difficulties are created. One difficulty is that the same field of gas which is under the privately owned lands is also under the lands controlled by the Dominion, upon which we issue leases. That land we can control, but if we shut down our people immediately they would have a complaint because the people on the other land could continue. That difficulty can be overcome only by co-operation between the two governments. My hon. friend knows the value of that industry; if we shut it off at once and stop the individuals or companies who have spent large sums of money to develop that field we would face a great deal of contentious criticism. However, I am thoroughly alive to the wastage which is going on and no one deplores it more than I do. I would hesitate very seriously before issuing a lease which would permit more wells to be sunk on Dominion lands until we find at least some partial remedy for this waste.

Mr. COOTE: Is it not true that a number of wells have been started on Dominion lands within the last year? We had this question up last session, and I know the minister then admitted the importance of the matter. If these wells were allowed to be drilled last year and we do not take any steps now, probably a number of additional wells will be drilled this year and it will be all the more difficult to stop it. This has been going on now for two years; it is getting greater all the time and that is why I am taking the time of the committee to try and interest them in the matter. I think

parliament would not be going too far if we put privately owned lands under the same regulation, provided we have power to do so.

Mr. STEWART (Edmonton): We cannot do that.

Mr. COOTE: I do not think we should allow any person to waste such a valuable resource, and personally I do not think we would be going too far if we took that action.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The CHAIRMAN: The item under consideration is No. 280, page 57 of the estimates.

Mr. SPENCER: The first comment I have to make is on the way this item is set out in the estimates. There are eighteen or more very important items under one vote, and I think these should be taken one at a time, because they are all quite different. The Chairman has called all at one time a vote of over $4,500,000, comprising a large number of different items, and if we are to discuss this vote in any reasonable way it should be taken up item by item.

While we are on this vote I should like to say a few words to the minister. He, as well as the rest of the house, knows that there have been reasonable or unreasonable charges made against the department over which he is the head. It is not fair to him, to us, or to the people at large to have these criticisms being continually made against any department of the government if they are unfounded. The charges that have been made cover a great many items, but in order to discuss them I do not think it necessary to hold up all the items in the estimates relating to the Department of the Interior; if the minister would just pick out some particular item or items to which these charges have reference, that should be sufficient. It would save time in getting the estimates through, and it would give the house an opportunity to discuss any matter of importance that might be involved in these various charges. I fully appreciate that the minister is head of only too many departments, and I do not see myself how he can personally keep in detailed touch with everything that goes on under him. I am therefore going to ask the minister to be good enough to take some item in his estimates under which he can discuss these charges.

Mr. STEWART (Edmonton): There is no particular item upon which it can be taken up, because these charges—I would call them so-called charges—have been levelled at the department and departmental officials. They have referred not only to the Department of the Interior, but to all departments of the government.

Mr. SPENCER: I understand the most of them are made against the Department of the Interior.

Mr. STEWART (Edmonton): What does my hon. friend want me to do in the matter? If he will mention any particular charge I will answer it.

Mr. SPENCER: There are not many hon. members in the house to-night, and I suggest that one item be left over until to-morrow.

Mr. STEWART (Edmonton): I should prefer to discuss it right now.

Mr. SPENCER: I understand that a man by the name of McClymont was engaged as an accountant in the Department of the Interior. I believe he was told by a deputy minister of that department to make certain investigations, and these took some seven months. I want the minister to correct me if any statement I make is not right. A report was made in due course and signed by the deputy minister of the department, but I understand no action was taken regarding it. The compiler of the report at a later date threatened through the press to make certain statements with regard to what had been going on in the department, and I believe an order in council was passed appointing a special commission to look into the charges, or, as the minister says, the so-called charges. This commission was composed of one man, a Mr. Smith, who unfortunately has been known in Ottawa for a number of years as a very strong partisan. This commission sat in camera, or what I would call double camera, because certain information which was requested to be taken down was not taken down at all. After this commission had finished its work a report was made that not one dollar of the public money had been misappropriated, and this statement has been commented on, I understand, privately and publicly. The man himself has been let out from the department, and I should like to know from the minister if he was an efficient accountant, and why he was let out. I should like to know why he has not been punished if

these charges are false, and why no recommendations have been carried out if they are true. I should be glad to have the minister answer these questions.

Mr. STEWART (Edmonton): I think my hon. friend has given me a pretty big job; if I were to attempt to answer all the statements that have been made by this individual it would take several hours. Anyone who has read his statements in the public press, particularly the western members who are fully cognizant of the statutes under which the department have to carry on their affairs, should at once come to the conclusion that if all the statements made by this individual were on a par with those made by him with respect to the administration of the school lands in western Canada, not very much credence could be given to any of them. By the way, has my hon. friend read the report of the commissioner?

Mr. SPENCER: No, I have not read it all.

Mr. STEWART (Edmonton): I suggest that he read it all, and that he also read the evidence. While the evidence was being taken in this building there was no attempt to exclude the public, but these so-called charges were made against the officials of the department, and surely they were entitled to the opportunity of refuting the statements made against them. That was done, and that was all that was done.

This individual has repeatedly made the public statement that the Department of the Interior had, through their administration of the school lands fund and the purchase of school lands in western Canada, paid $100,000,000 more than they were entitled to pay. There is a simple answer to that and that is that he assumes we are to ignore statutes and agreements and to charge simply the 5 per cent rate rather than the 7 per cent rate that we as trustees were to collect from purchasers of school lands in arrears. That is how he arrives at the $100,000,000. That is one statement he makes. My hon. friends, I understand, have met this individual and have discussed matters with him for several hours.

Mr. SPENCER: Will the minister give his authority for that?

Mr. STEWART (Edmonton): That is the information I have. If I am wrong, my hon. friend is quite at liberty to say so. My hon. friends have also put on the order paper certain requests for information with respect to the sale of school lands. It is a fact, is it not, that we have them on the order paper?

[Mr. Spencer.]

I neglected to file the complete files in connection with those matters. May I say this, that with the single exception of a statement made that we had purchased chain which turned out to be anchor chain instead of logging chain which we thought we were purchasing, the department apparently, so far as I can learn, has not done anything amiss. I have the utmost confidence in Mr. Smith and I know of no reason on earth why he should care to shield the department. Those were not the instructions he got and he has not been in the habit of doing that, because he is an honourable gentleman. He had all the evidence that this man had to offer. He asked this man, on half a dozen occasions, as the evidence will disclose, if that was all the evidence he had to offer, and according to the evidence he said that he was through; that every statement he had to make had been presented and was embodied in the report. I do not wish to make with respect to this individual statements that would reflect in any way upon him, but anyone who has read the statements in the newspapers—and I have been bombarded with them now for nearly two years and I have never yet met this individual—will consider them a sufficient answer in themselves, without going much further into them. My hon. friend has asked certain questions and I propose to take up certain of the charges and to give the committee an answer as to those particular ones. I shall be glad at the first opportunity to file the complete papers in connection with each case in order that these matters may be fully investigated. My hon. friends will pardon me if I do not take them just in sequence. The first one is as follows:

Refund Case 1

Ethel Truscott, widow, Battleford — $100 refund due her re overpayment made—sale 1060—file 31458.

This relates to the sale of the southeast quarter of section 11, township 50, range 2, west of the 4th meridian, which land was sold at Lloydminster on the 23rd June, 1909, to Mr. Alex Gordon at the rate of $10 per acre, and was assigned in April, 1911, to Mr. George C. Hodson.

In July, 1912, Mr. L. H. Truscott paid into the department $72 on account of accrued interest and under date of the 19th July, 1912, a receipt for the money was sent to Mr. Truscott. and he was advised that said receipt was made out in the name of Mr. George C. Hodson. the recorded holder, and further that if he had acquired the interest of said George C. Hodson it would be necessary to file an unconditional assignment from Mr. Hodson to himself and have same registered in the department in order that the land might be recorded in his name and the department recognize him as the recorded holder.

In March, 1919, Mr. Edward Plater advised the department that Mr. Lewis H. Truscott

was killed at the war in September, 1918, and that he was endeavouring to acquire this land from the estate and Mr. Plater was then advised as to the necessary action to take in order to have the land transferred to him.

In November, 1919, Messrs. Livingston and Atkinson who were acting on behalf of the representatives of the estate of the late Mr. Truscott advised the department that the widow was left in poor circumstances with a small family and that they thought it only fair that she be not required to pay any penalty such as an increased rate of interest, as provided for in the amendment to the Dominion Lands Act of 1918.

The writers were advised in reply that as the original purchaser of the land was not exempt from paying the increased rate of interest by virtue of his having served overseas, and that as the land was not registered in Mr. Truscott's name prior to his enlistment, it would seem that the estate would not be exempt from paying the increased rate of interest.

In May, 1920, Mr. Edward Plater forwarded to the department letters of administration of the estate, together with an assignment from the representative of the estate to himself, on the strength of which entry for the land was placed in the name of Mr. Plater in June, 1920.

On the 28th June, 1920, Plater remitted a draft for the sum of $2,116.89, as payment in full. This amount, however, when applied as short $2.03, which was afterwards remitted by Plater, and patent issued in his favour bearing date of the 25th August, 1920.

It would appear that Mr. McClymont's claim that Mrs. Truscott is entitled to a refund of $100 would be due to the fact that she was charged the regular rates of interest instead of the old rate of 5 per cent on the outstanding principal. This refund, however, was not allowed in view of the facts as set out above; furthermore the only amount paid on account by Truscott was $72.00 in the year 1912, the payments made in 1920 being made by Plater after he had acquired the land by purchase.

That is No. 1. May I say in passing that I have no authority to grant refunds of any sort? I am acting as trustee for the school land fund in this case for all the prairie provinces and it is agreed that when arrears accrue on school land, the rate of interest shall be seven per cent. That is statutory and we have no control over it. That is the explanation in regard to the claim that we have retained out of that sale $100 which are not entitled to retain. Refund No. 2 is as follows:

S. McKeown, Saskatchewan, farmer—$100. Refund due him on sales 495-496—cheque sent in for $478.—Only $378 credited.

This relates to the south half of section 11, township 18, range 28, west of the second meridian, file 3025, S. L. At an auction sale of school lands held at Moose Jaw, Saskatchewan, on May 26, 1903, Mr. Andrew McKeown purchased this half section and assigned his interest therein in 1905 to Stephen McKeown. In December, 1911, Mr. McKeown tendered a draft for $478.44 and this was applied as follows:—Principal, $263.10—interest $115,34, while the receipt issued for $478.44, showing principal as $363.10 or $100 over the amount actually credited to the accounts.

This was not discovered until recently and we have found that we are in error in that extent. Of course the land has since been sold to Mr. Forsythe, who was granted patent for the land and as soon as we can make an adjustment of the case we are prepared to refund the overpayment on that account.

John Gair, farmer, Killam, Alberta—

Some of my hon. friends will know him. This is one of the cases that I helped to adjust. This is a case again where the most misleading statements are made with respect to school land sales and taxes.

Refund Case 3

John Gair, farmer, Killam, Alberta—$107 refund due him re overpayment of N.H. 11-43-13 4.

This relates to the west half of section 11, township 43, range 13, west of the 4th meridian, files 159518-159520 S.L.

According to our records Mr. Gair acquired this half section on the 17th November, 1916, at an auction sale of school lands held at Sedgewick, Alberta.

Mr. Gair apparently being unable to meet the indebtedness on the half section made application to the department to have the sale of the southwest quarter cancelled and have the moneys paid thereon applied on the northwest quarter.

I may say that I consulted with the provincial authorities in Edmonton about this very matter. It was in the early days when we were beginning the consolidation of these lands.

The provincial authorities, who seemed very intimate with the case, were agreeable to the consolidation of these sales and Mr. Gair was advised that if he would file a quit claim deed of his interest in the southwest quarter, the department would cancel the sale and apply the moneys paid thereon on the northwest quarter which he wished to retain, on the distinct understanding that there would be no refund of any moneys overpaid after making the adjustment.

It would appear, after making the necessary adjustments, that there was a credit balance of $702.62, which was retained by the department.

From the records I can find no foundation for the claim of Mr. McClymont that the department owes Gair $107. I might also refer you to Mr. Stafford's memorandum of the 26th ultimo addressed to the deputy minister in connection with this particular case.

What I want to make clear is this, that where there is a consolidation, where we got a quit claim deed for a portion of the property under sale and the moneys are applied on the balance of the property, we do not if there is an over-payment make any refund. We consider that the peaceful possession of the land for a period of from eight to ten years fully justifies us in keeping these moneys. May I

say that if there is anything wrong about this, it is in agreement between ourselves and the provincial governments, whose trustees we are in connection with the administration of these school land funds.

Refund Case 4

Robert Robertson, Lanark, Ontario—$357 refund due him re overpayment on sales 3431-3433.

This relates to section 11, township 10, range 6, east of the principal meridian, files 13380-81-82-83 S.L.

This section was acquired by Mr. Robert Robertson by virtue of assignments registered from the former recorded holders.

The department made several demands from Mr. Robertson for payment of the arrears and in 1919 he communicated with the department, pointing out that owing to the war and the moratorium, he was unable to collect moneys due him, therefore was not in a position to reduce the indebtedness.

In 1922 he filed a declaration that he had erected on the lands very substantial improvements. In March, 1924, Mr. Robertson approached the department, requesting that he be permitted to surrender his interest in the sales comprising the east half of the section, and have the moneys paid by him applied on account of the purchase price of the west half, and Mr. Robertson represented at the time that he was about 80 years of age and that he was desirous of cleaning up all matters of this nature before he passed away. Representations were also made on his behalf by other interested parties, and in view of the proposed amendment to the Dominion Lands Act to provide for consolidation of sales, the department agreed to grant the request of Mr. Robertson, but it was clearly understood that no refund would be made of any moneys after consolidation had taken place.

After we had made the necessary adjustments and cancelled the sales comprising the east half of the section, it was found that there was a credit balance of $357.44, which money was retained by the department.

As Mr. Robertson agreed to the consolidation under the conditions set out by the department, I claim that he is not entitled to any refund. In this case I would also draw your attention to memorandum of the 13th ultimo addressed to you by Mr. Stafford.

Refund Case 5

W. S. Featherstonaugh—$238 refund due him on account overpayment on sale 3818—file 79720.

This relates to the northeast quarter of section 29, township 32, range 4, west of the 2nd meridian, file 79720 S.L.

In regard thereto I might state that Robert W. Cumming acquired this land at Canora, Saskatchewan, by purchase at public auction on the 4th November, 1912.

In February, 1914, Messrs. Langworthy and McComber, barristers, of Port Arthur, advised the department that their client, William S. Fetherstonhaugh of Cochrane, Ontario, had acquired this land from Mr. Cumming, and under date of the 12th March, 1914, the writers were advised that in order for Mr. Fetherstonhaugh to be recognized by the department it would be necessary to file a quit claim deed from Mr. Cumming to himself and have same registered in the department.

Several demands were made from Cumming, the recorded holder of the land, for payment of the arrears, and in October, 1918, we received a further letter from Messrs. Langworthy and McComber advising that they were forwarding a quit claim deed from Cumming to Fetherstonhaugh; that Mr. Fetherstonhaugh was a civil engineer and was away on some work, and that it would be some little time before they could get in touch with him.

In October, 1918, we advised the writers that they should file with the department the quit claim deed in their possession in order that the advisability of recording Fetherstonhaugh as the holder of the land might be considered.

In reply the writers advised the department that Mr. Fetherstonhaugh had been at the front with the Canadian forces for some considerable time, and that they were endeavouring to locate him in France and would communicate with the department further at a latter date.

In November, 1918, Messrs. Langworthy and McComber submitted for consideration an assignment from Cumming to Fetherstonhaugh, but as this was not properly executed and as further documents were required, the assignment was not registered at the time.

Numerous communications passed between the department and the interested parties in regard to the transfer of this land and in January, 1920, Mr. Fetherstonhaugh signed an agreement to pay 7 per cent on all arrears of principal and interest.

In January, 1920, Messrs. Boland and Cumming, barristers, of Yorkton, forwarded a quit claim deed in favour of Mr. Fetherstonhaugh, which was registered in the department on the 18th June, 1920.

Mr. Fethersonhaugh does not appear to have made any representations to the department for a reduction in the rate of interest charged in view of his services overseas, and had he done so his request in all likelihood would have been refused, as he did not come into possession of the land in so far as the department is concerned, until the year 1920. Mr. Fetherstonhaugh failed to make any payments on account for a considerable length of time and in view of the representations made to the department to the effect that he was not living in the district, but was residing at Calary, Alberta, we granted him an extension of time of thirty days from the 27th March last within which to make a substantial reduction in the indebtedness and we also instructed the agent of Dominion Lands at Prince Albert on the same date to have an inspector make an inspection of the land and report as to the improvements thereon and as to the advisability of cancelling the sale.

I want to make clear to the committee that we do not cancel these sales until every effort has been made and every opportunity given to the purchaser to make payments if it is at all possible for him to do so.

Refund Case 6

W. H. Kemp, Innisfail, Alberta—$700 refund due him re overpayment on H.S. 29-35-28 W. 4.

This would appear to relate to the south half of the northwest quarter of section 29, township 35, range 28, west of the 4th meridian,

files 845-1742 S.L., as Mr. Kemp does not appear to have ever had any interest in the south half of this section.

In regard to this case it would appear that the northwest quarter was sold at Innisfail on the 2nd November, 1905, to Mr. Norman W. Stiles, he subsequently relinquishing his interest in the north half of the quarter section to Edgar T. Stiles by assignment.

When this assignment was registered the account for the northwest quarter was divided and a new account opened for the north half of the quarter section under the name of Edgar T. Stiles, and of the amount of the first instalment paid $70 was credited to this account.

Norman W. Stiles afterwards assigned his interest in the south half of the northwest quarter to William H. Kemp, and from checking the records it would appear that Mr. McClymont found what he supposed to be an error in the sum of $70, which he thought should have been refunded to Mr. Kemp but which amount was applied on the sale to Mr. Edgar T. Stiles. We certainly do not owe Mr. Kemp any $700 as stated by Mr. McClymont.

Refund Case 7

Peter Albers farmer, Waterglen, Alb.—refund $15,913 due him on account overpayment on section 29-43-22 W. 4th. Interior charged him $34.79 per acre, while, under the law (S.S. Act) we could only legally charge him $12.—the original departmental valuation, as this section was bought for a returned man.

This relates to section 29, township 43, range 22, west of the 4th meridian, files 11071-56312-293925 and 29642 S.L., and in regard thereto, I might state that the Secretary Treasurer of The Great War Veterans' Association of Canada wrote the department in July 1920 that John Albers and C. J. Annas, two returned soldiers, were desirous of acquiring the north half of this section through the Soldier Settlement Board and that owing to the provincial government and the board being unable to agree on a price they were unable to secure the land.

The agreement between the authorities of the province of Alberta and the board was called off shortly after the board arranged to purchase school lands for returned soldiers, consequently under date of the 12th August, 1920, we notified the secretary treasurer of the Great War Veterans' Association that Messrs. John Albers and C. J. Annas could only purchase the lands in their own right by sale at public auction, in accordance with the provisions of the Dominion Lands Act.

The land was offered for sale in November 1920 and was disposed of at Donalda, Alberta, on the 19th of that month, the south east quarter at the rate of $26.00 per acre, the south west quarter at the rate of $30.00 per acre, the north east quarter at $41.00 per acre and the north west quarter at $42.00 per acre. Mr. Peter Albers acquired the whole section.

The lands were sold at public auction and knocked down to the highest bidder in accordance with the terms and conditions of sale, and I do not think as represented by Mr. McClymont that the Soldier Settlement Act has anything to do with this case.

The lands have been paid for in full and patent issued to Mr. Peter Albers as on the 23rd May, 1921, and Mr. Albers is certainly not entitled to any refund.

Refund Case 8

C.P.R. Company—$5,377 refund due the company (principal $3,073 plus 15 years interest $2,304) on Sask. sale 4427-file 27012-fiat 272343 covering 13.65 acres land required for right-of-way for Weyburn-Lethbridge C.P.R. in 1913. We charged them $255 per acre while legally we could not charge them more than $30—the departmental valuation.

This would appear to relate to right-of-way of the Canadian Pacific Railway through the south half and north west quarter of section 11, township 8, range 30, west of the 2nd Meridian, file 27012 S.L.

In regard to this case the Canadian Pacific Railway Company made application to acquire right-of-way in the above mentioned land in October 1912, and in view of their representations the land was offered for sale, subject to reservation of the areas required for right-of-way.

When the land was disposed of by sale the south east quarter brought $190.00 per acre, the south west quarter $375.00 per acre, and the north west quarter $215.00 per acre, and the department decided to dispose of the areas required by the railway company for right-of-way at the same prices as those obtained for the areas disposed of by sale at public auction.

Under date of the 21st November 1912 an order in council was passed granted authority to sell to the Canadian Pacific Railway Company the areas required for right-of-way at the rates referred to above.

Messrs. Ewart, Scott, McLaren and Kelley, solicitors for the railway company, protested against the valuation, claiming that they were informed that the land was only worth $30.00 per acre as farm land, and that the increase was due to the fact that they had located terminals at this point and established a townsite there.

The matter was submitted for consideration by the late Mr. Checkley under date of the 27th December 1912, and it was ruled that the price as fixed by sale of balance of section must stand. The company, therefore, made payment of the required amount in May 1913, and patent issued for the areas taken by the company on the 27th June, 1913; therefore, the department does not owe the Canadian Pacific Railway Company the amount claimed by Mr. McClymont, and I claim that we were perfectly within our rights in charging the prices which we did for the rigt-of-way in this land even though the fact that the railway company established its terminal at the point did increase the value.

Now I have covered every case. I am prepared to make returns in connection with them, and my hon. friend will find from the files that these sales were made under those conditions. I may say that these are a sample of the charges that have been made by McClymont with respect to the hundred other matters which he mentions but which I have not the time to go into. I have referred to the hundred million dollars that was to be saved by the department. The fact remains that in all this controversy I have been bombarded with letters from McClymont that if I would give him a job in the department at

$3,600 a year, then this persecution—I can call it nothing else—would cease. All I have to say is that I am not going to give him a job. He left of his own volition two or three years ago, spent a month writing articles of a similar character, and published them in the newspaper at his own expense, but when asked why he had absented himself from his duties he could give no reasonable explanation.

As to the investigation mentioned by my hon. friend, he made some statements with respect to the action of certain officials. They were called in and refuted those statements. I have no complete knowledge of it, but my hon. friend will find full details in the evidence submitted before the commissioner. I have simply taken these from a mass of statements that have been made by McClymont, who has paid out of his own pocket for every page of advertising that he has inserted in the Ottawa Journal. I never thought they warranted even an answer through the press. I am simply answering some of those statements now because my hon. friend has brought the matter up. If there are any other statements or charges that my hon. friend desires to have answered, I shall be glad to get the information for him. I have carefully read the report prepared by Mr. Smith, and with respect to my hon. friend's statement that Mr. McClymont was not given the fullest opportunity to present every tittle of evidence he might have, I wish to say the report discloses that he was asked the question on at least two occasions, and in reply said that he had filed every statement which he desired to make.

I do not think, Mr. Chairman, that the matter is worthy of further discussion.

Mr. SPENCER: The minister has stated, Mr. Chairman, that he understood I had seen Mr. McClymont for possibly three hours. This is entirely incorrect. I think any man who has a grievance has a perfect right to go to a member of parliament, and the member should listen to him. I have seen this man. Personally I think the minister would have done well had he himself given him an interview eighteen months ago, and thus have avoided a lot of unpleasant advertising of the department. As to the man's having had a fair show at the inquiry held by Mr. Smith, in my opinion it would have been much better for the department itself and the country as a whole if the matter had been brought before the public accounts committee instead of being dealt with in camera. I am informed that when the witness was giving some rather stinging evidence the reporter was instructed not to take it down. I shall be very glad to have the minister refute this if it is untrue, for certainly if my information is well founded the witness was not fairly treated. As I say, these charges, whether true or false, have been in circulation for a long time, and to those of us who take a pride in the department it is not pleasant to see such charges ignored. They should have been dealt with promptly. I have brought the matter up in a spirit of kindness, and I should have thought he would have been glad of the opportunity to dispose of them once for all; instead of that the minister apparently is peeved.

Mr. STEWART (Edmonton): The minister is not peeved.

Mr. SPENCER: I do not know whether the man is right or not, but I have brought the matter up to give the minister an opportunity to clear it up once for all, if it can be cleared up.

Mr. STEWART (Edmonton): I cannot state definitely that the reporter was instructed by the commissioner not to take down the evidence referred to, but I have seen no record of such instructions having been given. I have read some of the loose statements made by this man since the inquiry was held. May I say that after absenting himself for thirty days on the first occasion when he was let out, in order to be fair to him the assistant deputy minister took him on for a further period as a temporary employee, by arrangement with the Civil Service Commission. But we could not put up with a man of his temperament, for apparently he does not wish to render the kind of service we expect from the civil service. I want to say here and now, Mr. Chairman, that no matter how much advertising anyone may direct against me or my department, I am prepared to meet any charges openly and fairly. I am not at all incensed because my hon. friend has brought the matter up, but I do say that had he carefully perused the evidence and secured from the department the information contained in the file, I think he would have satisfied himself that the charges were without foundation. I think anyone reading carefully the statements appearing in this man's advertisements must reach the conclusion that the author himself has furnished a complete answer to every charge he has made. Far be it from me to deny a civil servant any right that belongs to him. He will always get justice from me. More than that, I shall be always ready to extend sympathy. But no department can

afford to carry a gentleman who has demonstrated himself such a trouble maker as Mr. McClymont has done during the past two or three years.

Mr. MANION: I do not wish to discuss the case at all. I have listened to the minister's explanation and I have no quarrel with it. I do not know the facts. May I say, however, in the most generous spirit of which I am capable, that in appointing a commissioner it would be wise for the government, either the present or any other, to select someone who is beyond all possibility of being regarded as having political prejudice. I say nothing against Mr. Alexander Smith. I know him and I like him; I have not a word to say against him. But I understand that for many years he was an organizer for the Liberal party. While of course that reflects no discredit on him, at the same time it does not alter the fact that in the eyes of the public he will have a natural prejudice in favour of the party. The minister, in my opinion, should have appointed as commissioner one who could not by any stretch of the imagination be looked upon as being prejudiced. I am not saying that the commissioner in this instance was prejudiced, but I suggest that it would have been well to appoint someone who could not possibly be regarded as susceptible to prejudice—someone such as a judge, either of the county court or of any of the other courts—to inquire into the matter. The commissioner should be a man absolutely above political favouritism of any kind, and in that case his report would be accepted as being possibly more conclusive than the report of a commissioner who, as everyone knows, has been perhaps a pretty strong Liberal. Possibly I should say partisan instead. I make this statement with no disrespect to the present commissioner, but I suggest that it would have been wiser, and in the future it would be just as well, to appoint a judge to a position of this kind.

Mr. STEWART (Edmonton): I was never under suspicion personally. All I was asked to do was to increase the salary of this man and put him back to work and this advertising would cease. But may I say that, if we erred in that respect in the appointment of the commissioner, more than one-half of the charges are laid against the preceding government and their administration.

Mr. MANION: I don't care about that.

Mr. STEWART (Edmonton): I know my hon. friend does not care, but I am pointing out that personally I have never been charged in any way by this individual. It is the administration of his departmental associates from the deputy minister down.

Mr. MANION: As far as I could read from the statements in the press he charged everybody in the government and a few on this side.

Mr. STEWART (Edmonton): He was indiscriminate in his charges, yes.

Mr. MANION: What the minister has said has not changed my view of what should be done in regard to the commissioner.

Mr. COOTE: I have not had time to read over the report or the evidence connected therewith, nor have I had time to read all the advertisements in the newspapers. I presume the minister would have no objection, after we have had time to read the report and the evidence between now and the next session, to our submitting to the public accounts committee any questions that might occur to us, or any matters in which we were interested in order to ascertain whether or not there has been anything irregular. That, I think, would be the proper course.

Mr. STEWART (Edmonton): I should be willing and ready to have the fullest investigation. As I say, I am personally not charged with anything in connection with this matter except that I would not put this individual back into the service of the department. Any time my hon. friends have had leisure to peruse this evidence, if there is anything in it which they feel needs investigation, the fullest opportunity will be given if I am here acting as minister.

Mr. COOTE: I have no expectation that I shall find time to read it all although I might. My only reason for mentioning the matter at all is that it has received so much publicity, and there may be people in the community—as a matter of fact I personally know there are some—who think that parliament should investigate the matter. Personally I have not had the time to look into it and I simply ask the minister to give us this assurance. I am glad to have his statement on the matter.

Mr. POULIOT: Did that fellow McClymont ask for $50,000 a year to save millions to the country?

Mr. STEWART (Edmonton): I do not know about $50,000 a year, but I believe that is the statement he made as to saving millions to the country.

Mr. EVANS: I wish to ask the minister a question regarding the raising of buffalo. There are one or two ranchers in Saskatchewan whe have applied for some breeding stock. They are willing to comply with the regulations of the department if the government will grant them two or three buffalo as the foundation for a herd. What policy is the government following in this regard? Is it possible for these men to get one or two buffalo from Wainwright, seeing that they are overstocked on that farm?

Mr. STEWART (Edmonton): Our policy is this. If the individual or the municipality will guarantee that the buffalo will be cared for properly, and if proper facilities are provided to enable the public in the particular locality to see them, we give two animals free of charge from the station at Wainwright. The cost of shipping and the responsibility will be on the individual or the municipality to take them from that point to destination.

Mr. SPENCER: Will the minister explain the increase of $110,420 in this item?

Mr. BENNETT: I wish to make a few observations with respect to the McClymont matter. I read the report of Mr. Commissioner Smith, not very carefully but sufficiently so to enable me to speak by reference to it. The commissioner made certain recommendations. He states first of all that if the department could be consolidated in one large building it would permit of greater supervision and would cut down expenses by allowing certain services to be centralized which are now duplicated in different branches. After referring to the report of 1922 which dealt with the observatory, he goes further and states:

> I find that the work of the department has not only greatly increased but that the nature of the same in many cases has changed considerably. I find that the reorganization plan prepared by officers of the department, and adopted in 1920 by the minister, which has as its main feature the consolidation of related services and the reduction thereby of a number of branches from over thirty to twelve, will ensure the most efficient and economical performance of the department's many and varied duties.

I gather from this that the recommendations of 1920 have not been effected; there has not been a reduction from thirty to twelve. The recommendations were made in the year preceding the advent of the present administration and would have been carried into effect had this government not succeeded. That is Mr. Smith's report. Then he makes certain major recommendations to which I direct the attention of this committee.

> I have two major recommendations which I respectfully submit for your consideration. I am personally satisfied that if they are adopted they will afford a further check on any tendency to extravagance that might arise in the department. These are:
>
> 1. That a greater measure of responsibility should be placed upon the secretary of the department in the matter of deciding the necessity for equipment and supplies requisitioned by the various branches of the department.
>
> 2. That, whereas it is understood that the financial controller scrutinizes minutely all accounts, it should be a standard principle of administration that the advice of the financial controller be sought by the branch heads before any expenditure is recommended.

That report was signed by Alexander Smith. I regard these observations of the commissioner, together with the two major recommendations to which he refers, as being of great public importance. It was established in the mind of the commissioner at least that so long ago as 1920 a considered plan for the reorgnization of the department had engaged the attention of its officials and had been accepted and adopted by the then minister and that that plan of reorganization contemplated a reduction in the number of branches, if I might use that word, from thirty to twelve, and further that with respect to the purchasing of supplies the public purse would be better safeguarded if the principles to which Mr. Smith refers were applied to those purchases.

I leave that with those observations, but it must be borne in mind that for a period of weeks Mr. McClymont has been publishing in a newspaper of this city certain charges against the administration of the Department of the Interior. My friend the Minister of the Interior is quite right when he says that these charges are not all directed against him, although his name is mentioned in some of them. He is quite correct in saying that they do not refer to one administration or to two administrations; they are general and refer to a long period of time, and may be summarized in the following terms: First, he charges that excessive prices are paid for supplies and that the system adopted for the purchase of supplies is wrong. I have satisfied myself that that can be substantiated and abundantly proven. I think it is clear that the methods adopted to-day by the Department of the Interior with respect to the purchasing of supplies are wrong, and that a body appointed by this parliament as purchasing agents, for which we are appropriating substantial sums of money, does not properly

function, because if they discharged their duties properly supplies for that department could be bought at much lower prices than are now paid. It is true that the prices are certified to by the Auditor General as being fair and reasonable; it is true that very often the prices are certified by the purchasing officer, whoever he may be, but the truth is that tenders are invited for supplies from a limited number of persons and that they fix the prices, which are out of all proportion to what the true prices should be. I say that, for instance, with respect to the national park near Calgary. A limited number of persons have their names placed upon a patronage list; that list is limited to a number of people who do a retail business and they are asked to supply soap, for instance, in large quantities. I know of a case in which a soap manufacturer, by accident seeing one of these advertisements, tendered for the amount required, but his deposit was returned to him. What is more, one of the superintendents of the park was told that he must consult with the defeated candidate before doing any particular thing with respect to the administration of that park. Then is it any wonder that officials make charges such as these? These are facts, not fancies, and I take it that that is the reason why Mr. Smith made the recommendations contained in his report.

I regard Mr. McClymont's very vague and general statements in the same way the minister regards them; he should not be charged with dereliction of duty in vague and general statements, it is true, but there are certain specific charges and one of them is that to which I have referred. I do say that I have satisfied myself from personal observation and investigation that these goods are not obtained for the lowest prices for which they could be purchased by the Department of the Interior or any of its branches; that favorites are chosen, political favorites, partisans, who may be doing retail business, for the purpose of supplying goods by wholesale. This does not apply only to the Department of the Interior; it applies to many other departments, to the Department of Public Works, for instance, and to other departments of the public service. This may have been the practice in this country before the war, but we did hope and believe that our experience with respect to purchasing commissions had been such as to end that sort of thing. Not only are goods purchased in the way I have described, but employment is given under conditions which I mentioned the other day. I read a letter to the committee, and my friend the Minister of Railways admitted that the conditions to which I referred prevailed with respect to the Rideau canal. He was helpless at the moment to contend against those conditions. It is said that these conditions prevailed in 1911 and in 1912. It is true that these conditions did obtain in those years, but we did hope that by reason of the changed conditions in this country, by reason of the great burden of debt we are carrying and by reason of the necessity for the exercise of economy, this country would realize that we must get the most value possible for every dollar we spend. I say that is not being done in the public service at the present moment and that is one of the charges made by Mr. McClymont. Look at the estimates to-day; we find that a commission composed of two or three people have certain powers and obligations with respect to these matters.

The charges made by Mr. McClymont were first that there was not adequate supervision as to the quantity of supplies required and secondly that the financial controller did not exercise that control over these matters which he should exercise. Then what happens? We have Mr. Smith making these recommendations. These are his recommendations, and I am sure no one will charge Mr. Smith with having made these recommendations out of any great desire to find fault with a Liberal administration. In that regard I believe he was conscious of the necessity of greater care being exercised in the purchase of goods by public departments.

Then Mr. McClymont makes another charge; he charges that vast sums of money are being expended uselessly in Ottawa, and in the public press he gave his references to the cost of the maintenance of automobiles and the utilization of these automobiles by one particular family. He gave those particulars; are they true or are they not? If they are true, no officer of the department has a right to the use of a private automobile at the expense of the taxpayers of Canada, and we are told that the automobiles were used not for the purposes of public business but for the purpose of conveying him to and from his home and his place of business. If this sort of thing is to be done let it be done openly and frankly as a part of the conditions of his employment; if it is not to be done let us say so and let us stop it.

Mr. McCymont made other charges in connection with the administration of the school lands branch of the department and in connection with the sale of other parts of the public domain. With respect to that I quite

agree with the minister; these charges cover a very large number of cases; they cover lands in every part of the three western provinces and they cover contracts made with people in almost every part of the world. We have certain statutes in this country, and whether or not the terms of those statutes have been observed is a matter which should not be determined by this house in an hour, a day, a week or a month. These are matters of detail which require much examination and much consideration, but I have investigated two of these matters myself. Two of these charges concerned property near my community, one merely dealing with the sale of land to the town of Macleod and the other the sale of another small piece of land. I think in that case the minister did what any minister would have done having regard to the conditions which prevailed in the town of Macleod, for instance, at that time. Macleod was a town which had made default, if I remember correctly, in connection with the payment of interest on its debentures. It had its power plant on a certain piece of land and had made default on the purchase price of the land. The minister put the land up for sale under conditions which ensured the town of being able to get this piece of land at about $20 an acre, which was more than it was worth at that time having regard to the conditions which prevailed in the town and as far as my knowledge goes it is more than it is worth at present. It seems to me that is not a matter which should engage the attention of parliament at this time, but there are charges contained in these advertisements inserted by Mr. McClymont which reflect upon the civil service of the country and upon the administration of the Department of the Interior altogether apart from the minister, the departmental head. It seems to me that these charges make it incumbent that there should be some way by which those people who have read these advertisements in the newspaper may have their minds set at rest. That does not only apply to those of us in parliament; this newspaper has a wide circulation, and the advertisements have been read by large numbers of people. I have been asked what are we going to do about it, what the opposition propose to do. My answer is perfectly clear; no opposition and no member of parliament can undertake to deal with these questions, for the reasons which have been given by the minister. It does occur to me that there are reasons sufficiently strong in these advertisements to necessitate an inquiry by the public accounts committee with respect to the expenditure of public moneys for administration, the purchase of supplies, the payment of large living allowances, and matters of that kind. These are small matters and may look insignificant, but it only takes ten ten-dollar bills to make a hundred dollars, ten of those to make a thousand, and a thousand to make a million. We have got so much in the habit of talking loosely in thousands and millions that you would think this country was ready to hand out ten-dollar tips to waiters. That is not the sort of thing that should prevail, and I will give you an illustration of it.

I was told by a responsible minister of one of the greatest countries in the world that the head of his state had taken such an interest in the practice of economy, even in stationery and pencils, that they found it difficult sometimes to get along with their business. Friendly competitions had been invited among the representatives of that state in the various sections of the country with respect to pencils and stationery, and matters of that kind, which effected very great economy. Now, that all sounds piffle, and somebody says "Why should we waste the time of parliament about something like that?" But it was just that which made it possible for Mr. Coolidge to bring about the economy he did in the United States of America. Those who are interested and who will take the time to read what was said in the report in connection with the last budget regarding the savings accomplished by the methods I have indicated, will realize how desirable it is that we should look upon these matters in a different sense.

I am satisfied, from the evidence that I have read—I have not had time to read it carefully—and from reading these advertisements in a very casual way, that the money of this country is not being spent so as to get the largest possible value for every hundred cents that we take out of the exchequer. I am quite sure that the Prime Minister is anxious that this country's affairs should be economically conducted. It is not easy to do that, and nobody knows it better than I do. Nobody knows how difficult it is to ensure economical practice in the administration of the government and in the conduct of public affairs; we all know that. But where loose habits prevail; where the one who is in charge permits laxity to prevail, then you set up a condition whereby every man subordinate in position thinks it is his bounden duty to imitate his superior, and the result is that you have vast expenditures. I think it is to this that Mr. Smith refers in the last two paragraphs of his report.

First of all he mentions reorganization and consolidation of services, and the removal of a number of branches. Then he recommended imposing upon the secretary of the department the duties and functions of his office, and the supervision by the financial comptroller of all accounts, to bring about the results so much to be desired.

It will be borne in mind that the main document of nineteen pages upon which Mr. Smith predicates his final report against McClymont is one which was issued in 1922, and had to deal with the late Doctor Klotz of the observatory. That is the main document upon which the major part of his findings were predicated.

It would seem to me, Mr. Chairman, that while this committee cannot possibly investigate this matter and go into all these charges—if the word "charges" might be used—they are of such a serious character, not with respect to the minister but with respect to the conduct of the public service of Canada, as to require a full investigation before a special or standing committee of this house. It should be taken up at the very beginning of the session and carried through to the end, in order that those who have served the state faithfully, for a long period of years may be relieved of any odium that may be attached to them if they are innocent, and those punished who are found to be guilty. With the work we have had this session we have not had the opportunity to do any more than just look at this in a casual sort of way, but if we could call for the various files that may be concerned, we would be able to deal with it as it should be dealt with.

I heartily agree with the minister on the question of employment. No department could continue to employ one who has made charges of this character in the public press; it would be incompatible and inconsistent with the whole theory of public service that it should be done. I, for one, heartily support the minister in the view he takes, but it is hardly a fair assumption to say that all this has been done, all these sums of money have been expended by an individual merely for the purpose of trying to get back a job. Elementary intelligence would indicate to him that he could not possibly hope to get back his position after having gone through the ordeal that he did with respect to the investigation, or having made the charges which he has made in the public press. I quite agree with that, but I do think there still is left that residuum which necessitates the minister taking such steps as may be necessary to see that the public service is vindicated and finding out if there is any foundation at all for what has been said. I cannot but think that there is some foundation, or Mr. Smith would not have made the observations he did.

Mr. STEWART (Edmonton): So far as an investigation is concerned, may I say here and now that it will be welcomed at the next session of parliament. I quite agree with my hon. friend that it is not fair that any odium should rest upon any official of the Department of the Interior, but perhaps sufficient has been said when I make the statement that I will welcome this investigation as I have always welcomed one in my twenty years of public service. I have always welcomed the fullest investigation into any matter that pertained to me or my administration.

I am interested in one or two things my hon. friend has said regarding the administration of the Banff park. He said that the list was confined to friends. My hon. friend would not suggest that the man who perhaps gets the most money out of Banff park is more a friend of mine than he is of my hon. friend—Mr. Pat Burns.

Mr. BENNETT: I shall be glad to answer that.

Mr. STEWART (Edmonton): There is no reflection intended. Mr. Pat Burns probably gets more money for supplies than any other individual. It is quite true that he gets it by tendering, but my hon. friend is a little confused in that connection.

Mr. BENNETT: I know what I am talking about.

Mr. STEWART (Edmonton): My hon. friend also said that he was informed by the park superintendent—

Mr. BENNETT: I said that the park superintendent was informed that before he could take certain action he had to see Mr. Luney, recently appointed to the bench, and he came to Calgary for that purpose.

Mr. STEWART (Edmonton): That is information my hon. friend got from the park superintendent?

Mr. BENNETT: No, I got it from a gentleman who interviewed him.

Mr. DUNNING: Somebody told somebody else.

Mr. BENNETT: Somebody did not tell somebody else. We will deal with this as a matter of business; this is not the Halifax hotel, it is the Banff park.

Mr. STEWART (Edmonton): May I say to my hon. friend that my instructions to the

park superintendent, a gentleman in whom I have every confidence, have been to employ returned men, and he has been doing that. I have been accused on more than one occasion of employing more returned men than there was any necessity for, but so far as I know that is not true with respect to the park. I am quite willing to accept the statement made by my hon. friend that purchases of any moment are all tendered for. My hon. friend made the statement that on one occasion a soap manufacturer told him he was refused consideration on a tender for supplies.

Mr. BENNETT: That was in the Indian department.

Mr. STEWART (Edmonton): That is a department over which I have control, and I shall be very glad to have the particulars furnished to me so that they can be investigated. I promise my hon. friend that if this is true the party who refused that will be dismissed. I think that is fair.

Mr. BENNETT: That is fair.

Mr. STEWART (Edmonton): I think I should be furnished with the evidence.

Mr. BENNETT: I will tell you right now. It was in connection with supplies to the Indian department, and the name of the firm was the Royal Crown Soap Company.

Mr. STEWART (Edmonton): Where is their head office?

Mr. BENNETT: In this instance, their head office would be at Calgary, but they also have an office in Winnipeg.

Mr. STEWART (Edmonton): I misunderstood my hon. friend. I thought it was a tender for soap for the parks branch.

Mr. BENNETT: No.

Mr. STEWART (Edmonton): It is for the Interior department. I shall be glad to have that. The Royal Crown Soap Company—

Mr. BENNETT: They are manufacturers of soap.

Mr. STEWART (Edmonton): I understand that. With respect to the administration generally, all I want to say in reply to what my hon. friend has said is that the reduction from thirty to twelve branches is almost complete.

Mr. BENNETT: In eight years.

Mr. STEWART (Edmonton): Oh, well. The Civil Service Commission have not yet completed the reorganization and classification of the lands branch. The latter have been denied that for four years and to some extent it is holding up the complete reduction to twelve branches as suggested in the report. But the number at the present moment does not exceed more than thirteen or fifteen and it will be reduced to twelve. Moreover, as regards some of this reorganization, I have been nursing perhaps a false hope that the natural resources would go back to the provinces and this has delayed making permanent many of the employees. I have refused to allow them to be made permanent in the hope that the natural resources would go back to the three prairie provinces and that there would be a large number of employees for whom we would not then have employment. That is my answer to the criticism that all these things have not yet been done. But I say here and now that at the next session of parliament I will welcome the fullest investigation if the request comes from a responsible member of parliament or any member of parliament.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): I am not going to ask for investigations on the request of everyone who undertakes through the press or otherwise to malign or to cast reflections on the administration of the department. But on the other hand I and the officials of my department are prepared to come at any time before the public accounts committee and to answer any charges that may be laid there.

Mr. COOTE: Just in regard to the statement which I think the minister made that goods would all be tendered for, would he say that the contract will be awarded to the party making the lowest tender?

Mr. STEWART (Edmonton): In every case to the lowest tenderer.

Mr. COOTE: In some cases the lowest tenderer has not been awarded the contract, but a party submitting a higher tender has been given the opportunity of having the contract at the lowest price. I should like to know whether the minister will not say that in future the party submitting the lowest tender will be given the contract at that price instead of the man who has submitted a higher tender being allowed to make a second tender meeting the price submitted by the lowest tenderer? That is not entirely fair to the party who submits the lowest tender.

Mr. STEWART (Edmonton): If that has ever happened, may I at once give my hon. friend the reason? It is because they have had business with the department on former

occasions and the relationship has not been good, the goods supplied not being up to the mark. That is part of the difficulty we have to meet from time to time in connection with supplying goods to the department. I must take the word of my officials in that connection, but we do not make a practice of refusing to give the contract to the lowest tenderer and paying a higher price for the goods than the offer contained in that tender.

Mr. COOTE: In the case which I have in mind—and I am not going to take the time of the committee if I can get a satisfactory answer from the minister—so far as I was ever informed the department had no kick at all against the goods which had been supplied by this man. As a matter of fact I do not think he had ever before supplied the department with goods, but I think it was to enable the department to give the contract to a certain individual that he was allowed to supply the goods at the price offered by the lowest tenderer. I do not think that is fair and the minister in future would be well advised if he would give the contract to the lowest tenderer instead of giving somebody else a chance to meet that price.

Mr. STEWART (Edmonton): My reply to that is simply this, that the only reason for refusing to deal with the lowest tenderer in any case would be that the goods previously supplied had not been satisfactory. We make it a practice throughout the department to accept the lowest tender unless there is reason to believe that we are not getting the value. When we do not accept the lowest tender, we make it a practice not to accept goods at a higher price than the price quoted in that tender.

Mr. NEILL: I might mention a case that occurred a couple of years ago. Apparently the government of the day wanted ten cords of wood for a certain public building. That is not a very big amount, probably $50 or $60, and apparently they asked for tenders from five different people. Five different people could be calculated to give pretty fair comparative tenders on ten cords of wood and five tenders were put in. I hold in my hand a letter addressed from the government to the caretaker as follows:

I have your report saying you have received the following tenders for the firewood required for the public building in your charge—

Then follows the list of the five tenders at so much a cord, ranging from $6 up to $7.

—and you recommended the acceptance of the tender of—

Stating so-and-so, the lowest tenderer.

—10 cords, $60.

Since you invited these tenders the government has changed, and I am instructed to direct you to see the chairman or secretary of the local organization supporting the present government, show him this letter, and ask him to strike out any of the above names he is unable to recommend and to add any others he may wish you to consult. When he has completed the list, please ask each person named on it to quote a price for the firewood you need. When you have received these new tenders, please forward them to me with your recommendation on form "B".

I am sending you tender forms.

He tells him to fill them out.

If the chairman or secretary—

Of the local political organization.

—concurs in your recommendation, please return all papers to me together with a letter from the chairman or secretary saying that he concurs in your first recommendation.

He was not even going to take the word of the caretaker. It had to be in writing. That is signed by the purchasing agent of the government. That was not a case of confining tenders to firms who had been invited to tender, but after the tenders had been received in sufficient numbers and the lowest tender was about to be accepted, orders were given to change the situation and to have the names struck out in the manner I have outlined. That letter is dated Ottawa, October 16, 1926.

Mr. BENNETT: That was after the change of government. I want to direct the minister's attention to the fact that during my absence I met a gentleman who deals very largely in a certain commodity and he desired to sell that commodity to the Banff park. He was told—and I will give the minister the name if he desires it—that this could not be done unless he telegraphed to Ottawa because he was not—

Mr. STEWART (Edmonton): What were the supplies?

Mr. BENNETT: The supplies were lubricants, gas and oil. The gentleman told me that. With respect to the soap matter, I will send the minister the letter. I want to go further. I was not complaining about the question of returned soldiers.

Mr. STEWART (Edmonton): I did not say so.

Mr. BENNETT: The minister knows perfectly well that what I was directing attention to was the fact that unfortunately we are still endeavouring to maintain the old idea that the defeated candidate for West Calgary

should be the man who should determine who is to be employed in the public service of this country. I say that is wrong. When he mentions Mr. Burns, he knows perfectly well that Mr. Burns is not the gentleman who deals with this matter at all. It is the firm of P. Burns and Company, Limited, now Burns and Company, Limited, who are the only people who can supply the goods required. What is more, Mr. Burns always describes himself as a Liberal. I merely mention that so that no false impression may be left on the minds of the committee.

Mr. NEILL: I am told, Mr. Chairman, that I made a mistake in the date of that letter, and I wish to apologize. It was not October; it was August 16.

Mr. BENNETT: Perhaps the hon. gentleman would give the name of the purchasing agent. He has read the letter.

Mr. NEILL: It was the government purchasing agent, Mr. Dawson.

Mr. KENNEDY: I have been trying to get the floor for some time, after listening to this discussion which has been under way for almost an hour. I want to introduce a new subject, and that is the question of clearing land by fire. I should like to read this letter which appears in a return to an order of the house dated February 13, 1928. It is a letter to Mr. Wilson, of Peace River, signed by the Deputy Minister of the Interior, and is dated June 1, 1926. It reads:

> I have your letter of the 12th April last, in which you request that a small grant be made to Mr. De Bolt for the purpose of enabling him to burn off a considerable acreage of bush land to facilitate settlement.
>
> I am afraid it will be impossible to authorize any burning operations, save under strict departmental control. You will understand that if the grant were made to Mr. De Bolt, or any one else, and any damage resulted from the burning operations, the department would be held liable. This fact alone makes it necessary to impose the fundamental requirement that any burning operations must be strictly under the control of qualified officers of the department.
>
> In addition, the report of Mr. Lonergan, Inspector of Surveys, which you quote, stresses the point that fire guards must be put in the first thing in the spring and burning done as early in the season as possible, because otherwise there is danger of damage to the soil itself. Unfortunately, for this year at least, the season in the west opened so early as to make it impossible to organize operations for this year.
>
> The matter will be kept in mind, however, and I hope it will be possible to make arrangements to proceed with further experimental burning operations in the spring of 1927.

[Mr. Bennett.]

I would ask if it is the intention to go ahead with these burning experiments or operations during this year or in the spring of next year, and what the policy of the department is in regard to the matter.

Mr. STEWART (Edmonton): The burning operations conducted in that locality some four or five years ago were apparently successful. I would hardly agree with the statement contained in the letter that we would not allow anyone else to burn on crown lands, because these are crown lands. First of all they have to be fire guarded for a respectable width in order to prevent the fire escaping, and the burning has to be done at a period of the year when the surface soil will not burn so that a good deal of care must be exercised. I really must say that I do not believe it is the duty of the government to do this work on a very large scale. We have carried out one experiment and have demonstrated what can be done. I am quite prepared, if the necessity arises and it is desirable to do so, to render some assistance to the settlers themselves. I think they can do it more acceptably than anyone else when they go in upon these lands. I know my hon. friend has in mind the burning off of half a township that would open up that land at once and make it more or less prairie land. We have carried out one experiment, and we do not feel that we should continue this kind of thing indefinitely.

Mr. KENNEDY: In view of the fact that some of the northern territories are being settled in spite of anything governments do or do not do, we ought to give this matter careful consideration, and I think it would be wise to go ahead and actually clear this land by fire. It seems to me ridiculous to be discussing settlement schemes in this house which contemplate the advancing of money or other assistance to clear land at a cost of upwards of $30 an acre, when the Department of the Interior through its own officials has demonstrated that this land can be cleared for less than $1 an acre.

Mr. McLEAN (Melfort): Is the hon. member really serious in making that statement? If so, I would like him to state the type of land that can be cleared for less than $1 an acre, the kind of wood that is on it, its size and thickness.

Mr. KENNEDY: Land that would cost from $30 to $50 an acre to clear by hand was cleared by departmental surveyors for less than $1 an acre. That is the statement, and I can prove it if the hon. member wants me to take up the time of the committee.

But suppose the figures are $15 and $5, where is the economy from the national standpoint in asking a settler to waste his time clearing land by hand which could be cleared for one-tenth or one-twentieth of the cost in a systematic way by government officials or others? When the minister takes the stand that he is prepared to assist the settler, I would point out that the land cannot be cleared economically by that method, because you cannot follow the natural boundaries in providing fire guards. If you are going to guard against the fire getting away, it is necessary to take the open spots through bush land in order to get the proper fire guards, and you cannot follow the section or township lines. It seems to me the Department of the Interior could serve a very useful purpose by taking hold of this proposition. One of the great difficulties we have to-day in the province of Alberta, as the minister knows, is to supply transportation to outlying settlements. In some instances you have a strip of prairie, then a strip of bush land, the settlers do not care to take that up even if it is within ten or fifteen or forty miles of a railway, and the result is that they go back one hundred miles. In another five years there will be a demand from these settlers for two or three hundred miles of railway construction, even though they could have taken up land lying within twenty or thirty miles of a railway, but they preferred the land further back because it had been cleared by fire possibly set by somebody in a careless moment. I think the minister has lost a good opportunity to prevent the development in the next few years of a serious problem in connection with the providing of transportation facilities in the Peace River country at least, and possibly in northern Saskatchewan, by not undertaking this work.

Mr. McLEAN (Melfort): In view of what the hon. member has just told the committee, I think I should carry the matter a little further. I remember last year an inquiry was held by the railway and canals committee regarding transportation in the Peace River country, and a certain civil servant was brought in to the committee by, I believe, the hon. member for Peace River, who told us in that committee that it would cost not more than 15 cents an acre to set fires under certain satisfactory conditions. But to set fires costing 15 cents an acre is not clearing land. He told us further that the timber in that country was large and heavy, and that there was much of it. Everyone knows the type of land where the bush grows thick enough and large enough, and no grass or underbrush grows sufficient to fire except in dry times. If a man sets out a fire in those dry times it can certainly be done cheap enough. I do not know why the price was set at 15 cents an acre. A single match from a box of the high-class matches we get across the river would set out a fire, and I do not know why the price was set so high. The member for Peace River I notice has the price elevated a little more. But when the witness was asked what it would cost to chop down the trunks and pick up the stumps and burn them, he said, "Oh, the farmer must do that himself." There is a good deal of experimental work being carried on as to the best and cheapest and quickest way of clearing land, but certainly it would not be a good thing for the minister of the interior to allow any of his men to spend much time or money setting out fires. It is very difficult at times to get a fire to run at all in heavy poplar brush, for there is nothing in the bottom to burn. The better way is to cut down the stuff that is not too large, by using a scrub cutter, and in smaller growth modern tractors can plough the stuff down and in a few years it rots; but simply to set out fires is very far from making land fit to cultivate.

Mr. KENNEDY: I think my hon. friend has not had much experience with this class of land.

Mr. McLEAN (Melfort): I am actually engaged in clearing land where the poplar timber runs up to two feet in thickness at the stump and stands rather thick, and it is very difficult to get a fire to burn throught it. I have been trying for years to burn up the trunks. If the hon. member for Peace River could tell me where I could get the services of a civil servant to clear my land at a dollar an acre after the stumps are out of the ground, I would thank him very much for the information.

Mr. KENNEDY: I wish to put two letters on Hansard. One is dated February 25, 1927, and is to Mr. Peters, surveyor general, who was called before the committee last year. I wrote his as follows:

Dear Sir,

Some years ago your department undertook to test out the feasibility of clearing land by fire. I have been urging on the minister occasionally the desirability of doing a little more at this business as we have vast areas in the Peace river country that can be cleared economically by fire without doing any damage. I would like to obtain the following information:

1. What areas or sections were cleared by fire during the progress of the whole experiment?
2. What was the effect of the experiment in relation to clearing the land?
3. Was the soil damaged in any way?
4. What was the cost per acre of clearing the land?

5. Was there any difficulty controlling the fire?

6. In what years was the experiment carried on?

7. Has the land been settled since it was cleared?

An answer to these questions, will greatly oblige.

This is the reply I received from him:

Dear Mr. Kennedy,

Referring to your letter of February 25th concerning the clearing of land by controlled firing in the Peace river country. Answering your questions under the same numbers, I would say,

1. Area No. 1, comprising sections 27, 28, 33 and 34, in township 76, range 21, west of the fifth meridian, which is a short distance south of Donnelly on the E. D. & B. C. railway, and area No. 3, comprising about 90,000 acres in the vicinity of Battle River prairie (a map is attached outlining this area).

2. In areas 1 and 3 good burns were obtained and the experiment was a success.

3. The firing was done in the spring of the year and the soil was not damaged in any way.

4. In area No. 1 the area was so small that the cost per acre would not be typical. In area No. 3 the cost was about three cents per acre. It is probable that the cost for each burn might vary from three cents up to fifteen cents per acre according to the facilities for natural fire guards and other conditions of a like nature.

5. The fires can be controlled, provided the work is done under proper supervision and the necessary precautions are taken.

6. Area No. 1 was burned in 1919. In 1920 an experiment was tried in burning an area of approximately 25 acres ten to fifteen miles southeast of the town of Peace river, and another party undertook firing operations near the Bad Heart river, northeast of Grande Prairie. Because of adverse weather conditions the work of this season was not a success. Area No. 3 was burned in 1921.

7. I regret that we have no information as to settlement of the land that has taken place subsequently, but no doubt you can obtain this information readily from another branch of the department.

From this letter it is apparent that the clearing of land by controlled firing was a success. Regardless of the proportion of the clearing done, my information is that it can be carried out by the department very cheaply in comparison with what it would cost an actual settler to do. I do not see how the Minister of Immigration can justify the policy which subsidizes the bringing in of settlers and turning them loose on farms where it costs them $35 an acre to clear land, if this work can be done for 15 or 30 cents or a dollar an acre by controlled firing by the government. Would it not be better to subsidize the clearing of land in this way than to bring out settlers to waste their lives cutting down bush? The hon. member challenged the success of this operation, but territory was cleared by fire one hundred miles north of the Peace river, and to-day settlers are going back there rather than settle half that distance from the railway. That seems to me to be a practical answer to his light manner of dealing with the whole question, waving it aside as being something of no value.

Mr. McLEAN (Melfort): It is possible that settlers will go further back to land burnt over some years ago; but when the Department of the Interior is spending hundreds of thousands of dollars to fight fires, I am surprised that the hon. member for Peace River should ask him to set out fires in woods which in a comparatively short time may become valuable. The fact remains that the gentleman who gave evidence before the committee last year and said it cost 15 cents an acre to clear land by firing, still maintains that the farmer must at his own expense gather up the trunks and stumps and burn them. Scores of members from the eastern provinces and the western know that there is a great deal better way of clearing land than by firing. I asked the hon. member as to the size of the wood in this case, but he did not tell me. I asked the witness last year, and he said it was quite large timber. Large green stumps will not burn if the fire passes over them quickly. If they are burned again and again it is easier for the settlers to clear the land.

Mr. KENNEDY: The hon. member persists in handing out information which may apply to his own district,—

Mr. McLEAN (Melfort): It applies to any heavily timbered district.

Mr. KENNEDY: —but when he says we are advocating lighting fires, while the department is spending hundreds of thousands of dollars fighting fires, I want to tell him that the problem here is between controlled fires and fires not controlled. If the firing is done intelligently under the control of the departmental officials the soil will not be damaged and the fire will not destroy good timber. Further, there will not be the temptation for settlers to start fires and thereby destroy indiscriminately poor timber and good timber. It seems to me that the policy is a good one from whatever angle it may be studied. It has been argued by some officials, and even by the minister and the hon. member for Melfort, that firing will destroy the soil. Now, in 1923 I know a certain area was fired in the Westlock district. Two years afterwards in that very area there were splendid crops yielding a hundred bushels to the acre on that burnt land. So the statement that the soil is destroyed is not borne out by my experience, and I have watched a lot of firing in the Peace River country. If fire is properly

controlled it will do effective work and will not damage the soil or affect adversely the general interests of the country. On the other hand it will enable settlers to establish themselves on the land much sooner and to some extent obviate the transportation difficulties we have experienced in connection with railways and new roads throughout the province of Alberta in the last five, six or ten years.

Mr. COOTE: As regards engraving, lithographing, and so forth, is this done in the printing bureau?

Mr. STEWART (Edmonton): Yes.

Mr. KENNEDY: Does the minister intend to go further with this policy, or is he going to abandon it?

Mr. STEWART (Edmonton): I have no appropriation for this purpose this year.

Mr. BENNETT: I wish to discuss one item, that of salaries. A question was put on the order paper a few days ago with regard to Mr. Gerhard Ens, employed in the Prince Albert land office. He is now in charge of the Mennonite settlement. What is he doing? He is electioneering for the Saskatchewan government and the election is not far off. He has been engaged for some three months.

Mr. STEWART (Edmonton): I did not know he was employed.

Mr. BENNETT: The answer came the other day; I have it under my hand. He is a temporary employee.

Mr. STEWART (Edmonton): A homestead inspector?

Mr. BENNETT: No, he is in charge of the Mennonite settlement.

Mr. STEWART (Edmonton): I know the man but I did not know he was attached to our department.

Mr. BENNETT: The minister can give me the information later. Now, there is another matter to which I wish to direct attention. The minister will recall that two years ago the hon. member for Vancouver Centre raised a question with respect to alienation of water powers in the Rocky mountains park. It was felt that under the circumstances, without the consent of parliament, these water powers should not be alienated. The attitude taken by this government in recent years has been that they are really trustees for the western provinces, having regard to the fact that the resources are to be turned over to those provinces at no distant date. There is pending an application in connection with the water power in Manitoba, and I do suggest to the minister, having regard to the fact that this parliament —not the minister or the government but parliament itself—is the trustee for the western provinces, to whom these resources will at no distant date be turned over, that the government should decline to part with any of these power sites, which are of inestimable value to the people of the west, until such time at least as parliament—not, I repeat, the ministry—has passed upon the transaction. I look upon this as an entirely different matter from water powers entrusted to the government for administration. These water powers, whatever else may be said, are now merely held in trust for people residing at a distance from us; and inasmuch as the legislature of Manitoba, for example, is not in session, it does occur to me that before any action is taken the approval of this parliament should be given. I cannot think that this is a matter for executive action alone. I cannot think that it is fair or just or right that this ministry or any ministry at this moment should deal wth the matter in this way. The responsibility will always be laid at the door of this parliament in years to come; when the situation becomes acute and difficulties arise it will be said that we were responsible for the action taken.

I know the minister has taken a strong view with respect to some matters in my own province, and in view of the facts that have been brought to my attention I suggest that he give the house an assurance that no water powers in western Canada will be alienated without the approval of parliament; because no other action will meet the situation adequately at this time. If the legislatures of the provinces desire to alienate these powers when they receive them, well and good, that is a matter with respect to which they can formulate policies. But in view of the present condition, in view of the negotiations that are taking place, the fact that in one province an agreement was actually signed, while in another province proposals have been made which have been stated to be acceptable—in view of these circumstances, I submit that we should not part with these very valuable power sites, with all that is involved for the future population of the western provinces. We should not part with these powers without the consent of parliament. And that consent probably could not be given unless the legislatures of the provinces affected were content; because there

is a point at which executive action, taken by a government which in one sense has no responsibility while in another sense it has considerable, is not the method which in my opinion was contemplated when the statute was framed. It was contemplated then that we should treat these matters as part of the assets of the Dominion; now we are content to regard them as assets in our hands as trustees. I make that suggestion to the minister in view of the position he took some years ago with respect to another matter Rather than move a motion on going into supply, which would involve the necessity of a vote being taken, I bring the matter to his attention now in order that he may consider it before he finally disposes of this item.

Mr. STEWART (Edmonton): I do not quite take the view expressed by my hon. friend with respect to trusteeship in connection with these natural resources. The natural resources are the property of the federal government; that cannot be denied. I think my hon. friend will admit that at once. If parliament in its wisdom decides to turn the natural resources back to the provinces, then that is the business of parliament. But while the resources are under the control of the federal government they are under the administration and control of the federal authorities. There is some difference between the situation which my hon. friend has stated and the position I took on this matter a year or two ago. The matter was raised by the hon. member for Vancouver Centre, but it had reference to the alienation of water powers within the parks. The suggestion at that time was that the parks and all that appertains thereto, inasmuch as they were recreational grounds not only for the localities in which they were located, but for the whole of Canada, should not be alienated but be put under the control of parliament. I heartily agreed with that suggestion. So far as Banff and the Spray lakes scheme are concerned, we have been resurveying the park with a view to excluding from the park area all the valuable minerals now known to exist within the park boundaries. The park boundaries will be curtailed to some extent and most of the coal areas will now be outside their limits and in the Rocky mountain forest reserve. The suggestion was made to exclude the Spray lakes. Let me say this with respect to the Spray lakes. We must have a dependable flow into the Spray river, particularly during the tourist season; and the engineer of the Calgary Power Company, Mr. Gaherty, informed me in my office not long ago that if we were to take for that purpose more than 150 cubic second feet during three months even, in the tourist season, they were not at all interested in that development. I am glad to get that admission. We shall need in the neighbourhood of 350 to 400 cubic second feet to preserve the scenic qualities of the river, to have sufficient water for fire protection, and for the purposes necessary for the maintenance of the park and the preservation of its beauty. But when my hon. friend separates the water powers from the other natural resources—

Mr. BENNETT: Oh, no; they are the same thing.

Mr. STEWART (Edmonton): I am willing to admit that they are valuable; so much so that I am exercising extreme caution in their administration. I think my hon. friend will give me credit for that, because we have had innumerable difficulties on the Winnipeg river where the Seven Sisters falls are located, and to date, I think, the disposition of these water powers has met with universal satisfaction. Now I understand my hon. friend to say that if I give a promise that no disposition of any water power will be made until it is placed under the control of—

Mr. BENNETT: No.

Mr. STEWART (Edmonton): What did my hon. friend say?

Mr. BENNETT: I said we should not part with any water powers without the approval of this parliament.

Mr. STEWART (Edmonton): That would mean that a private bill would be introduced?

Mr. BENNETT: Or approval of a contract given by resolution.

Mr. STEWART (Edmonton): I would desire some time to give consideration to that matter. I quite appreciate the protection given a minister in securing the consent of parliament to any question which involves such an important decision as that of the disposal of 300,000 horse power, but I do say that Manitoba has been the storm centre ever since I came to this government and was honoured with the control of the Department of the Interior; first over the Norman dam, later over the disposition of the pulpwood berth where the mill is now erected and the disposition of the water power, and now a very grave difference of opinion exists with respect to the disposition of the Seven Sisters

falls. I may assure my hon. friend that until that difference of opinion is settled I am not going to issue any license for that water power. I think I may assure my hon. friend of that.

Mr. BENNETT: I am sure the committee appreciated the statement made by the minister, but I think he did not entirely grasp my contention with respect to the trusteeship of this parliament. So long as we held the natural resources without having declared as a policy that we proposed to turn them over to the provinces; so long as we did not declare that policy his position was sound, but at the beginning of last session and reiterated again this session we had the policy declared that it is proposed to transfer these resources to the several provinces, and the agreement was actually signed and executed which would turn the resources over to the province of Alberta. Under these circumstances, in view of the statement made by the Prime Minister that it was proposed immediately after prorogation or as soon thereafter as might be reasonable to carry on the negotiations to a completion or until they failed, I submit that we should no longer treat these resources as the property of the crown in the right of the Dominion but as the property of the crown in trust for the crown, in the right of the provinces. That is the point I desire to make, and the last observation made by the minister somewhat supports the view which I was presenting. The position of the parks was not so strong as the case which I now put, for with respect to the parks it was proposed that they should always remain the property of the crown in the right of the Dominion and therefore the Dominion had complete authority to deal with them, having complete authority to deal with them the minister concluded that it was desirable to have the approval of parliament before there was any alienation of any resources within the parks.

My submission is that since we hold these resources, that is, they are the property of the crown in the right of the Dominion, in trust for the crown in the right of the several provinces, we should not as an executive act or as a pure matter of administration part with so valuable a resource as a power site which is of such inestimable value to the people of the country, without the approval of this parliament. In my judgment that would be a proper release to the minister for any action he might take as trustee for the people affected, and would afford an opportunity to the several legislatures to deal with any matter which concerned them until such time as these resources, notably the power sites, were turned over to the crown in the right of the several provinces concerned.

I trust that I have made myself clear; I did not develop the matter at first because I thought the minister had that position in mind. I quite agree that the minister should not be asked at the moment to state what might be done, but thinking the matter over while I was away last week, rather than propose an amendment to the motion to go into supply for the purpose of discussion I thought I could present the matter in that way when his estimates were under consideration, and I thought he might take some little time to consider what might be desirable in the premises because his statement indicates a very earnest desire on his part to deal with the matter in the sense I have suggested, the sense of the relations and obligations which this parliament bears not only to this generation but, as he says, to the future, having regard to the fact that 300,000 horse power may be affected. The same principle, of course, applies to the White Mud falls. Possibly the minister would leave one item, purely pro forma, in order that it might be spoken to, and he might be good enough to present his views to-morrow or at some later time and thereby possibly prevent any further discussion on the matter.

Mr. STEWART (Edmonton): May I give my hon. friend the assurance now that so far as his request is concerned I have no serious objection to offer except this: Of course I am always made more or less the storm centre for the settlement of these difficulties, particularly in Manitoba, but I have adopted the principle of consulting with the provincial governments about these matters. Possibly I have carried that principle too far, but I am never forgetful of the fact that I must take the responsibility for final disposition. I am going to say very frankly here and now that notwithstanding the fact that at present the government have adopted a line of action with respect to the Seven Sisters falls I am not in any particular hurry to come to any decision about that matter, largely because of the fact that the members of this house have expressed very decided opinions about the matter as federal members. I am not very much disturbed by the statement that there must be immediate action; I have investigated the matter pretty well and I think there is plenty of time to give ample consideration to this matter before it is decided. In order to settle the question, and in order to prevent any delay, I do not see any reason why we

should not await the action of the city council of Winnipeg and of the provincial government, which must take the responsibility, before a final decision is made here. I think that should satisfy my hon. friend.

Mr. KENNEDY: When the minister was answering my question with regard to the clearing of land by fire he said something about assisting settlers. What does he mean by that, in what way and to what extent?

Mr. STEWART (Edmonton): I would much rather give the matter some consideration before going into it here, because it involves an entirely new policy and the question of whether the Department of the Interior or the federal government should now embark upon a land clearing or burning scheme of this kind. I think that would require some consideration, because my hon. friend is aware of the fact that as soon as this house rises we are going to have a discussion with the provincial governments with respect to the transfer of natural resources. In the case of Alberta that may be delayed, but it is a matter in which, so far as I am concerned, I do not want to make any promises for the future except to say that questions of that kind will receive my sympathetic consideration.

Now may I answer my hon. friend from West Calgary with respect to Mr. Gerhard Ens. I have the question and answer which appeared in Hansard, and my hon. friend will note that at present Mr. Gerhard Ens is employed in the land settlement branch of the Department of Immigration and Colonization, so he is not in my department at all.

Mr. SPENCER: The minister said a few minutes ago that the park had been resurveyed and it is possible that Spray lakes would be outside the park. Could he inform us definitely as to that?

Mr. STEWART (Edmonton): There is no definite decision about that matter. We have two surveys, one which includes it and one which excludes it from the park, and while we have practically settled the matter of the new boundary with the provincial government it is not final. I would say this—I am now speaking for myself, not for the government or the department; it is my own opinion—if it is not advisable to develop Spray lakes as a reservoir, then it will be inside the park boundary. If it is going to be developed for that purpose then it should be outside, because we do not want developments of that kind within the park boundary.

[Mr. C. A. Stewart.]

Mr. SPENCER: I suppose the department will not come to a decision until they have consulted the province?

Mr. STEWART (Edmonton): Oh, no.

Mr. FRASER: I should like to ask the minister about the report he promised me before six o'clock.

Mr. STEWART (Edmonton): I shall be glad to give my hon. friend the complete report, and that will explain the whole situation. I must confess that I forgot about it; the controller remembered to get the information but did not get the report. I can get it for my hon. friend to-morrow and will deliver it at eleven o'clock.

Mr. FRASER: I will have the opportunity of making any observations on it later?

Mr. STEWART (Edmonton): Absolutely.

Mr. GARDINER: I notice the first item shows a considerable increase in the amount for salaries. Will the minister explain the increase?

Mr. STEWART (Edmonton): The general improvement in conditions throughout the west and the increased demand for land for homestead purposes have caused an increased expenditure. The amount required to cover the statutory increases was $11,000; the amount required for reorganization and reclassification of the western and eastern services is $29,000; and $25,000 was required to cover a shortage in the estimates of 1927-28. A supplementary estimate should have been voted for that fiscal year but it was not done.

Mr. GARDINER: There is another increase in the item regarding the protection of timber; could we have that explained?

Mr. STEWART (Edmonton): We have an increase of $6,000 for publicity work; an increase of $12,000 for the research services; $15,000 for Canadian forest week, this year; and $14,000 for the forestry service. Then it was found necessary to move a portion of the forest products laboratories from Montreal. As my hon. friend knows, the pulp and paper association have put about $300,000 into the erection of a new laboratory at McGill university for research work in connection with pulp and paper, and we have left that division of the forestry service in that new building. They were not prepared to erect buildings for the rest of the organization formerly in Montreal, such as the wood testing plant, and we have moved them to Ottawa. In the supplementary estimates I am asking for an

amount to cover the purchase of new machinery needed in this connection; $23,000 additional is required for this purpose. In Vancouver we have an addition of $3,500 to cover tree planting. I would say to the hon. member for Qu'Appelle (Mr. Millar) that we have a constant drive on us to extend this service, and I am asking for more money for it. Then we are asking for the following additions in connection with the forest reserves and fire ranger work; for Manitoba, $12,300; for Saskatchewan, $16,000; Alberta, $25,000 and British Columbia, $34,000. May I say in passing that this is one of our most important services and we could spend a good deal more money to advantage than we are asking for here.

Mr. GARDINER: There is just one other item I should like some information on, and that is the one in connection with the expenditures for the national parks.

Mr. STEWART (Edmonton): The increase of $110,000 comes about very largely in connection with Prince Albert park. My hon. friend will remember that we acquired this a year ago. We voted $25,000 for a preliminary investigation to find a location for the administration building, and the major portion of this increase will be spent on building a road through the park to the lake where these buildings will be located.

Mr. CAMPBELL: Will the minister explain the nature of the securities held by the department in connection with the seed grain liens?

Mr. STEWART (Edmonton): In some cases it is very questionable, and in other cases we have first mortgages. My hon. friend will remember in the issue of 1915, which was a large issue, the seed grain liens took priority over all claims. Later on that was abandoned, and these did not rank first. We will probably have some losses, but adjustments are going on now in both provinces.

Mr. CAMPBELL: Are the liens placed only against the land for which the seed was furnished, or can you place these liens against any real estate held by the farmer?

Mr. STEWART (Edmonton): As in any other ordinary debt, first there is the land, and secondly, there is the security of the individual himself. Naturally, if he has any property, we can proceed against him in the regular way. There is no doubt about that.

Mr. CAMPBELL: That would be only an ordinary debt. You would have to sue in the ordinary provincial court. I have in mind a case that perhaps the minister will recall where a lien was placed against property in a city. I wondered if the legislation at present in existence gives the department power to place a lien against property held in a city by the same man who secured the advance in the first place.

Mr. STEWART (Edmonton): My hon. friend knows full well that all debts of this character are collectible from the individual and if he does not pay, if one piece of property is so encumbered that nothing can be recovered, naturally you can proceed against any property he might have.

Mr. CAMPBELL: The minister misapprehends my question. That is a case of suing a man in the courts and getting a judgment which would automatically be registered against any property he had in the particular judicial district. But in the case to which I refer the lien was registered against property held in a city. It was not a case of suing and getting a judgment against the man but the actual lien was registered against city property. Does the legislation on the statute book at the present time empower the department to place seed grain liens against property in cities?

Mr. STEWART (Edmonton): My controller tells me that the 1915 liens did extend to all property, but later when we did not have the primary security on the land itself, then I would take action against the individual if I thought I could recover.

Mr. GARDINER: I think there is a question that the minister ought to look into. I understand that after the War-time Elections Act expired, it was not possible for the department to register liens against city property notwithstanding the fact that those liens had already been registered against farm property. Many registrations have been made since that time and my understanding of the situation is that they are illegal. It is quite true that the department can take action through the courts for the recovery of this money, but at present there are many registrations in effect and the minister should take the matter into consideration with a view to removing liens that have been put on illegally.

Mr. STEWART (Edmonton): In Alberta the whole matter is in the hands of the commission.

Mr. GARDINER: What progress has been made towards solving that particular problem in Alberta?

Mr. STEWART (Edmonton): A number of settlements are coming in. There was some little misunderstanding that it took some time to straighten out between the commissioners, but we have got that adjusted and they are now going ahead. The evidence of that is that we are having settlements come in at the rate of two or three a week now.

Mr. EVANS: I have in mind the case of a returned soldier in Saskatoon who secured seed and feed as far back as 1915. He signed a quit claim deed to the farm on the understanding that the mortgagee was taking over the whole of the indebtedness regarding seed and feed. Later on, although he did not have any property until six years after that, he found when he was going to get his title to his city property that the lien was registered against that. This is one of the most sordid tales of bulldozing and bullying on the part of a member of parliament using his official position as a member of parliament to secure the payment of a sum of money from a returned man which he did not owe. I am here accusing the hon. member for Saskatoon (Mr. Young) of doing this and trying to bluff this man into paying a sum of money which he was clear of for more than six years. I think it should be made plain that men in that position, returned soldiers who have since got clear of their debt, who had gone to the war and served their country overseas, should not be bulldozed, when they come back, into paying something that they do not owe. I have nothing more to say.

Mr. STEWART (Edmonton): I have full knowledge of the case referred to by my hon. friend. He has brought it to my attention and we are making a full investigation in respect to it.

Item agreed to.

Scientific institutions—expenses connected with the Dominion observatory at Ottawa, $75,405.

Mr. MANION: Why the increase?

Mr. STEWART (Edmonton): This is largely to provide for reorganization.

Item agreed to.

Government of the Yukon territory—grant for maintenance and construction of roads—further amount required, $3,000.

Mr. STEWART (Edmonton): This is an amount we require to spend in the Yukon. Owing to the development of a new mine there we had not sufficient funds to meet the requirements to get the machinery into the mine from the main road through the Yukon. We require $3,000 to complete the construction of that piece of road.

Item agreed to.

DOMINION LANDS AND PARKS

Additional amount required for protection of timber etc., to pay for machinery for the Forest Products Laboratories, Ottawa, ordered but not delivered in fiscal year 1927-28; to cover expenses of the forest service delegation to the British Empire Forestry Conference in Australia and New Zealand, $18,520.

To provide for the expenses incurred under the Lake of the Woods Control Board Act, 1921, and under the agreement between the Dominion, Ontario and Manitoba, confirmed by the Lac Seul Conservation Act, 1928, for the construction of a dam at the outlet of Lac Seul and its operation by the Lake of the Woods Control Board and for the remuneration at the rate of $1,000 each per annum, of Messrs. J. T. Johnston and K. M. Cameron, Dominion members of such board, the moneys expended to be reimbursed to the Dominion by the licensees of developed power sites on the Winnipeg river in Manitoba, $500,000.

Compassionate allowance to S. Knutson in connection with the death of his son at Jasper Park, $500.

To provide for the expenses connected with Canadian national parks, historic sites, care of indigents in the parks, including purchase of land at Fort Louisburg, etc.—further amount required, $32,000.

To satisfy the claim of C. B. Jameson for refund of amounts paid by him on purchase price of coal mining rights and for taxes, $3,239.91.

To cover the Dominion government's share of freight charges in connection with the removal of settlers from the drought stricken areas to other districts, $1,500.

To provide for the construction of the Golden-Revelstoke highway, $150,000.

To provide for expenses connected with the supervisory mining engineer's office due chiefly to the recent mining activities in northern Manitoba and northern Saskatchewan, $10,000.

To pay damages and costs pursuant to the judgment of the Hon. Mr. Justice MacLean, President of the Exchequer Court, in the action brought by the estate of the late E. H. Maunsell, Henry F. Maunsell and Maunsell Brothers against the crown, $40,000.—Total, $755,759.91.

Mr. GARDINER: Will the minister explain the item of $500,000?

Mr. STEWART (Edmonton): This is the amount required to make provision for the construction of the dam for which we passed legislation at the present session, that is the Lac Seul dam. It is a storage dam to create a greater supply of water for the Winnipeg river. That amount will be refunded.

Mr. GARDINER: Will this complete the work?

Mr. STEWART (Edmonton): The Ontario government are putting in $200,000. That is the estimate. I think it will complete the work.

Mr. GARDINER: As regards the construction of the Golden-Revelstoke highway, is this a new piece of construction?

Mr. STEWART (Edmonton): Yes, this is a piece of construction that is not yet definitely settled, but I think I can say to the committee that there will not be any doubt that complete arrangements will be made with the provincial government. In brief it was estimated that to cross the Glacier park would cost the department in the neighbourhood of $750,000. Part of it would be on the old abandoned roadbed of the Canadian Pacific where all those snow sheds are built and it is rather a dangerous piece of road. That is the information we got from our engineering department. It will be a link in the national highway across southern Canada, and to that extent the federal government have responsibilities in connection with the construction of the road, as we had with the road through Banff national park. So the arrangement in brief now is that the road shall be built around the Big Bend. It increases the mileage by ninety miles, but I understand from the provincial authorities that it will serve some rather valuable territory, and we shall have a safe road. The proposal is that we contribute up to $750,000 in the construction of this highway, and we will not attempt to build any highway through Glacier park at all. I am asking $150,000 to carry out the obligation of this year's construction, if the arrangement is consummated.

Mr. GUTHRIE: What is this item of $40,000 in the action brought by Maunsell Brothers against the crown?

Mr. STEWART (Edmonton): I am sorry the leader of the opposition is not in the house. This is a case of many years standing. It was a case in which a lease held by Maunsell Brothers, of Macleod, was cancelled by the Hon. Frank Oliver, I think in 1909. Apparently the cancellation did not go into effect for some time, but very serious losses were involved.

Mr. GUTHRIE: Was the action tried and settled?

Mr. STEWART (Edmonton): The case was tried in the exchequer court, and while judgment was given against the government, it was for unstated damages. This is an arrangement for the settlement of the case.

Mr. GUTHRIE: An arrangement made outside of the court altogether?

Mr. STEWART (Edmonton): Yes. The court did not fix the damages.

Mr. GUTHRIE: Reading the item, one would think we were paying a judgment, but as a matter of fact we are making a settlement.

Mr. STEWART (Edmonton): I think that is a complete statement of the case.

Mr. YOUNG (Saskatoon): During the few moments I was out of the chamber I understand that the hon. member for Rosetown made some sort of charge against me. I wonder if he will be good enough to repeat it.

The CHAIRMAN: Order. We are now discussing item 501.

Mr. ESLING: May I ask the minister—

Mr. EVANS: I can repeat it, if necessary—

The CHAIRMAN: Order. The hon. member for West Kootenay has the floor.

Mr. ESLING: Have arrangements been made that the road shall not go through the park? Has it been definitely determined that this Revelstoke road, or what is known as the east road, is not to be constructed through the park?

Mr. STEWART (Edmonton): That is the decision.

Mr. ESLING: Is it the intention to build along the Columbia river to the Canoe river, which is at the top of Big Bend, and then into Jasper Park, or is this merely a contribution towards the construction of the Big Bend road?

Mr. STEWART (Edmonton): The Big Bend road will be part of the international highway that will pass from Golden on to Jasper Park and on to Calgary. This is the last link, I believe, in the construction.

Mr. ESLING: Is this part of the scheme to build from Golden to Jasper Park by way of the Big Bend?

Mr. STEWART (Edmonton): I beg my hon. friend's pardon. I understood him to ask, was it the intention to extend from the Big Bend road to Jasper. No decision has been arrived at as to that.

Mr. ESLING: This is part of that construction, is it not?

Mr. STEWART (Edmonton): This is to complete the highway to Vancouver around by Big Bend. Then there have been suggestions that we might very well build from Elbow to Jasper Park.

Mr. ESLING: To put it in another way, I assume that this vote represents what the government would ordinarily expend in the construction of the road if it went east from Revelstoke through the Glacier national park.

Mr. STEWART (Edmonton): That is the statement I made to the committee a moment ago, and the estimate for that is $750,000.

Mr. ESLING: Is it the intention of the government to continue this road to Jasper Park? That is what the people there are very much interested in.

Mr. STEWART (Edmonton): There has been no decision at all with respect to that.

Mr. KENNEDY: Is the matter under consideration?

Mr. STEWART (Edmonton): It might be, but we have no surveys to indicate whether it is possible or not.

Item agreed to.

RAILWAYS AND CANADIAN GOVERNMENT MERCHANT MARINE

Loans to Canadian National Railway Company

Amount not exceeding $39,000,000 to meet expenditures made or indebtedness incurred (where amounts available from net operating income or investments may be insufficient) by or on behalf of the Canadian National Railway Company, herein called "the company," or any company specified or referred to in chapter 172 of the revised statutes of Canada, 1927, and chapter 13 of the statutes of 1920 or now or hereafter comprised in the Canadian National Railways or by the company in respect of any railways, properties and works entrusted to it from time to time under the provisions of section 19 of chapter 172 of the revised statutes of Canada, 1927, or any one or more of such companies, on any or all of the following accounts, such expenditures or indebtedness being herein called authorized expenditures:

(a) Interest on securities, notes and other obligations; rentals for lease of lines;

(b) Equipment principal payments; sinking funds; miscellaneous maturing or matured notes and other obligations secured or unsecured;

(c) Operating income deficit, whenever incurred or ascertained;

(d) construction and betterments, including co-ordinations; acquisition of real or personal property.

The amount herein authorized may be applied from time to time to meet authorized expenditures, in the discretion of the governor in council:

(a) In respect of railways, properties and works entrusted to the company as aforesaid;

(b) In respect of railways, properties and works not so entrusted by way of loans in cash, or by way of guarantee, or partly one way and partly the other, subject, however, as follows:

If by way of loans from His Majesty, the amount or amounts advanced to any one or more of the said companies shall be repayable on demand, with interest payable half-yearly at the rate fixed from time to time by the governor in council, secured if and when directed by the governor in council by mortgage or mortgages upon such properties, in such form and containing such terms and conditions, not inconsistent herewith, as the governor in council may approve.

If by way of loans from persons other than His Majesty (without the guarantee of His Majesty) the amounts, terms and conditions of such loans shall be such as the governor in council may from time to time approve.

If by way of guarantee, any such guarantee may be either a general guarantee covering the total amount of the issue, or by a separate guarantee endorsed on each obligation, and may be of the principal, interest and sinking funds (if any) of the notes, obligations or securities of one or more of the said companies specified by the governor in council, which notes, obligations or securities the companies so specified are hereby authorized to make and issue, and such guarantee may be signed by the Minister of Finance, or such other person as the governor in council may authorize, on behalf of His Majesty, in such form and on such terms and conditions as the governor in council may determine to be appropriate and applicable thereto. Any guarantee so signed shall be conclusive evidence for all purposes that the provisions of this enactment have been complied with.

Should temporary loans be made or negotiated before the lapse of this appropriation either from His Majesty or other persons, guaranteed notes, obligations or securities may subsequently be issued under the provisions of the preceding paragraph of this enactment to renew, refund or adjust such loans, or any part thereof.

Each company herein mentioned or referred to is hereby authorized to aid and assist in any manner any other or others of the said companies, and, without limiting the generality of the foregoing, may for its own requirements and also for the requirements of any or all of such other companies from time to time:

(a) Issue notes, obligations or other securities, joint or several, at discretion, for the purpose of any guarantee made or to be made under the provisions of this enactment;

(b) Apply the proceeds of any such guaranteed issue, or the amount of loans received by virtue of this enactment, in meeting authorized expenditures on its own account or on account of any or all of such other companies;

(c) Make advances for the purpose of meeting authorized expenditures to any or all of such other companies, upon or without any security, at discretion.

No purchaser of such guaranteed notes, securities or obligations shall be under any obligation to inquire into the application of the proceeds of any guaranteed issue, $39,000,000.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): This is the first item of the estimates which have been exam-

ined by the select standing committee on railways and shipping. Every member of the house has been supplied, I believe, with copies of the evidence taken before that committee, the questions dealt with, and the information given by the officers of the Canadian National Railways. The same procedure has been followed in this regard as in former years, and I am now presenting the estimate for formal adoption by the committee of the whole house.

Mr. STEVENS: Might I ask the minister if he would at this time make a complete statement of the hotel situation in Halifax? I was really expecting the hon. member for Halifax to be here, but he left the chamber just a few moments ago, not knowing that this item was coming up. As I understand the situation, the facts are these, that one hotel was projected, but later as the matter progressed some differences arose, and two hotels are now projected. One has been erected by a local company in conjunction with the Canadian Pacific Railway Company and is now, I think, about completed. Then the Canadian National have provided for the construction of another hotel down near the station, but beyond some foundation work I do not think any very great progress has been made. Is it the intention of the Canadian National to erect this hotel, or to join the other concern in one large hotel for the city?

Mr. DUNNING: With regard to the Halifax hotel matter, included in the estimates submitted by the management of the railway for approval by the government, and consequent submission to parliament, is an amount of $1,250,000 for a combined station and hotel in Halifax for the Canadian National Railways. The subject was discussed before the select standing committee on railways and shipping, and the evidence of Sir Henry Thornton in regard thereto will be found in the printed record of the proceedings commencing at page 148. Briefly, so far as the government is concerned, the position is that the Canadian National management and directors, after considering the whole situation with respect to Canadian National interests in Halifax, placed this sum in their own budget for submission to the government. The government, after giving consideration to the views of the management, decided to approve and to place the matter before the house, where it is at the present time.

Mr. ROWE: Has the minister taken into consideration the very great loss of life at level crossings throughout the Dominion, and set aside in his estimates a sum to reduce the hazard?

Mr. DUNNING: These estimates are for the Canadian National Railways. Earlier in the session I did introduce a bill to amend the Railway Act having particular reference to the grade crossing fund. Probably my hon. friend was not present on that occasion. He will find the discussion in Hansard, and it will give him a complete review of the whole matter.

Mr. ROWE: I realize that it is a matter for the railway board, but I do feel in view of the heavy loss of life, a loss that is always increasing with the ever-increasing vehicular traffic, that the Minister of Railways should be the first to be in a position to suggest to the management of the Canadian National Railways a fixed policy in relation to level crossings.

Mr. DUNNING: I know my hon. friend does not intend to be unfair, but I think he will realize that he is if he reads the very full discussion of level crossings on the occasion to which I have referred. The Canadian National Railways, may I say, is in exactly the same position as any other railway with respect to level crossings that is to say, it is completely under the jurisdiction of the Board of Railway Commissioners.

Mr. STEVENS: One other question I desire to ask the minister. I understand some tentative arrangement has been made with the province of British Columbia for the purchase and operation of the Pacific Great Eastern Railway and its completion to Prince George. Is there any provision in the Canadian National Railway estimates for that purpose, or out of what fund would the necessary money come? I do not wish the details, but could the minister give us a rough outline of the agreement?

Mr. DUNNING: The position with regard to the Pacific Great Eastern is exactly the same as that with regard to a number of other railways across Canada in which various provinces are interested in various ways. The matter was discussed at the Dominion-provincial conference, when the Dominion ministers met the provincial ministers. Following that conference the government decided

to ask Sir Henry Thornton to negotiate with the provinces concerned with respect to each of the railway properties, all of which represent problems of a varied character.

Mr. BENNETT: What provinces would be concerned?

Mr. DUNNING: New Brunswick, Alberta and British Columbia come to my mind immediately. There are three classes of railway problems—I do not wish to describe them as of the white elephant class, but railways which for various reasons the owners desire should become part of the National system. To the first class belong railways which are owned by a province; the second class comprises railways which are owned by private interests, but which for reasons of public service over a large area should be considered from the national point of view; the third class covers railways owned by private interests, the taking over of which involve no considerable public convenience, but which the owners very urgently desire to be rid of. The Pacific Great Eastern railway and the St. John railway in New Brunswick belong to the first class; the Gaspe railways to the second class; and I might distinguish any one of a dozen very small roads anywhere throughout the country as belonging to the third class, but I do not care to particularize as to these.

Mr. BENNETT: It might be an encouragement.

Mr. DUNNING: If I particularized too closely.

Mr. GEARY: The third class might be enlarged by including some railways that are being promoted.

Mr. BENNETT: Like the Port Burwell.

Mr. DUNNING: That is always something parliament should bear in mind—as I think my hon. friend will remember I intimated to the railway committee at its first meeting this session—in dealing generally with applications for railway charges. However, not to deviate from the matter to which my hon. friend from Vancouver Centre (Mr. Stevens) has referred, Sir Henry Thornton was authorized and has been negotiating with the provinces concerned. As to the exact state of the negotiations with British Columbia, I am not advised, but I can state positively that the Canadian National management is not authorized by the government to make any settlement. Naturally this would have to be approved by the government, and a transaction of such magnitude would of course have to be submitted to parliament. While I presume it is quite possible that some temporary operating arrangement might be made within the scope of the existing law, it surely is very certain that no arrangement could be consummated with respect to a railway such as the Pacific Great Eastern without submitting it to parliament.

Mr. STEVENS: There has been no tentative purchase agreement between the railways and the province of British Columbia?

Mr. DUNNING: I have no knowledge of anything completed. As a matter of fact no such purchase agreement could be completed without the approval of the government. I believe negotiations are progressing satisfactorily, but beyond that I cannot make any more definite statement.

Mr. STEVENS: The minister cannot say whether it involves the extension from Prince George to the Peace river connection?

Mr. DUNNING: I am not in a position to answer—not as to that. Sir Henry Thornton was given a free hand to go into these matters from the point of view of the National system as it now is, and having in mind the policy evolved by the government as the result of the Dominion-provincial conference, which was an endeavour to meet the provinces as far as practicable in connection with these transportation problems under which they were labouring.

Mr. STEVENS: And whatever arrangement was made would have to be submitted to parliament for ratification and for the passing of the necessary capital funds for the purchase.

Mr. DUNNING: If it involved the purchase of a railway such as the Pacific Great Eastern there is no question it would have to come to parliament. But I want to qualify that statement: It is always possible for some operating arrangement to be entered into—such as that which was entered into at one time in connection with the Edmonton and Dunvegan railway—without the necessity of coming to parliament, because of course no outright purchase is involved in that case. It is always possible that, preliminary to the purchase, if the terms of the purchase are agreed to by the government—recommended by the management and agreed to by the government—some operating arrangement might be consummated between the particular railway and the Canadian National. I am not indicating that this will be done, but

it is always a possibility. But nothing with respect to the purchase of a property of that kind can be consummated without the authority of parliament. If the authority does not at present exist it must be secured.

Mr. STEVENS: There would scarcely be an operating agreement until the last forty-five miles had been completed. The Pacific Great Eastern does not touch the Canadian National at the present time. I believe there are about forty miles to construct.

Mr. DUNNING: It is not impossible for an operating arrangement to be made with a railway not connected with the parent. But the Pacific Great Eastern, the people of British Columbia say, begins nowhere and ends nowhere. I presume that, as a matter of common sense in its future disposition, whichever organization may ultimately take control of it, it must have a beginning and an end. I do not want to be too definite regarding the negotiations, the nature of which I am not completely informed upon. But I am quite sure that the management of the Canadian National will take into account all the factors to which my hon. friend has reference.

Mr. MacDONALD (South Cape Breton): I want to make a suggestion to the government in the hope of relieving the situation at Halifax. The situation as it appears to me is this. It is evidently going to cost the country about a million dollars to free Sir Henry Thornton from a position into which he has rather manoeuvred himself or allowed others to manoeuvre him. He is asking for a million dollars to build in Halifax an hotel for which there is absolutely no necessity. There are now three or four fairly good hotels at Halifax sufficient to answer all the requirements there. You can visit Halifax at any time of the year and you will find there hotels not at all crowded. In addition to that we are building a new community hotel which will of course take the cream of the traffic; it will be more than sufficient to accommodate all the tourist traffic for a considerable time to come. There has been an effort in the past year in Nova Scotia to stimulate the tourist traffic. The provincial government is spending a great deal of money, and many towns and cities throughout the province are also contributing to this move. In Cape Breton we have organized a regular tourist association, to which all towns and cities in the island have contributed. It is costing a considerable sum of money. I have here a piece of literature which has been distributed by the Tourist Association of Cape Breton. One great obstacle in the way of tourist traffic throughout Nova Scotia is the want of good hotels, and for this million dollars for an hotel in Halifax—an hotel which is not needed—at least four or five good hotels could be constructed throughout the province. I have read the statement of President Beatty regarding the offer he makes with apparent generosity; but everyone who knows anything knows that Sir Henry Thornton cannot accept that offer. To do so would be at least a distinct loss of prestige to him. He has taken a stand on the matter and he must maintain it. In fairness to him I think the alternative proposition should be made. The minister might vote this amount for the construction of hotels in Nova Scotia, and if Sir Henry Thornton then insisted on the hotel in Halifax, I do not think there is anything we could say about it. But it might commend itself to his good judgment to adopt the suggestion made by all the tourist associations throughout the province, and instead of building one hotel in Halifax he might build four or five throughout the province.

I have here a pamphlet issued by the Cape Breton Tourist Association, a very creditable publication entailing considerable expense, in which are set forth all the beauties of the island of Cape Breton. It is unnecessary to say that the island of Cape Breton is by far the most beautiful portion of all Canada. In support of that statement I might read a number of selections from this book but I will content myself with quoting just one from a very well known author, Charles Dudley Warner, whose writings are no doubt familiar to hon. members. Charles Dudley Warner visited the island of Cape Breton some thirty and forty years ago, long before the present transportation facilities were afforded, and he writes:

> One seeing Baddeck would not like to be detained a prisoner in Eden. . . winding around the base of a wooded range, and crossing its point, we came upon a sight that took all the sleep out of us. This was the famous Bras d'Or . . . The scene was enchanting. . . It was enough to sit on deck forward of the wheel-house, and absorb, by all the sense, the delicious day. With such wonder perpetual and such scenery always present, sin in this world would soon become an impossibility The most electric American, heir of all the nervous diseases of all the ages, could not but find peace in this scene of tranquil beauty, and sail on into a great and deepening contentment. Would the voyage could last for an age, with the same sparkling, but tranquil, sea, and the same environment of hills, near and remote. The hills approached and fell away in lines of undulating grace, draped with tender colour which helped to carry the imagination beyond the earth.

I would not suggest in all seriousness that there is no such thing as sin in the island

of Cape Breton, and possibly to do so would not be to offer the strongest inducement I could to some members of the house to visit the island. Seriously, however, I want to leave this suggestion with the minister, and I hope to receive the assistance of the Minister of National Defence, because I think it will commend itself to his good judgment: Instead of making this apply only to the city of Halifax it should apply to the province of Nova Scotia, so that if the president of the Canadian National Railways can see his way clear to do so he may confer a favour upon that province which will not be forgotten.

Mr. MARCIL: I am glad to know that the Minister of Railways has included the Gaspé railway in the list of railways which are now attracting the attention of the management of the Canadian National Railways. Away back in 1915 this house passed a branch lines bill to cover cases such as that of the Gaspé railway, authorizing the government to take over all branch lines over 200 miles in length connecting with the government lines of that day. The war prevented that being done in many cases, but that bill remains today and I am sure the people of Bonaventure and Gaspé will be glad to know that at least there is some ray of hope of settling this long-standing question. Sir Charles Tupper asked this parliament to construct this railway as a branch line of the Intercolonial; the first ten miles were built as a branch line but unfortunately the policy was changed and the line was handed over to a private company. Since then it has had a very chequered career. I am not going into the history of the matter except to say that when we mention maritime railways we should include the Gaspé railway because it serves the maritime part of the province of Quebec and is mentioned among those roads which are to be indemnified under the 20 per cent arrangement. Without any further remarks at this time I would ask the minister if he is in a position to tell us exactly how far these negotiations have progressed and whether there is any hope of a final settlement soon, always remembering that there is existing legislation to cover the case of the Gaspé railway under which the government may take over all branch lines 200 miles in length connecting with the Canadian National Railways.

Mr. DUNNING: I am sorry I cannot be more definite with respect to the Gaspé railway than I was in answering my hon. friend from Vancouver Centre with regard to the Pacific Great Eastern railway. The matter is being looked into by the management, and beyond that I cannot go at present.

Mr. BENNETT: I venture to suggest to the minister that first of all these matters should be dealt with by a bill. I have long felt that estimates of this kind should be dealt with as we deal with the appropriations for the commission in Ottawa and for the harbours of Halifax and Vancouver. These are advances made by the state to the railways; I think a separate bill should be introduced and that, as far as possible, details in sums should be mentioned. I apprehend that a supply bill will be founded on these estimates; am I right in assuming that this will be a separate supply bill?

Mr. DUNNING: No, this is merely in addition to the general estimates.

Mr. BENNETT: I submit that that is not the proper way in which the House of Commons should deal with this matter, and for that statement I will give my reasons shortly. The statute provides that the Minister of Railways represents the shareholders of this enterprise; the directors are appointed by the government and have the powers which appertain to statutory directors. They have the powers of directors under the Railway Act. The Canadian National Railways may be considered for that purpose to be a corporation, and the directors have control of that corporation in the same manner and to the same extent that directors have control of any private corporation. However, in every private corporation there are obligations placed upon the shareholders. These are statutory obligations; they arise under the act incorporating the company on the one hand, and under the general Railway Act on the other. The act of incorporation provides a limitation upon the powers of the directors and states clearly where the powers of the shareholders begin; that is, there are certain matters which may not be disposed of by the directors without reference to the shareholders, and the general Railway Act also provides that while the powers of the directors are very large in many instances, the directors must also refer matters of importance to the shareholders. These provisions apply to this undertaking. It is true that the Canadian National railways are owned by the people of Canada.

Mr. DUNNING: The Canadian National Railway Act specifically sets that out.

Mr. BENNETT: I am coming to that. They apply except to the extent that they

may be excepted by the statute under which the corporation comes into existence. Now I submit that the proper form in which these estimates should be introduced would be by a separate bill, because in no sense can this be said to be supply. This is not supply; it is not money granted to His Majesty, and should not be treated in that way. It will be observed that we are treating these estimates as supply, and I submit to the minister that by no stretch of the imagination can he treat these advances made to the corporation to which I have referred as supply granted to His Majesty. The very term "supply granted to His Majesty" involves and implies that we are raising by taxation sums of money to enable His Majesty's government to be maintained and to function. If my premise is correct this is a corporation; the government have a board of directors, subject to the provisions of that general act and with the additional provisions to which I have referred in the act incorporating the enterprise, and to which I will not refer now. However, if my premise be correct—and I think the minister must admit, from his observations, that it is—we should not be treating these matters as supply. As I say, we should treat them as we treated the grants made to the harbours of Quebec, St. John and Halifax. They constitute an appropriation made out of the public revenues for specific purposes not related to supply, and they are improperly dealt with in the estimates.

The minister will say that heretofore these matters have been dealt with in this way. I have had occasion to look into this matter with some care since last year, and the conclusion at which I have arrived is embodied in the observations I have just made. I cannot help thinking that it must commend itself to the good judgment of the Minister of Railways that we should deal with these questions as matters of legislation which leaves the house much more free to deal with the situation than otherwise would be the case.

Now let me go a step further. If we are to deal with these matters as I have indicated, and going on the assumption that the management of the railway company, that is the directors, have recommended to the shareholders that they as shareholders appropriate sums necessary to maintain, develop and extend the property where necessary and to preserve it in its entirety, these items then represent recommendations made by the directors to the shareholders. Under the statute the Minister of Railways is the shareholder representing the people of Canada; the members of this house are really the shareholders in fact, because the minister derives his power from them, and I submit that it is still clearer than ever that this is not supply in any sense in which that term can be properly used.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, June 7, 1928

The house met at eleven o'clock.

SALE OF SCHOOL LANDS—ALBERTA

Hon. CHARLES STEWART (Minister of the Interior): I desire to lay on the table of the house copies of files in connection with orders for returns passed on May 14, Nos. 1, 2, 3, 4, 5, 6 and 7. These were asked for by the hon. member for Bow River (Mr. Garland), the hon. member for Camrose (Mr. Lucas), the hon. member for Vegreville (Mr. Luchkovich), the hon. member for Athabaska (Mr. Kellner), the hon. member for Red Deer (Mr. Speakman), the hon. member for Peace River (Mr. Kennedy) and the hon. member for Battle River (Mr. Spencer).

FOREIGN DECORATIONS

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table a return to an order of the house for which the hon. member for St. Lawrence- St. George (Mr. Cahan) has been anxiously waiting, respecting honours conferred by foreign governments on persons domiciled in Canada.

IMMIGRATION

MOTION FOR CONCURRENCE IN REPORT OF COMMITTEE ON AGRICULTURE AND COLONIZATION

Mr. W. F. KAY (Brome-Missisquoi): If I can get the unanimous consent of the house, I beg to move, seconded by Mr. Glen:

That the tenth report of the select standing committee on agriculture and colonization be concurred in.

In moving for concurrence in this report of the agriculture committee which has had under consideration the question of immigration, I am not going to detain the house at any length owing to the lateness of the session and also owing to the fact that I may

be blamed by some members for having brought the report down at such a late date. The committee has worked very hard on this matter and it might not be out of place for me to explain to the house the number of meetings which we have held and the work which we have done outside of dealing with the great matter of immigration. Altogether we considered and reported to the house nine bills. We took up and considered a reference from the house dealing with the grading of wheat on its protein content and on that matter we held something like twenty meetings. We held nine meetings in regard to bills and something like forty meetings in regard to immigration. Altogether we have held a total of seventy-four meetings during the session. Had this very important question of immigration been referred to a committee which had nothing else to do, it might have been better, because as I said, the agriculture committee, the most important committee of the house, had other matters of great importance to consider.

I should like to express to the members of this large committee my appreciation of and thanks for the very courteous way in which they treated the chairman during all this period. There have been, as might be expected, differences of opinion, but at all times the members of the committee have been very generous in their treatment of the chairman and I wish to express my thanks on that account.

Taking into consideration the large number of members composing the committee and the great divergence of views held by the different members on a question regarding which the country itself has very divergent views, I think it is a matter of congratulation that the committee were able to bring down a unanimous report. Many views which were held by members had to be toned down, if I may say so; some had views which were not expressed in the report; but there was on the part of all parties composing the committee a very keen and sincere desire to help the government by bringing down a report which might be unanimous. I understand the hon. member for St. Lawrence-St. George (Mr. Cahan) is going to move an amendment to the motion, but I do not think that means that he did not support the report, because he was one of the chief members of the subcommittee which drafted it.

There is only one thing which I should like to say to the government in this matter, and that is that I think one of the most pressing needs for the better working of immigration in this country is greater cooperation between the Dominion government and the provinces.

[Mr. Kay.]

There is no doubt that the provinces could more successfully and more easily work out the settlement and colonization of the immigrants who are brought to this country, and I would say that there should be cooperation between the federal government and the governments of the several provinces, cooperation between the Department of Immigration and the many agencies which are engaged in bringing immigrants to this country. I trust that the debate on this matter in this house may be as amicable and as useful as was the discussion in the committee.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I can simply re-echo to a considerable degree the opinion expressed by the hon. member for Brome-Missisquoi (Mr. Kay), who acted as chairman of the select standing committee on immigration and colonization and presided over all its deliberations with great fairness and dignity, and in so doing I am sure secured the respect and esteem of all members of that committee on both sides of the house. Our deliberations were conducted in the most amicable manner, and upon the terms of the report as presented we are largely in agreement, indeed unanimous, I think, except with regard to one particular clause.

It seems to me that the matter of immigration into this country is one of the large and transcending questions upon which the public of Canada at present have their minds directed. There is not, I think, a great difference of opinion with regard to the necessity of developing our country by means of immigration into this country, especially from the British Isles. At the Imperial conference of 1921, at which Canada was represented by Mr. Meighen, the then Prime Minister, a resolution was adopted unanimously, as follows:

> The conference having satisfied itself that the proposals embodied in the report of the conference on state-aided empire settlement are sound in principle, and that the several dominions are prepared, subject to parliamentary sanction and to the necessary financial arrangements being made, to cooperate effectively with the United Kingdom in the development of schemes based on these proposals, but adapted to the particular circumstances and conditions of each dominion.

At that same conference the prime ministers representing the various dominions of the commonwealth also set forth an unanimous expression of view, as follows:

> 2. The conference expresses the hope that the government of the United Kingdom will, at the earliest possible moment, secure the necessary powers to enable it to carry out its part in any schemes of cooperation which may subsequently be agreed on, preferably in the form of an act

which will make it clear that the policy of cooperation now adopted is intended to be permanent.

3. The conference recommends to the governments of the several dominions that they should consider how far their existing legislation on the subject of land settlement, soldier settlement, and immigration, may require any modification or expansion in order to secure effective cooperation, and should work out, for discussion with the government of the United Kingdom, such proposals as may appear to them most practicable and best suited to their interests and circumstances.

At a subsequent meeting of the Imperial conference in 1926, at which Canada was represented by the present Prime Minister (Mr. Mackenzie King) and his colleague the Minister of Justice (Mr. Lapointe), a resolution was adopted approving of the resolution of the conference of 1921, the Prime Minister of Canada being present and approving of the previous resolution. First a special subcommittee report was presented, and then the report was considered and adopted by the conference on the 19th of November. The prime ministers of the dominions most closely concerned, Canada, the Commonwealth of Australia, and New Zealand, expressed their appreciation of the advances which had been made in practical cooperation in respect of immigration since the conference of 1923, and emphasized the earnest desire of those dominions to aid further in the development of their respective countries with settlers from Great Britain up to the limit of their capacity. The report says:

As was pointed out at the previous conference, however, the rate at which the redistribution of population within the empire can take place must be governed by the rate at which the dominions can satisfactorily absorb new settlers; and it was generally recognized that a sound policy must be based upon scientific and carefully considered schemes designed to secure the settlement of suitable persons under conditions conducing both to their own well-being and to the prosperous development of the dominion in which they are established.

And then, after approving of the three-thousand-family scheme as having been a conspicuous success in Canada, the report proceeds:

With a view to providing inducements to settlers to remain on the land overseas the subcommittee recommended that facilities should be provided for assisting suitable settlers from Great Britain to acquire farms of their own.

Then finally a resolution was passed of which I shall read the last clause, as follows:

It (the conference) endorses the view expressed at that conference that the policy should be a permanent one. It recognizes that it would be impracticable, owing to financial, economic, and political considerations, to promote mass movements of population, but it is satisfied that, by continuous adherence to the present policy, it should be possible steadily to increase the flow of population to those parts of the British commonwealth where it is most needed for development and general security, and where it will find the greatest opportunities.

That series of resolutions adopted in 1921, and reaffirmed and extended in 1926, proves to my mind conclusively that the representatives of this government and of the preceding government were quite unanimous in the view that it was absolutely necessary to have a clear understanding between the government of this dominion and the government of Great Britain with regard to a policy of immigration that would not only promote the transfer of immigrants to this country, but would secure for them employment on a satisfactory basis after they had arrived in this country.

With those reports in view I attended a majority of the meetings of the select committee on agriculture and colonization. But perhaps I was expecting too much under the circumstances. We dealt with the Immigration department in such a manner as to ascertain its workings in all their ramifications. We investigated certain rumours or suspicions which had been spread throughout the country as to the officials of the department being lacking in honesty, and another suspicion or rumour that members of the House of Commons had been trafficking in permits or letters of admission for immigrants from the continental countries of Europe.

At the outset I desire to say that after examining some of the witnesses and listening attentively to the examination of others from the department and outside, I came to the clear conclusion that whatever the department may lack in efficiency as it is at present constituted, there can be no reflection upon the honour or honesty of the officials who are administering that department. I also came to the conclusion that the suspicion created throughout the country with regard to members of parliament trafficking in permits or letters of admission to immigrants from the continental countries of Europe is entirely without foundation so far as any evidence was brought before the committee, and so far as I was able to ascertain by personal investigation of some rumours which were brought to my notice.

I deem it my duty to say that in the investigations which I personally conducted I think I found the real source of these rumours with regard to the payment of money by continental immigrants for their admission into Canada. Those immigrants do not under-

stand either of the official languages of this country. Some of them have been accustomed to live under conditions which make it necessary to pay bribes to government officials for privileges which they might from time to time apply for. On coming to this country many of them have been requested by the Immigration department to make deposits of money as security that during the term of five years they will not become a burden upon the municipal or provincial authorities, and some of them have believed that they were thereby making payments to bribe officials to permit them to come into this country, not understanding the purpose of such deposits with the department. That has created throughout the country a suspicion that immigrants from continental Europe were required to pay money to secure admission. I found no real basis for those rumours and suspicions, and I am glad so to state.

But my personal opinion is that in view of the immense undertaking with respect to the settlement of a broad domain such as ours, the Department of Immigration is lacking in efficiency and in the necessary executive ability to carry through such an immense undertaking on a satisfactory basis and with satisfactory results. I make no reflection upon the present Minister of Immigration (Mr. Forke), in whose personal honour and integrity I have complete confidence; but personally I should be pleased indeed—and I am sure that many members of that committee will agree with me in the advisability of this—to see in charge of the department and directing its administration a gentleman with wider business experience and more thorough executive ability than the present minister has.

But as to the future. The report submitted to the house contains one recommendation. I quote:

> Your committee would also recommend that the government make an intensive and comprehensive study of the possibilities of increasing industrial and agricultural development in Canada with a view to attracting capital and providing wider and increased opportunities for employment not only for our own people, but for prospective immigrants.

That part of the report was unanimously approved by the committee. But it seemed to me and to some other members of the committee that it was advisable to bring to the attention of the government some of the ways and means for establishing a broad, constructive policy to carry into effect what I believe to be the almost unanimous desire of this house and to meet the demands of public opinion. We have, as I have said, a vast domain. It is our duty and responsibility to see that this country is developed not only for the present generation, but to lay broad and deep the foundations of the Canada yet to be. Sir Wilfrid Laurier in a famous expression spoke of the twentieth century as being Canada's century. While we have had some reverses owing to the war and the vast expenditure it imposed upon us, yet I still believe there is no other country on the face of the earth so well conditioned for advancement in population and in production as is Canada at the present day.

Some hon. MEMBERS: Hear, hear.

Mr. CAHAN: Therefore we must look forward and adopt the best constructive policy adapted to bring about such a desirable result. I am convinced that the department as at present constituted cannot efficiently perform that great public service. Consequently it seemed to me and to some others that the government should now undertake the reorganization of the Department of Immigration and Colonization. Personally, at first I thought it might be reorganized on such broad lines as have been adopted in the Commonwealth of Australia, which recently established a development and migration commission for the direction and control of all schemes of settlement. One branch of that commission has the duty to make a complete economic survey of the industrial resources of the Australian Commonwealth, and I believe it has proved an important factor in the recent prosperous development of the Australian states. In this country I find that a number of members are not in favour of the commission method, although the commission would certainly always be under the supervision and direction of a responsible minister of the crown. Therefore I suggest a modified form in which that department might be created, having one branch in charge of immigration and a second branch in charge of the development of employment throughout the country in every form of industry. We cannot under present conditions bring large masses of immigrants into this country and set them afloat without providing here suitable remunerative employment for them. Under the present conditions and during the last few years we have lost by emigration nearly three-quarters of a million of Canadian youth whose places have been largely taken up by immigrants from Great Britain and the continent. We must provide employment in this country of a diversified remunerative character for the sons and daughters of Canada, and also such employment as will

enable us to increase our population by immigration from the old world, especially from Great Britain.

We have at present in the Department of the Interior vast stores of knowledge with regard to our natural resources which are not sufficiently made known to Canadians and to the world. We have in our mines branch, in our geological survey and statistical departments vast stores of knowledge which are very essential to any board or body of men who may desire to undertake the industrial development of Canada. These stores of knowledge should be rendered accessible, and further, full inquiry should be made by a branch of a reconstituted department responsible to parliament under the supervision of a minister of the crown; and that department should seek out and make known to the world all the vast possibilities of industrial development in this country.

I know that when I speak of industrial development in Canada there is always a suspicion that I am talking tariff protection. I regard tariff protection as an incident in the vast undertaking which I have in view and which I believe could be carried out by responsible men of large experience, high intelligence and executive training and ability. I am not bringing forward this motion as a vote of want of confidence in the government. I intend to ask that certain matters which I shall bring to the attention of the house by resolution should be presented by the committee to the government with an earnest recommendation that the suggestions therein contained should receive the favourable consideration of the government, because I realize that so long as we have responsible government in this country we can secure the well-being of Canada, in the matter of political administration, only by acting through the government which for the time being occupy the seats of office. And however much we may desire to remove them at the earliest possible opportunity, we realize that until a general election they will sit stolid and content in the offices which they at present occupy and control.

I do not think, Mr. Speaker, that I can better present my views than by reading the resolution which I am about to propose, because I do not now intend to consume even the forty minutes at my disposal. I move, seconded by Mr. Arthurs:

That the said report be not now concurred in, but that it be recommitted to the select standing committee on agriculture and colonization with instructions that they have power to amend the same and to recommend that the following suggestions and recommendations receive the favourable consideration of the government, viz:

1. The evidence taken by the committee and the reasonable implications of such evidence disclose that in the matter of immigration into Canada, particularly from Great Britain and Northern Ireland, no effective measures are now being taken to secure the active and efficient cooperation, with the Department of Colonization and Immigration, of the Colonization departments of the Canadian National Railways and of the Canadian Pacific Railway, and of the various other organizations, associations and agencies which are engaged in the work of immigration, colonization and settlement in Canada.

2. It is evident that the Department of Immigration and Colonization as at present constituted and administered is incompetent to procure the effective coordination and cooperation of all these various organizations in the work of immigration, colonization and land settlement.

3. The matter of immigration into Canada is of mutual concern to Great Britain, with its congestion of population and prevalent unemployment, and to Canada with its widely extended territory and its sparse population; but neither country may be well served by the mere transport to Canada annually of large numbers of people who are left to make their way in Canada as pioneers in a new country under conditions of life which to them are novel and difficult.

4. On the other hand, the capacity of Canada for the absorption in large numbers of new settlers is obviously limited by the existing economic conditions of this country and the possibilities for their speedy improvement. The cost and difficulty involved in the resettlement in Canada of our returned soldiers after the conclusion of the Great War, and their absorption into the economic life of this country, are indicative of the ramifications of the problem of procuring the migration of masses of people from Great Britain to Canada and their resettlement in this country under conditions which will ensure their future happiness and contentment.

5. Immigration should be carried on contemporaneously not only with land settlement throughout Canada, but also with such development and extension of employment in Canadian agriculture, mining, forestry and manufacturing as will rapidly absorb incoming settlers. Such immigration and land settlement on an extensive scale will eventually require not only large appropriations from the federal treasury for the direction, control and maintenance of such a comprehensive national undertaking, but it will also involve the establishment throughout Canada by private enterprise and by the investment of private capital of such profitable and diversified industries of all kinds as are suitable to our climatic and economic conditions.

6. The key to the solution of the whole problem of immigration to Canada is the provision of adequate employment, in all branches of domestic industry in Canada, not only for our Canadian people, but also for the large numbers of immigrants from other countries who may be induced to settle in Canada.

7. If existing economic conditions are more or less completely ignored and opportunities for

employment are not widely extended, large migrations of people to this country will inevitably result in increasing the problems of domestic unemployment in Canada, especially in the winter season, and in lowering the standards of life which are at present enjoyed by those resident in Canada who are now engaged in industrial pursuits; both of which tendencies will, in turn, seriously react adversely upon the flow of immigration into Canada.

8. The committee, therefore, recommend that a department of Immigration, Colonization and Industrial Development be organized forthwith, which shall be under the administration of a responsible minister of the crown and which shall consist of two branches, each under the direction of a superintendent of intellectual strength and considerable business experience.

9. The duty of the immigration and colonization branch of the said proposed department should be;

(a) To procure the cooperation of the several provincial governments with the work of said proposed department;

(b) To coordinate the work of all organizations, associations and agencies, which are now engaged in promoting immigration into Canada, under one supreme direction and control, for the more efficient carrying out of the undertakings which all have in common;

(c) To ensure, in so far as practicable, that a majority of the settlers emigrating from other countries to Canada shall be such as may be physically and mentally adapted to the conditions of life in this northern country and likely to be readily assimilated by our existing population;

(d) To make adequate financial provision for the settlement upon the vacant lands throughout Canada, which are suitable for agriculture, of families who appear, with reasonable certainty, to be adapted for agricultural pursuits;

(e) To provide facilities for the settlement in the more recently organized provinces of Canada of settlers from the older provinces, who, as were thousands of the earlier settlers in the west, are intent upon leaving their homes in the east in search of wider opportunities for self-improvement in the new agricultural and mining districts which are now, from time to time, being opened up for settlement and development in the west; and

(f) To direct, supervise and control all schemes of settlement in the more sparsely settled districts of Canada.

10. The duty of the industrial development branch of said proposed department should be:

(a) To act in close cooperation with the immigration and colonization branch;

(b) To make a complete economic survey and study of the industrial resources of Canada;

(c) To advise in regard to the future economic development of the several provinces of Canada and of the Northwest Territories, with a view to the more rapid extension of industrial employment, and

(d) To direct its attention particularly to the establishment of suitable industries in our smaller towns and villages not only in eastern Canada and British Columbia, but particularly in the three prairie provinces, whence a constantly increasing number of young men and young women, who have no special aptitude or liking for agricultural pursuits, will inevitably emigrate from Canada to seek other industrial employment in the neighbouring republic, if similarly attractive opportunities are not afforded to them in Canada.

11. The investigations of the industrial development branch should be comprehensive in character and be undertaken in a spirit of scientific detachment, in order that it may receive adequate and non partisan political support throughout the whole country.

12. And the committee are also of the opinion that the industrial development branch by a detailed survey of industrial conditions in Canada, would be able to recommend what new industries for the production in Canada of commodities, which are now imported in considerable quantities into Canada, could advantageously be created in Canada or be transplanted from other countries to Canada, without unduly increasing the prices for such commodities in our more limited markets, and so afford constantly increasing and remunerative employment within Canada for all classes of our population, and thus provide the strongest incentive to suitable settlers to make their permanent homes in Canada.

Mr. Speaker, I submit this amendment not in any critical spirit, but I think in its wisdom this house should outline some constructive measures for recommendation to the government for their acceptance, such recommendations to be worked out by the government not perhaps in order to start a new era of prosperity but in order to accelerate the prosperity of Canada by ensuring employment in this country not only to our own population but also to ensure that those whom we induce to enter Canada will find remunerative employment here. Unless we concentrate our attention directly upon the necessity of increasing employment in this country it seems to me useless to continue to bring large numbers of immigrants into the country and to disperse them from one end of Canada to the other without providing them with the means of earning a suitable living here.

PRIVILEGE—Mr. YOUNG (SASKATOON)

Mr. A. M. YOUNG (Saskatoon): I wish to rise to a question of personal privilege. Last evening when I was not in the house the hon. member for Rosetown (Mr. Evans) took occasion to make what I regard as a severe accusation against myself. I wish to read from Hansard:

Mr. Evans: I have in mind the case of a returned soldier in Saskatoon who secured seed and feed as far back as 1915. He signed a quit claim deed to the farm on the understanding that the mortgagee was taking over the whole of the indebtedness regarding seed and feed. Later on, although he did not have any property until six years after that, he found when he was going to get his title to his city property that the lien was registered against that. This is one of the most sordid tales

of bulldozing and bullying on the part of a member of parliament using his official position as a member of parliament to secure the payment of a sum of money from a returned man which he did not owe. I am here accusing the hon. member for Saskatoon (Mr. Young) of doing this and trying to bluff this man into paying a sum of money which he was clear of for more than six years. I think it should be made plain that men in that position, returned soldiers who have since got clear of their debt, who had gone to the war and served their country overseas, should not be bulldozed, when they come back, into paying something that they do not owe. I have nothing more to say.

I also understand that in a recent letter to the Minister of the Interior he accuses the minister of getting me to bulldoze this man into paying a debt which had been settled for many years. On that point I want to say that I never discussed this matter with the minister in any way or at any time; any discussion I had was with departmental officials.

I want to say first that if possible I am going to keep out the names of all these parties, and in fairness and kindness to the man referred to in this speech I am not going to mention any of the details except in so far as that may be necessary in connection with the remarks of my hon. friend. I want to explain my connection with this matter. A highly respectable gentleman in Saskatoon, one of my constituents, came to me one day and said he was having some dispute with the Department of the Interior over a seed grain lien, and asked me if I would take up the matter with the department. I have done this on many occasions for many people when disputes have arisen; I consider it to be one of my duties as a member of parliament. So I took up the matter with the officials of the department; we went into the records of the case and then I said I would go back and see this gentleman in Saskatoon to discuss the case further with him. I did so, and he showed me the other side of the case; he brought forward documentary evidence and suggested that perhaps I would be good enough to see the man referred to by the hon. member for Rosetown last night. I said I would be very glad if I could do anything at all to smooth out the difficulties which existed between the three parties.

What are the facts? In the first place, this statement says he signed a quit claim deed to the farm on the understanding that the mortgagee was taking over the whole indebtedness with respect to seed and feed grain. So far as I am aware, there is no mortgagee in this case. In the second place, I want to deny most categorically the charges made regarding bulldozing, bullying and bluffing; they are wholly and absolutely untrue.

This gentleman called to see me after I had suggested what I wanted to see him for. He then made some uncomplimentary remarks about the man who was the former owner, and who is the present owner. I suggested that he had better defer these remarks until he had read the file which I had there. After reading the file his statement to me was, "I acknowledge that I owe this money." Now what are the further facts? This seed grain was purchased by the man in question and has never been paid for. The previous owner, who is the present owner, was not aware for a period exceeding six years that any seed grain had ever been purchased for that farm. I may say that there is a difference of opinion between these two gentlemen on that point, but the evidence goes to show which man has the facts of the case. When he called to see me that night I regarded the whole thing as being closed, except for this one item. He made some suggestion as to payment, but said he was somewhat financially embarrassed. I told him that I knew the previous owner, who is the present owner, was willing out of the goodness of his heart to make some contribution towards straightening out this mix-up, although he had said that he had no right whatever to do that. I simply asked this other man if he would be willing to do the same thing, and he left my office and thanked me very kindly for the interview. Later on he made the suggestion that he would pay a certain amount of money.

I want to draw the attention of the house to one further fact. Last night the hon. gentleman said that this man had been asked to pay a sum of money which he was clear of for more than six years. If I am wrong in these statements I am going to ask the hon. member for Rosetown (Mr. Evans) to say so right now. The hon. member has offered to pay $300 in settlement of this very claim, which he says his friend does not owe. If that be the case, I would ask him why he has offered to pay anything?

Mr. EVANS: The hon. member will get his answer in the ordinary course.

Mr. YOUNG (Saskatoon): I had been asked by one of my constituents to take this matter up with the department, and I was investigating it when the hon. member for Rosetown saw fit to butt in. I would like to ask him if I was not entitled to the courtesy of his coming to me to find out about the case. He never on any occasion spoke to me regarding this matter, never did me that

courtesy. In so far as this statement refers to me, I want to deny it absolutely. There was no bulldozing, bullying or bluffing of this man to pay this debt. I will go further and say that I have never done that sort of thing with any man, whether a returned soldier or otherwise, in order to get him to pay any debt. I am going to demand that the hon. member for Rosetown retract his statement unconditionally. When he says this matter has been settled for over six years, I reply that it is now under investigation by the department and sworn evidence is to be taken at Saskatoon. These are the facts of the case.

I have lived in Saskatoon for a period of twenty-two years, and had the hon. member for Rosetown made these statements there I would have no fear of the effect. But inasmuch as he chose to make his remarks in this honourable chamber, with the result that they will be read by a much wider circle and in places where I am not so well known, I feel obliged to demand, as I now demand, that he retract these statements unconditionally.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, I presume I have the privilege of defending myself and the statements made last night.

Mr. YOUNG (Saskatoon): Withdraw the remarks; that is the privilege you have.

Mr. EVANS: Mr. Speaker, I did not interrupt the hon. gentleman when he was speaking. In the first place, I want to say that when I mentioned the mortgagee, one Hanson held the farm, and the returned soldier never acknowledged to the hon. gentleman that he owed for seed grain. He called to see the hon. member (Mr. Young, Saskatoon) at his residence, after being told by telephone to come and see him on urgent business. It is also untrue that he offered to pay a certain sum, and I will read all the correspondence to show that.

Some hon. MEMBERS: Order, order.

Mr. EVANS: I am also accused—

Mr. YOUNG (Saskatoon): Mr. Speaker—

Mr. EVANS: I am accused of offering to pay $300, thereby acknowledging the debt. I never acknowledged the debt, and I never offered to pay $300. I wanted the returned soldier to have his title clear, and I went down to the department and offered to pay $300 if Mr. Tubb could settle for that amount; if Mr. Tubb had to pay that amount my cheque was ready there and then. The Minister of the Interior or any department official never intimated to me that they would take my cheque. I want this house to understand that the debt stands at $826 at the present time, and I want to say that neither the hon. member for Saskatoon nor any departmental official, not even the minister himself, has the authority to settle for the amount mentioned. Again I did not butt in when the returned soldier was accused by the hon. gentleman of having obtained seed and feed on false pretences.

Mr. YOUNG (Saskatoon): That is absolutely an untruth. I ask the hon. gentleman to withdraw that right now.

Mr. EVANS: I did not interrupt the hon. gentleman when he was speaking and I would ask him to sit as comfortably as possible while I am making my speech.

Mr. YOUNG (Saskatoon): I am not going to sit and listen to the hon. gentleman saying things like that.

Mr. EVANS: The returned soldier came and saw me. I was an old friend of this soldier, having known him for twenty-two years. I was the first man he met when he came from London, England, out of the great departmental store of Selfridge's in that city. I gave him perhaps the first advice that he received on coming to this country and I have kept him under my eye since then. In defence of my statement last night I wish to read this as the first letter:

October 27, 1927.

Mr. J. E. Tubb:

I desire to see you in reference to a seed grain lien for grain furnished by the Dominion government. Please 'phone me and make an appointment to see me at my house.

Yours very truly,

A. MacG. Young.

If the hon. member disputes his signature—

Mr. YOUNG (Saskatoon): Not at all.

Mr. EVANS: —I can send the letter over to him for his perusal if he likes. He asked Mr. Tubb to call on him and I think he did so, but later the hon. gentleman wrote to the returned soldier as follows:

November 18, 1927.

Mr. J. E. Tubb:

Replying to your letter of the 16th instant, I would say that when you saw me here about your seed grain lien it was agreed that you would advise me at once how much money you could pay on this before the end of the year. I shall be glad to hear from you stating definitely what you are prepared to do.

I take that also as a bit of bulldozing.

Some hon. MEMBERS: Oh, oh.

Mr. EVANS: Mr. Tubb has written the following on the margin of this letter:

I never agreed to this

At the request of Mr. Tubb I wrote to the department for a statement. I never received a statement from the department, but they informed the hon. gentleman, to use his own words, that I had butted in. They did not put it in that way; they said that I had written for a statement. The hon. gentleman then gave the returned soldier some more impudence for coming to me. Mr. Tubb wrote to the department for confirmation of the promise of the hon. member for Saskatoon to settle for $250. This promise was never confirmed. The hon. gentleman had no authority from the government to make this offer and this was confirmed to me, I want to say, by the minister in conversation with him in his office some time during this session and later by correspondence and interviews with an official of the department. I hold in my hand a letter dated February 6, 1928, from Mr. Tubb as follows:

Under November 18, he—

Dr. Young.

—states I agreed to let him know how much I could pay. That is quite wrong. He, himself did suggest that I go home and write a letter to him promising a certain amount, but you will remember I called and saw you on the way home. I never made any promise whatever. I was looking forward to giving my wife the title to this house on the anniversary of our twenty-first wedding that fell on the 21st of December, and he drafted the conditional agreement to pay $250 in order to get the title.

That was the departmental solicitor in the soldier settlement office in Saskatoon. That was conditional. The hon. gentleman later on found that he had made a mistake; either he had entered into a conspiracy to get this money from this returned soldier, or else he had authority from the department. I am informed that he never got any authority from the department to collect this sum of money.

Mr. YOUNG (Saskatoon): May I ask the hon. member what he said about a conspiracy?

Mr. EVANS: Because of my solicitations to the Department of the Interior a move was made evidently to clear up the whole matter. This letter is dated Saskatoon, April 30, 1928, and I will ask hon. gentlemen to follow me while I read it, as it reveals what was done to cover up the tracks of the hon. member for Saskatoon in the mistake he first made in accusing this man of obtaining seed grain under false pretences. Mr. Tubb states:

I received yours at noon to-day. I waited for it because I was honoured by another visit from the gentleman whose card I enclose herewith.

Mr. R. B. Matheson, Edmonton.

He was accompanied by the subagent at Saskatoon, Mr. Collins. They came on Saturday, April 21, and stayed about an hour and a half. This time he, Mr. Matheson, said he was not asking for any money and had no authority to accept it, but instead tried hard, very hard indeed, to get a letter from me promising to pay $300.

Which according to the minister's own words he had no authority to do.

He showed me a letter from A. H. Hanson who promised to pay $300 if the lien was removed from his land. I read the letter.

The subagent, Mr. Collins, followed my wife into the kitchen and tried hard to get her to say she was willing to sign the letter and told her the government could seize the property—

That is the cottage in town which they have struggled six years to pay for.

—and sell it if we did not pay up. My wife is now upset with her nerves over this; in fact, she is ill. I absolutely refused to have anything to do with it.

I hold in my hand an abstract of the title to this property. The date of registry is 1920. There is a seed grain lien placed against the property on the 3rd of July, 1915, five years before Mr. Tubb ever got this property. I find in connection with the figures "1915," that the two figures that were in the place where the "15" is now have been erased, and "15" placed over it in another hand from that which has written the figures "19". Mr. Tubb has written on the bottom of this paper:

The seed lien was put on two years after this mortgage was registered. The date is quite wrong.

I want the house to understand from what I am saying that this man does not owe this debt at all for seed grain. He had signed a quit claim to that property on the understanding that the owner was taking back the farm, knowing full well that the seed grain was against it, and the returned soldier was signing the quit claim on that condition. He went to the war, served his country there, and came back.

I have another letter dated 31/3/28. This was in answer to one I wrote regarding some correspondence: To show how anxious they were to cover up the tracks of the hon. gentleman, listen to this:

Last Thursday the Dominion lands agent from Prince Albert and the commissioner for the western district called on me. These gentlemen, after explaining that the amount of the lien was about $850, offered to accept one-half and assured me that the government would see that Hanson paid the balance. I refused to consider it, and after a lot of talk they finally told me that if I would give them a cheque for $300 right there they would at once have the attachment to the title removed.

This was after the head commissioner from Edmonton had told me that he had no right or authority to receive any money whatsoever. If hon. gentlemen think I am wrong I will leave it to them to decide what was behind the whole thing. The letter continues:

They said they had authority from Ottawa for that.

I understand from Ottawa that they did not have that authority. He goes on:

I absolutely refused to do anything, and they told me that if I did not make the payment within three days the government would take steps to enforce payment for the full amount. I learned the next day that one had gone back to Prince Albert and the other to Edmonton on the night train, and had not called upon Hanson at all.

Here is another letter that is relevant to the case:

Since I last wrote you I have had a visit from the subdivision agent at Saskatoon. He explained his visit was not official—

Not official, this time:

—but knowing I was somewhat deaf, he thought I had not fully understood the importance of the interview with the commissioner. He said: "If you will take my advice, you will pay the $300 and save yourself a lot of trouble."

Then it was I went to the department here and offered my cheque for $300 if this returned soldier had to pay it:

I told him I fully understood the matter. I refused to discuss it any further.

I want the house to follow this a little further, to see how frantic they now became to clear the hon. gentleman. Listen to this:

To-day the 16th I received a long distance call on the 'phone from the Dominion lands' agent at Prince Albert. He wanted to know what I had intended to do about paying the $300. I told him I was taking no action in the matter. He said he would have to make a report to head office about it.

Evidently the report has not yet been made. Here is another letter under date of May 23, containing a few more facts. I will read what is relevant to the discussion.

Mr. CAHILL: Who is it from?

Mr. EVANS: It is from the returned soldier. He said:

You will remember I told you he (Dr. Young) accused me of fraudulently obtaining seed from the government and unknown to Mr. Hanson. This is untrue. Mr. Hanson knew the facts of the case as I asked him to finance me, and he refused. I had only signed the contract to buy the farm that fall (1914). Now the department is to try and find out what kind of a crop I harvested in 1914, and what became of the proceeds. This was the question put to me by Dr. Young. I told him it did not concern him or Hanson as I had not bought the farm then.

[Mr. Evans.]

Not only that, but Hanson himself suggested to the returned soldier to go to the government and get seed grain. The letter continues:

As a matter of fact, I went to Hanson several times about the seed and each time he refused, so I told him plainly that unless I had seed I would have to move off his place and it was then, when he saw he was likely to have a vacant farm, that he suggested that I try to get seed grain from the government. He knew positively about the whole transaction and I, thank God, have a clear conscience, but to go back to a time prior to the signing of the contract does not seem to my way of thinking to have anything to do with either.

Another letter that is relevant to the question is dated 16/5/28 and to show you how desperate they were to clear the hon. gentleman of trying to obtain a sum of money, I ask the house to listen to this, and I want to say that this was never authorized by the department either:

Last Sunday morning we received your telegram, and to-day your lengthy letter. We are thankful to you.

Since my last letter to you, we had another visitor from the Dominion lands office. This gentleman took measurements of the lots, number of rooms in house, and assessment of property. This, of course, thoroughly upset my wife, and she said rather than have had all this trouble, and in consequence giving you a deal of trouble, she would have paid the $300 to have been relieved of the worry.

Mr. DONNELLY: Who is the letter from?

Mr. SPEAKER: Order.

Mr. CAHILL: Mr. Speaker, I rise to a point of order. We are listening to documents being read without the names of the writers being given. They have no bearing whatever on the serious charge made by the member for Rosetown (Mr. Evans) against the member for Saskatoon (Mr. Young). Last night the member for Rosetown made a serious charge against the member for Saskatoon. I need read only a few lines of it:

This is one of the most sordid tales of bulldozing and bullying on the part of a member of parliament using his official position as a member of parliament to secure the payment of a sum of money from a returned man which he did not owe.

That is a serious charge against an hon. member of this house. The member for Rosetown is not dealing with the question at all. The member for Saskatoon has denied the charge, and it is up to the member for Rosetown to resign his seat in this house or apologize.

Some hon. MEMBERS: Or prove his charges.

Mr. CAHILL: Or prove his charges. He is not reading anything that is relevant to the subject now before the house. He should attempt to prove his charges, apologize or resign his seat.

Mr. SPEAKER: Was the hon. member for Rosetown about to conclude?

Mr. EVANS: Yes, Mr. Speaker.

Mr. SPEAKER: I will wait.

Mr. EVANS: To do that I have to read a letter from the department which gives the truth, the absolute truth, of those letters which I have read from the returned soldier. This, I think, explains the whole thing. The letter is dated May 14, 1928, and is as follows:

Dear Mr. Evans,—
As I explained to you on Saturday morning,—

I was there and had an interview with the writer.

—the department feel that there is a grave confliction in testimony which should be cleared up before the responsibility in the matter of indebtedness can be fairly fixed.

The minister is, therefore, asking council for authority to have an investigation under oath conducted and, of course, only sworn testimony will be considered.

However, the foregoing has nothing whatever to do with the town property which Mr. Tubb acquired an interest in, which was entirely separate and apart from the seed grain transaction and the department is writing to Mr. Tubb, assuring him that in the event of his taking title to his city property the seed grain charge will not become a charge against such city property, and that should it happen that the registrar places this charge against his city property, then we will forthwith issue the necessary release that will effectively clear his city property from any such registration.

This should relieve Mr. Tubb of any embarrassment in so far as the city property is concerned.

Mr. SPENCER: Who signed it?

Mr. EVANS: W. W. Cory. I think, Mr. Speaker, I have gone far enough to prove that what I said was true. I have it on authority that neither did the hon. member nor anyone else have any authority whatsoever to try to obtain $300 from that returned soldier. More than that, I find that the lien was illegally entered against his city property, and that he could not legally bully the returned soldier to pay $300 because it was entered against his city property.

Mr. YOUNG (Saskatoon): Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: This is purely a question of privilege and the point is whether the language used was parliamentary or not. If a charge is made against any hon. member as to his dealings with his constituents, that he has violated the amenities of parliament by doing something dishonourable which debars him from being a member of the house, the rule is well known. Such a charge is made on the responsibility of the member making it, who puts his seat in jeopardy. The case is then sent to the committee on privileges, which after considering it makes a report to the house. In the present instance the house is not called upon to decide who is right or who is wrong—the returned soldier, the registrar, the mortgagee or the member. The only question before the house resolves itself into this. In speaking last night in committee of the whole the hon. member for Rosetown used strong words against the hon. member for Saskatoon respecting a certain transaction—but before quoting those words let me say that the privilege of one member is the collective privilege of the House of Commons. To-day one member may be accused of dishonourable conduct, to-morrow another member. These are the words used by the hon. member for Rosetown against the hon. member for Saskatoon:

This is one of the most sordid tales of bulldozing and bullying on the part of a member of parliament using his official position as a member of parliament to secure the payment of a sum of money from a returned man which he did not owe.

That is a clear case of extortion. Such a charge made against a member of the bar would mean the loss of his gown, and he would be debarred from practising before the courts for a limited period of time and perhaps permanently. But that is only the professional side; he would also be liable to arraignment before the criminal courts, extortion being a criminal offence. This is the charge made by the hon. member for Rosetown clearly and openly in this house against the hon. member for Saskatoon. Further, the hon. member for Rosetown said:

I am here accusing the hon. member for Saskatoon (Mr. Young) of doing this and trying to bluff this man into paying a sum of money which he was clear of for more than six years. I think it should be made plain that men in that position, returned soldiers who have since got clear of their debt, who had gone to the war and served their country overseas, should not be bulldozed when they come back into paying something that they do not owe. I have nothing more to say.

I declare that this is one of the most cruel charges that could be made in the House of Commons against a fellow-member.

Now, what is the rule in such cases. It is clearly set forth by Bourinot at page 304:

> Prima facie, any question affecting a member is considered a case of privilege, but in order to entitle a member to bring it up on that ground he must show that it affects him since he became a member of the house and consequently in his character of a member.

The hon. gentleman concerned, in his character of a member was therefore right in bringing up the question of privilege a moment ago. I am bound to state that the words used by the hon. member for Rosetown are absolutely unparliamentary. I have been in the house for almost thirty-three years, and I must say that I never heard such a charge delivered by a member from his seat against a fellow-member. The charge is clear—as clear as it is cruel. Bourinot says that a member is not allowed to call another member a pharisee, a slanderer or a villain. He says that an hon. member must not say of another member that he has acted either basely or from base motives. Is not this the charge in the present instance? Is not the hon. member for Saskatoon accused of having acted basely and from base motives?—basely in that he extorted money, and from base motives, from the fact that this transaction was carried out at the expense of a poor returned soldier, that the money was not used, and that the hon. member for Saskatoon—according to the hon. member for Rosetown—had no business to deal with the matter.

The hon. member for Rosetown is an old and respected member of this house, and I would ask him to be good enough to rise and accept the denial of the hon. member for Saskatoon. Moreover, I would ask him to accept that denial unreservedly. Bourinot states:

> It has been formally ruled by speakers in the Canadian Commons that a statement by an hon. member respecting himself, and particularly within his own knowledge, must be accepted; but it is not unparliamentary temperately to criticize statements made by a member as being contrary to the facts. But no imputation of intentional falsehood is permissible.

Acting under this rule I therefore ask the hon. member for Rosetown to accept unreservedly the denial made by the hon. member for Saskatoon respecting the above quoted charges which he made last evening. I should be sorry to have recourse to the powers that are conferred upon the Speaker in a situation such as this. I regret to say that this is the worst incident of the kind that has come before me as Speaker—the worst I have known since I have been a member of the House of Commons. I acquit the hon. member of having acted intentionally in the matter, with a view to violating the rules of the house. Surely, however, he must yield to the rule which obliges him to accept, without any reservation, the denial of the hon. member for Saskatoon.

[Mr. Speaker.]

Mr. EVANS: I accept.

Some hon. MEMBERS: Withdraw.

Mr. SPEAKER: The hon. gentleman has accepted the denial and that amounts to a withdrawal of the charge.

Mr. YOUNG (Saskatoon): I understood from the hon. gentleman that I had entered into a conspiracy with some other person, and I am going to ask that that statement be withdrawn. I want to say that, from what I have heard to-day, I really believe that what happened was this: the hon. gentleman from Rosetown has been entirely misinformed—

Mr. SPEAKER: Order. The incident has been disposed of. The charges made last evening were more serious than the one made a moment ago in the course of the remarks of the hon. member for Rosetown. Of course the words which the hon. gentleman used were out of order; he should not have made use of the expression that there had been a conspiracy. My ruling was made broad enough to include the whole attitude of the hon. gentleman towards the transaction in question. He has accepted the denial of the hon. member for Saskatoon and therefore the matter should be allowed to drop.

IMMIGRATION

MOTION FOR CONCURRENCE IN REPORT OF COMMITTEE ON AGRICULTURE AND COLONIZATION

Mr. J. A. GLEN (Marquette): I rise to second the motion of the hon. member for Missisquoi (Mr. Kay) for concurrence in the report of the committee on agriculture and colonization. That report as tabled sets out the conclusions arrived at after many sessions and after a great number of witnesses, twenty-nine in all, were heard. I think it is fair to say that most of the witnesses, while not entirely representative of all interests in Canada, yet certainly did represent a great many interests both varied and vital in every part of the Dominion; and the report as tabled reflects the opinions of the committee. Those opinions, summarily stated in a few short paragraphs, are rather lengthy; they are mere statements of fact. May I now rather than later say that the deliberations of the committee were conducted in a manner which was a credit to this house. No acrimonious discussion took place on a subject which might well have been somewhat bitter.

Mr. COOTE: I rise to a point of order. May I ask you, Mr. Speaker, to endeavour to preserve order in the house so that the hon. member may be heard. The conversation which is being carried on in the chamber while the hon. member is endeavouring to address the Chair is most undignified.

Mr. SPEAKER: I ask hon. members to be as silent as possible.

Mr. GLEN: As I was saying, the deliberations of the committee were conducted in a way that must be a pleasing reflection to all of those who were privileged to be members of it. At no time did any hon. member conduct himself in a way other than for the benefit of the whole committee and with a regard for the seriousness of the subject under discussion. I believe every hon. member was seriously trying to contribute the best in him to the solution of what must necessarily be a long-drawn out and not easily soluble question. This same feeling which was evident in the interests of the work of the committee will, I think, also be reflected in the house in the present debate.

The reason for the inquiry was attributable to various causes. Some of them were trifling in character as compared with others, but I think the principal reason may be stated in two paragraphs: First, the widespread belief that we were discriminating against British immigration; and secondly, the loss sustained by emigration from our country to other countries and, in particular, to the United States. There were of course other causes, such as the alleged unrestricted flow of continental Europeans with which is allied the question of the activities of the steamship and railway companies. One other question which seemed to overshadow for a time all other matters brought before the committee was the issue of permits. I was glad indeed to hear the hon. member for St. Lawrence-St. George (Mr. Cahan) make the statement today from his seat that at the conclusion of the inquiry he was satisfied, as I think every hon. member was satisfied, that there was absolutely no truth in the suspicions that had been widespread throughout the Dominion.

I wish first to discuss the principal causes to which in my opinion all other matters will be found to be related and subsidiary. The first is that we discriminated against British immigration. Now from the report it will be noticed that despite the assistance given British immigrants, whatever be the cause, we are finding it extremely difficult to get from the British Isles the class of immigrants we desire, although it was stated in evidence that more money was spent by the department in the United Kingdom than elsewhere, the proportion of money spent there being $16.67 per capita for each immigrant introduced into Canada, while on the continent it was 11 cents per capita. Mr. Macalister of the Canadian Pacific Railway stated in answer to a question that they were spending in the United Kingdom twenty times—it might be as high as a hundred times—more than they spent on the continent. And Dr. Black of the Canadian National Railways corroborated that statement. It is true that only immigrants of the occupational class secured assistance; apart from boys and domestics it was restricted to agriculturists, save those who come under section 7 of P.C. 183, which provides that an immigrant may be permitted to land in Canada whose labour or service is required here. And he must satisfy the minister. This is the clause which caused all the uproar and all the talk; it was said to deal with permits, but these properly should be called letters of admission. It must be borne in mind by the house that there is a very limited number of prospective agriculturists in Great Britain; it was stated in evidence that only 5 per cent of the population of Great Britain are employed in agriculture. The British farmer and farm labourer to-day is in a much better position than ever has been the case formerly. He now has an eight hour day with a half-day off each week, and his wages are almost as good as those paid in Canada. You can easily see that the inducements we can hold out to agriculturists would not affect any large body of people, since in many respects conditions there are better than the conditions which obtain in Canada. As a matter of fact, purely along the lines of labour, they have equal opportunities in Great Britain to those in Canada; of course I say nothing with regard to their prospects beyond the mere point of labour.

Now the question might arise, "How do you propose to people the Dominion of Canada with British immigrants in order to maintain its Anglo-Saxon character if you are not able to appeal to the agricultural class?" There are one or two answers to that question in the report, and with these I now propose to deal. I will refer later to the question of the domestic servants, but first I wish to discuss the major proposition of why assistance is not given to British immigrants other than agricultural labourers. Let me preface my remarks by stating that it does not seem to be generally understood that no Britisher who is physically and mentally fit is prevented from entering Canada at present; he is absolutely free to do so so long as he comes under the regulations which are now in

effect. There are several reasons in my judgment why assistance should not be given to immigrants from the British Isles, and I think it was the consensus of opinion in the committee that to assist in bringing in a large number of immigrants other than agriculturists, such as artisans, clerks, and professional men, certainly would mean the displacement of a large body of Canadian labour employed here to-day, and it would certainly and inevitably reduce wages. When Mr. Dennis of the Canadian Pacific Railway was giving evidence I asked him several questions along this line, and his opinion was that the policy should be restricted largely to the encouragement of the immigration of agricultural labourers, and in that connection he made a most interesting statement which he claims to be able to prove; he said that each family of five placed in agricultural occupations justifies the employment of 1.73 men in industrial life. Another reason is that assisted immigration of this character would inevitably result in unemployment. At the same time Colonel Dennis stated that he did not believe any large number of the classes mentioned would be rapidly absorbed; the experience of the west to-day, even with assistance to agricultural labourers, only demonstrates that fact conclusively. There can be no indiscriminate dumping of large bodies of men in particular districts without resultant chaos and uncertainty of employment.

The outstanding fact which this inquiry brought to my notice was the paramount need for colonization rather than for immigration. It is recommended in the report that efforts should be made to reduce steamship rates, which reduction when effected will mean the abolition of any assistance to any immigrants other than youths or domestic servants. It might be said that this would result in the indiscriminate dumping into Canada of large bodies of those people whom Colonel Dennis stated could not be rapidly absorbed, but the answer is that that result does not accord with experience. It has been stated in this house even during this session that large numbers of men are migrating to the United States to seek employment. It is an undoubted fact that for several years past the United States have been in the position of being able to absorb a large number of men, and men are just like capital; they seek their best market, and naturally they went to the United States. However, the converse is also true; at present one does not hear the tales about Canada that we used to hear. There has been created in Canada an atmosphere, psychological if you like, that we are on the eve of a tremendous industrial development; whether or not that be true it is a fact that we are bringing back from the United States men who went there years ago; they are now seeking employment in Canada. The fact is that labour will only seek the place where it may be utilized; if we have employment in Canada men will come here, and the indiscriminate dumping which might be expected through the lowering of the steamship rates will not take place because I am quite sure that no man is likely to come to Canada from the old country without making sure of an opportunity to obtain employment here. I am not afraid that when passages are reduced to what they were before the war, even if we have a large influx of men and women into this country, we will create any change in the unemployment conditions which have been created under our present system. It seems to me that with this arrangement the question of immigration will resolve itself into a question as to what restrictions are to be imposed against Britishers.

I would like to remind the house that in connection with the immigration of youths the committee have recommended that the ages be from 14 to 19 instead of from 14 to 17. If there was one particular scheme with which every member of the committee was in accord it was that every assistance should be given to youths and domestic servants. These matters are dealt with at length in the report and I do not propose to discuss them; the committee certainly were of the opinion that the age should be increased as I have stated. I realize that in the future there will be a much greater number of these youths coming into the country, and this might offset to a large extent the reduction in the number of agricultural labourers which may be caused through the abolition of the assistance granted. However, I would say that of all the schemes suggested those dealing with the immigration of youths are much more likely to attain the objects so keenly and ardently desired by the people of this country, among them being the retention of the predominant Anglo-Saxon character of Canada. The committee also recommend that the present arrangements with respect to domestic servants be continued. We can assimilate all the domestic servants we can get from the old country, nd I am informed that at no time was there any difficulty in placing them; the only difficulty was to get properly experienced servants.

Some evidence was given before the committee dealing with the large number of men in this country whose families still remain in the old country; one witness, speak-

ing more particularly of Ontario, said there were 50,000 men whose families were still in Great Britain. At all events, it was felt that if assistance could be given to these men who have established themselves in this country and who are in a position to maintain their families, we as a government should re-unite those families, because most members of this house will realize that there can be no stability in the settlement of these men unless they are united with their families. After all, it is only the footloose who migrate and go to the states. Where you have a man with a family then I think you are likely to get a proper and suitable citizen. For that reason, the committee has recommended that assistance be given for the passage of families of men resident in this country who are in a position to maintain them when they arrive.

There has been a good deal of discussion with regard to land settlement schemes. Experience with these schemes in the past does not make one very hopeful. The soldier settlement scheme is the most recent, and I think this country will be fortunate if we do not lose a sum not less than fifty million dollars on that scheme. The three thousand family settlement scheme, while not the success it has been claimed to be is successful so far as one can appreciate at the present time, but it is still too early to discuss the entire success of that scheme. In this, as in all ventures of this character, you have to deal with so many variable quantities, particularly with human nature, which is the most variable of all.

In my opinion, the government would not be justified in embarking on those schemes unless and until the whole resources and activities of the provincial governments are allied with us. The justifiable complaint has been made by the provinces that we are indiscriminately dumping down large numbers of men in places whose power of absorption and placement is not sufficient to meet the problem. That is the keystone of the whole arch of immigration, and unless and until the governments come in and share with the federal government the question of colonization, I do not think we are ever likely to settle this country in the manner in which it should be. The federal government cannot shut the door absolutely on immigration, and no matter what may be proposed there will always be congestion in the larger centres. There will be surplus in some districts and shortage in others. It seems to me an inescapable conclusion that the provinces—I speak of the prairie provinces particularly, who are claiming there is no need for assisted passages, or no need for immigration—must enter the field in conjunction with the federal authorities and carry on their share of the responsibility and colonization. This is not a new doctrine in the west, because we have agitated that the provinces should devolve some of the duties on the municipalities. The committee has recommended that an effort should be made to enlist the services, resources and activities of the provinces in this matter, and that the federal government shall contribute a large part of the expenses.

At one o'clock the house took recess.

The house resumed at three o'clock.

Mr. GLEN: When the one o'clock recess took place I was speaking of the question of provincial responsibility and I was saying that in my judgment the keystone of the whole arch of immigration depended upon cooperation with the provincial authorities. If there was anything revealed to the United States during the war, it was that there had been too great liberality in the admission of peoples of all races and kinds into that country. Millions of them were found to be physically unfit and millions of them also were found to be mentally unsuited to join the army. For this purpose, therefore, the committee has recommended that the government should endeavour to enlist the resources of the provincial authorities and contribute towards the cost of the machinery set up. Let me add that we have throughout the whole of this country large numbers of foreign-born peoples. They have been invited by us to come to Canada and everyone who knows anything of them and who has had relations with them knows of innumerable instances where they not only have done well for themselves materially, but are proving and will continue to prove good citizens. The door is not barred to them by the present regulations and the committee have not entertained any thought of shutting the door. The same conditions apply now as formerly. Any European from the preferred countries is eligible for entry into Canada provided that he is sound mentally and physically and that he is in a position to maintain himself until employment is assured. Immigrants from non-preferred countries, namely, agricultural workers, domestic servants and those within a prescribed degree of relationship to residents legally admitted to Canada, are permitted to come here from those coutries and, with that, special exceptions may be made in cases in which the minister is satisfied that their labour

or service is required in Canada. Shortly, there is in the report nothing which prohibits or bars the door more closely against continental Europeans than is already the practice. The distinctive idea throughout the whole of the inquiry is that of offering inducements to the British immigrant.

Just a word in connection with the medical inspection in Great Britain. It was felt that the sudden introduction of the examination by Canadian doctors, the elimination entirely of the roster doctors, the blind spots which inevidently occur in most new schemes, the misunderstanding which usually arises through lack of knowledge and ignorance of motive, all contributed to the idea that the medical inspection was intended to restrict British immigration to Canada. It cannot be too clearly stated by the house as a solemn and serious fact that the Dominion invites and welcomes all British subjects who come within the regulations and has no thought of barring the door against any British subject who can qualify under the regulations governing admission to this country. The committee, in order to allay the misunderstanding that has arisen and to obviate delay and inconvenience, have suggested that local British doctors should be employed to make the examinations and that they should be paid by the government. They suggest that those doctors should form part of the Canadian organization and their examination be subject to the supervision of the Canadian medical authorities. I believe that provision will eliminate the principal objection to the present system and I do not think anyone can seriously object to Canadian medical authorities acting as the final authority from a medical point of view on all prospective immigrants.

The recommendations of the report speak for themselves, but there is one other matter to which I shall refer briefly. It is suggested that the assistance of the provinces should be invoked, but stress must be laid on the extreme importance which should be attached to the measure of support given by the railway and steamship companies and other organizations which devote themselves to this field of activity. The necessity of preventing overlapping and duplication of effort should not require to be mentioned at this period, but apparently it is necessary that it should be. All these agencies ought to be coordinated. I said at the beginning that this peace problem is greater than a war problem and for those who speak of patriotism the best patriotism will be evidenced by the desire to co-

[Mr. Glen.]

operate with the department in carrying out its work.

I was in hopes that the report would be adopted unanimously by the house. In the committee there were of course several differences of opinion on particular matters. The hon. member for Frontenac-Addington (Mr. Edwards) had some objections regarding regulations with respect to homeseekers' rates and I presume he will speak to that in this debate, but I was of opinion that we came to the house with a fairly unanimous view that the report should be adopted. Therefore I was very sorry when the hon. member for St. Lawrence-St. George (Mr. Cahan) introduced his amendment this morning. I should like to say this with regard to the hon. member for St. Lawrence-St. George. During the whole course of the inquiry he was a most helpful member. I believe I am stating the opinion of all the members when I say that he adopted and maintained the standard which he set out at the very beginning of the inquiry, namely, that it should be on as high a level as possible and without any acrimonious debate in regard to peccadilloes of any individual who might come into the inquiry. During the whole of the inquiry the hon. member has maintained that high level. I might say, in passing, it was a privilege to work with him and to get to know him personally as I did. Therefore I was rather sorry that he introduced the amendment, for two reasons. With regard to the first part of his amendment which deals with the question of immigration, most, if not all of the provisions therein set forth by him, are contained in the report. He speaks in the amendment of the coordination of recruiting agencies; immigration from Britain to be regulated and provision for settlement; assimilation of immigrants from other countries; financial assistance and provision for settlers from the east going west, and direction and control of schemes of settlement in sparcely settled districts of Canada.

Most of these suggestions, Mr. Speaker, are embodied in the report. We have dealt with the 'teen age boys, domestic servants, measures to be taken for the reduction of fares, provision for homeseekers' rates, land settlement schemes and particularly provincial cooperation. While the hon. member was not entirely satisfied with the report of the committee, yet I thought that he was sufficiently satisfied with it that he could support it, and therefore I was rather sorry that he introduced an amendment.

With regard to the remaining part of his amendment, dealing with industrial develop-

ment, it was suggested, and I think agreed to by the hon. member, that the last recommendation of the report dealing with the question of increasing employment, was to a large extent on the lines along which the hon. member wishes to proceed as indicated in his amendment. I might say that the last paragraph of the committee's report was introduced solely to meet the views expressed in the latter part of the amendment moved by the hon. member for St. Lawrence-St. George, and I therefore was in hopes that having obtained that statement in the last part of the report, and being satisfied that the other portion of his amendment was already embodied in the report, the hon. member would make this a unanimous report. Not only was I personally anxious to see a unanimous report, but I did think that if this house could only give a lead to the country in the way of a unanimous report adopting the suggestions that have been made, giving a consolidation of thought upon the question of immigration throughout the country, we would be doing a very statesmanlike act, and if in the whirligig of time those who sit to your left, Mr. Speaker, should find themselves to your right, they themselves would have to administer the functions of government to which they had contributed their counsels.

Might I therefore in closing suggest to the hon. member, as I did in committee, that he forego his amendment? Now that he has made his statement to the house and it is on record, and this whole report will be spoken to by other members of the house, may I suggest to him, without seeming to be presumptuous, that if we could only send this report forth to the country as the unanimous opinion of this house, intended to regulate as far as we can the Department of Immigration, these closing days of the session will have been worth while. For that reason I suggest with all deference and respect to the hon. member that he should consider whether he will not, as he did in the committee, withdraw his amendment so that this report may go forward as the unanimous opinion of this house?

Mr. JAMES ARTHURS (Parry Sound): The question before the house at the present moment is probably the greatest question before the people of Canada. Thinking men all over this country are discussing the matter of immigration and of the retention of our population in Canada as they probably never have before. The country has been looking anxiously for the report which we now have before us, and I think I can safely say that it will be a great disappointment to those who have the interests of the country at heart.

This report in so far as it goes is all right, but it does not touch any of the essential points in connection with immigration. It is quite easy for us to agree on recommendations regarding, we will say, juvenile immigration. The committee were unanimous that the age limit should be extended to twenty years, as these young men coming to Canada were probably, and I think are now, the most desirable class we are getting into this country. It was equally easy for us to advise the continuance of the policy of assisted passages for domestic servants. There was no question about this at all; we simply all agreed to it. However, there were larger questions at stake. Matters were brought before the committee which are not touched upon in the report of the committee at all.

The proposition was put forward, and I think rightly so, that we should have a survey of all the provinces of Canada to see what opportunities there were for land settlement and for industrial and other employment in the various provinces; that this survey should be made continuous; that it should be made at least annually, and that men should be on the job looking after opportunities in each of the provinces of Canada. I think this is one of the most essential things that was brought before the committee. The appointment of the men in the different provinces I believe should be left to the province itself, but the Dominion government should pay the salaries of these men, the idea being that in that way we would have men more closely in touch with the various parts of Canada. The results of these provincial surveys would be exchanged between the various provinces annually, or more frequently, and could be publicly distributed. I think in that way thousands of our young men in various parts of Canada would be made acquainted with opportunities in another part of the country from the one in which they now live.

There is a peculiar situation in connection with our young farmers all over Canada. I say that advisedly because it has become a question in the west just as well as in the east. A few years ago a young man brought up on the farm, perhaps one of many sons, had opportunities close at home. There was vacant land near at hand probably, which he had the opportunity of taking up and supporting himself, and in other cases there were industrial opportunities in the small towns and villages nearby. But as these small towns grew and their industries developed, the farms were subdivided so that instead of having farms of two hundred acres supplying the needs of one family as previously the same area further subdivided supports half a dozen families but the farm of to-day

with its reduced acreage can support only the family which is on it at the present time. Unfortunately for us a great many of these industries in the small towns are not as progressive as they were in the past. We have many cases all over this country where there are five or six young men growing up on the farm, and we know without being told—it is self-evident that unless industries are developed to provide employment for these young men, they have to leave the farm, and the result to-day is that many of our young men are drifting away from the farm and, unfortunately for us, to the country to the south. But if such a survey as I have suggested were carried out, and the opportunities in the different provinces were made known to these young men, I believe we would retain a great portion of our population which we are unfortunately losing at the present time.

I think also that the department should furnish to parliament at the opening of the session, or as early thereafter as possible, a statement by provinces showing the number of immigrants brought into each province for the preceding year, as well as the number of losses so far as that was ascertainable. This would give us something to go on.

As the previous speaker (Mr. Glen) has said, coordination is one of the great questions in connection with immigration. We have various agencies all endeavouring to bring immigrants to Canada. We have, for instance, the Canadian Pacific Railway Company, which, according to the testimony given before the committee, expended last year approximately $750,000 for immigration purposes. I presume our own railway, the Canadian National, will spend approximately the same amount. Then we have the various church organizations and the assistance in some cases of the provinces. For instance, I know that Ontario spends large sums on immigration agencies in Great Britain. But unfortunately at the present time there is no coordination. The two things we need are coordination and leadership; at the present time we have neither.

Your committee was also practically unanimous in another sense. Although it does not appear in the report, we were virtually unanimous in believing that the assisted passages should be done away with, outside of those already contracted for and the cases I have already mentioned—juveniles and domestic servants. We believe it would be much better to endeavour to reduce the transportation rates generally in order to assist those from Great Britain who want to come to Canada on their own. There is a certain class of people in Great Britain, as in this country, who are more or less independent; they do not want to come in as assisted immigrants, but to enter at their own expense and survey the opportunities here. We should make it as easy as possible for them to do this. In fact we might go further: where a man came here and went on a farm, and proved to the satisfaction of the officers of the department that he was making good, his passage money should be returned to him.

We have had various schemes of immigration during the last few years, among them the three-thousand-family scheme. As the report shows, we were undecided as to the actual results of this scheme so far as we could judge from the report of the land settlement board. In that report it will be noticed that in 1925 we received 467 families, in 1926 we received 1,042, and in 1927, 1,122—a total of 2,631 families. The great majority, probably the whole, of these on the average did not remain on the land more than a year. In spite of that fact there are already 261 losses, most of them absolute. Of these families, 92 have engaged in other than farm work, 45 have returned to Great Britain, the whereabouts of 27 is unknown—probably they have drifted to the United States, 16 have been deported, 36 have purchased farms independently of the board, and 45 are employed on farms. I might point out that as regards these "losses", as I term them, under this scheme all but 44 received assistance after arrival. So it is apparent that the loss is serious even under that scheme. Then we had another scheme put forward by the railways called the continental family scheme. Under this scheme 98 families were brought to Canada. They were composed of various nationalities—Polish, 38; Hungarian, 17; Roumanian, 12; Jugoslav, 10; Lithuanian. 4: Czechoslovakian, 3; German, 3; Ukrainian, 3; Serbian, 2. Six families were of unknown origin—they themselves did not know where they had come from. Of these 98 families considerably more than half have disappeared entirely, 14 have purchased farms privately, 9 are in industrial employment, 7 are not definitely located, and the whereabouts of 26 is unknown. So this scheme was not very successful either. Then we had the Saddle Lake reserve scheme. The land was opened up for incoming immigrants, and they were supplied with horses, houses, barns, 40 acres of land broken, fencing, wells, and so on; all of these things were provided, and yet so far the scheme has not been very successful. We also had the Porcupine forest reserve scheme, where five hundred farms were set aside, ranging from 160 to 240 acres in extent.

This land was eventually thrown open to civilians. But I would point out that this fact was not broadcast throughout Canada. We have a large number of young men in eastern Canada who would have been glad to grasp an opportunity of this kind. It shows the absolute necessity of having a survey, the results of which should be available to all the provinces. Undoubtedly many thousands of our young men in eastern Canada would be very glad to have an opportunity such as was afforded to these people from outside. How many of our young men in Ontario, for example, crowded out of the home farm, would be glad to take up 160 or 240 acres of land equipped with horses, barns, houses and so on and be given 25 or 30 years in which to pay the purchase price without interest for the first year. It is only necessary to state the proposition to show how easy it could be worked out.

Now, Mr. Chairman, there is one clause of the report with which I entirely agree. The reason I am seconding the amendment of my hon. friend from St. Lawrence-St. George (Mr. Cahan) is that he goes a little further along this line and states his reasons more plainly than the reasons of the committee are set out in this report. I refer to the last clause:

> Your committee would also recommend that the government make an intensive and comprehensive study of the possibilities of increasing industrial and agricultural development in Canada with a view to attracting capital and providing wider and increased opportunities for employment not only for our own people, but for prospective immigrants.

With this clause I have no fault to find except, as I said before, it does not go far enough to suit me. I believe we should build up our agricultural industry in every way possible. But in order to have a continuing prosperity and keep pace in population, we must also build up our industries. We must keep our young people in Canada by giving them opportunities, and by all means those opportunities, financial and otherwise, which we afford to newcomers to this country.

Hon. C. A. DUNNING (Minister of Railways and Canals): Mr. Speaker, I do not desire to take much of the time of the house on this subject. I was not a member of the committee on agriculture and colonization, and having been busy with other committees during the session have not had the privilege of attending the sittings of this committee. I have, however, a peculiar interest in this matter because, as most members know, I was an immigrant to this country some twenty-five years ago, and any observations I have to make are naturally coloured by my own experience. This country has treated me with wonderful kindness, and has given to me an opportunity greater, I believe, than I could have secured in any other country in the world—an opportunity, which, I believe, she offers to-day to any young man of the age I was—seventeen—who comes out from the old land. I believe the opportunities to-day for immigrants from the old land to Canada are just as great as, if not greater than they were twenty-five years ago when I came here as an immigrant. I wonder whether it is as hard for an immigrant to-day or an immigrant family as it was twenty-five years ago? I shall not offer any apologies for personal references, because the experience through which I passed, and through which members of my family passed, is an experience through which many other immigrants have passed and are passing to-day, successfully.

I came here a boy of seventeen and went out to the west to the end of steel at that time. I worked on a farm the first summer at $10 a month and was happy in so doing. I cannot express the great charm that the country had and still has for me; I cannot express the great charm that being entirely self-reliant had for me, of being removed from the congested conditions of the old land and translated into the freedom—freedom in the broadest sense—of the great west. The following year my father came; and by working together during that summer and the following winter at no high wages—wages never exceeding one dollar a day with board—we were able jointly to save enough money to bring to this country my mother and five sisters, all younger than myself. I do not cite this as an achievement because thousands have done the same thing; it was a question of the spirit behind, the recognition by those who were doing that sort of thing of the opportunities which this country afforded them and those of their families who would come after them. And it is being done to-day, Mr. Speaker, by the same kind of people as we in this house.

Conditions have changed very materially in this country and in the old land since that time. Our frontiers still exist; people are still going in as we went in twenty-five years ago; and there are to-day in many areas of the west, conditions almost exactly parallel with the conditions which I and others had to face at that time. There are differences of course; the radio and the telephone have made a very great difference and

so has the automobile. But men and women are still pioneering on the frontiers of this country with oxen just as we pioneered. And they are happy in the process. I know of no finer spirit of neighourliness than existed then in those parts which we to-day call old settlements, then thirty miles or more from a railway, when nobody who lived there had any money to speak of but all were able to get along and were happy. There was a community life and spirit which it is not easy to find to-day in our larger centres and in our more wealthy communities. But not only in this country have conditions changed; they have changed in the old land. And it is because of that change in conditions in the old country that our problem with respect to immigration from Great Britain exists to-day, in my judgment, in very large measure. Twenty-five years ago, from the old land, British people emigrated to the United States, to Australia, to Canada and to New Zealand. The spirit of emigration was abroad in the old land; everyone was talking about the dominions. But in those days there was no old age pensions scheme in England; in those days there was no such thing as unemployment insurance. The degree of security which exists to-day for the old country man and woman did not exist twenty-five years ago; and the improvement in social conditions affecting particularly the poorer and lower middle classes—that element of security which has come about during the last twenty-five years—has undoubtedly tended to militate against a desire to emigrate and take a chance in a new land; because, Mr. Speaker, it is quite a decision for a man to make, particularly a man with a family, to pull up stakes and move to a new land.

Now what do we find as a result of this change of conditions in the old land? We find that the British people, particularly since the war, have not been emigrating from that country to any other country in as large numbers as they did before the war. It came out, I believe, during the sittings of the committee that while Canada does not think she is getting sufficient British immigration she is nevertheless getting more British immigration at the present time, and has continuously through the years, than any other British dominion; and with the exception, I believe, of two years, she has received more British immigration during each of the last twenty-five years than has the United States, which is supposed to be the place to which everybody wants to go.

Mr. BENNETT: Of course there is the quota there.

[Mr. Dunning.]

Mr. DUNNING: I am speaking of the last twenty-five years. I looked into the figures recently and, if my memory serves me, only in two of the last twenty-five years did more British immigration go to the United States than came to Canada. And as the Minister of Immigration (Mr. Forke) reminds me, even the quota from Great Britain to the United States was not filled last year. I mention these things to show that the problem is one rather of the lack of desire on the part of the British people to emigrate as compared with their former willingness and readiness in that regard during the period in which I came to this country .

What I have said raises of course two questions which are bound to present themselves in a country such as ours, needing population to fill up our spaces and develop our resources: Shall we provide great inducements? Shall we try, by offering material inducements, to get those people to come to this country who are now more contented at home than they formerly were? Shall we try by that means to get more of them? That is the first question. And the second of equal importance, is this: Having regard to the nature of our institutions, to the kind of country Canada is, its relationship to the British Empire, shall we limit our immigration from other countries to keep within any stated proportion the immigration which we are successful in getting from Britain? I propose for a moment to discuss each of these questions.

With regard to the first; shall we offer further material inducements in order to get British people to come to Canada? Perhaps my experience ill fits me to advocate schemes of governmental paternalism in immigration. I am quite frankly of the opinion that it is not good for a man to come to this country asking: What will the government of the country do for me? If he comes in that spirit he is very likely not to be a successful immigrant. I make no apology for that statement. I have made it in the old land—and the people of the old land do appreciate frankness and straightforwardness; they are naturally an independent people. During my last visit to the old country I was struck with the hundreds of people who asked me that question: What will the government do for us if we go to Canada? My answer was always the same: We offer you the same opportunity in our land as we have ourselves. You go there if you wish to help us to make that country, Canada, what we all should like it to be. Help us to build up a country in which you, prospective immigrant, will have a share, a share which will mean more to

you and to those of your family who come after you than their future could possibly be in the land they are leaving. That was my answer invariably, and that is the view I hold now. By that I do not mean that we should offer nothing, that we should not display an interest in securing immigration to this country; not for a moment. We should put the facts before them. And I believe that the facts regarding Canada are quite sufficient without any gilding. The facts of the experiences of thousands of immigrants to this country not only from Great Britain but from other countries as well, are sufficient in themselves to indicate to any man or woman with self-reliance and ambition that this country is still the land of opportunity for men and women who will work and who will cooperate with those among whom they settle.

With regard to the question of employment, simple machinery is necessary to ensure that we do not receive into the country a surplus over and above those for whom work can be provided during a given period. There always has been a problem in Canada in that regard, a problem common to all countries in the northern hemisphere lying as far north as we do. In the nature of things many of our occupations are seasonal in character, and that operates to discourage immigration from countries where employment is more continuous than can be the case in Canada in our present state of development, at least in a number of our industries. However, that condition is gradually improving year by year. The necessary machinery already exists; since the institution of the Dominion-provincial employment service, operated co-operatively by the Dominion and the various provinces, it has become possible for each province to communicate its employment situation to the Dominion government not only in the aggregate but with regard to particular industries and occupations. I believe that we can approximate reasonable certainty with respect to opportunities of employment by the intelligent use of the Dominion-provincial employment service, in co-operation with the federal Department of Immigration. For instance, it is possible for the province of Saskatchewan to say, "We require for seeding, and in fact we require for the whole farming season, from spring until fall, so many men this year." I will admit that in the west there is always this problem: When the crop is harvested and the grain threshed less men are required than are needed during the rush season. That is one of the problems we have to face, but it is gradually changing character, although it will be many years before in winter agriculture it will be possible to take care of the number of men who can be successfully used during the summer season. I think every member of this house from western Canada knows that it is possible for a man coming to this country in the spring to get a job on the farm at good wages during the summer if he is possessed of reasonably good physique, intelligence and adaptability, and he can earn enough during the summer so that he can afford to work for low wages during the winter. There are men in this house who, like myself, have been willing to work on the farm during the winter months for their board, when the farmers did not have enough work to justify the payment of wages. I do not advocate such a course; I would prefer farming during the winter to be on such a basis that the farmers could afford to pay fair winter wages, and in many areas that condition is gradually coming about. So I believe that through the use of existing machinery it is possible to adjust immigration to the employment opportunities from time to time in this country.

Now with regard to the second alternative or idea which has been more or less discussed, as to whether we should limit our immigration from countries other than Great Britain because of the fact that our immigration from Great Britain is limiting itself due to the causes which I have discussed, I think I can say that I possess nearly all the prejudices of the average Britisher with regard to other races. I suppose no matter what race we spring from we have an inherent prejudice to the effect that our race is somehow superior to any other, and we may as well admit that none of us possesses that prejudice more strongly than those who spring from British stock. While admitting that, however, I have behind me some twenty-five years of close association with all the various peoples making up the population of the province of Saskatchewan and of western Canada generally, and with regard to them I want to say that in the main these people who have come to western Canada from countries other than Great Britain have become good Canadians and to-day, through the medium of our educational institutions and our school systems, are being assimilated very rapidly into our Canadian citizenshp, especially in the second and third generations. People came to our settlement from lands other than mine and I frankly confess that when they came there, with the insularity of mind which characterizes the average Britisher, I did not much

like them. But as I have come to know these people, to know their qualities and the contribution which they are capable of making, a contribution to some extent different from that made by the British immigrant, I have come to appreciate the fact that the Canadian of the future cannot be an Englishman; he cannot be a Scotchman; he cannot be an Irishman; he cannot be a Welshman; he cannot be a German; he cannot be a Ruthenian and he cannot be a Ukrainian, but out of those different peoples it is possible to evolve, as I think we are now evolving, a type of Canadianism in the middle west which is true to Canada, which has a deep and abiding affection for the soil upon which it lives and which also is acquiring a deep and abiding respect for the institutions of this country, which are British institutions. Through the medium of Canadian citizenship they can be bound together in the empire. I am sure from my experience that it would be a mistake on the part of Canada to say that because we cannot get all the British immigration we may desire we should therefore limit immigration from countries whose population is of a type which experience has shown can be readily assimilated into our Canadian citizenship and can become good Canadian citizens if given an opportunity to do so.

I have just one other thought, and then I am done. The world has become considerably smaller since I came to this country; I mean that means of communication have become so much improved that now a man thinks no more of crossing the Atlantic than he formerly thought of travelling from the south of England to the north of Scotland. The time consumed in travel is much less than was formerly the case, and I am wondering whether it would not be good business, having regard to the attitude of mind of people at present, to base our immigration propaganda in the old land upon the idea of encouraging people to come and look us over in Canada rather than to ask them to pull up stakes and make a final move. That idea is illustrated to some extent by what occurred a few years ago, when we were at our wits' end to secure harvesters to take off the western crop. That year the Canadian Pacific Railway made an arrangement to bring harvesters from the old land at a comparatively low rate, but with an especially low rate privilege for the return trip on the production of evidence to show that the individual had actually worked for a certain period in harvesting the western crop. My memory is that some 12,000 Britishers, entirely unselected and some of them quite unsuitable, as a proportion of immigrants are bound to be and particularly when recruited so quickly, came on that Canadian Pacific Railway harvesters' excursion. I was making inquiries the other day, and it will surprise this house to learn that only about 2,500 of these people ever availed themselves of the low rate return privilege. Through that one experiment we secured more British immigrants in that year than we obtained from all other sources combined. That is what gives me the idea that if we could base our immigration psychology upon the idea of asking the Britisher to come and look us over, making it easy for him to get back if he so desires, we might achieve a greater success. In the past our whole transportation arrangement has been to make it easy for him to get here but very hard and very expensive to get back. Many of us during those heart searching early years would have gone back if there was any way to get there other than by walking. We know what homesickness means, and there may be the fear in the minds of some that if we make it easy for the immigrant to return home he may run away from us. The best answer to that is the experience which every returning Britisher has in the old land, and which I have had on more than one occasion. Literally hundreds of people who have been to Canada and have gone back home discouraged, come to us when we revisit the old land and want to know if there is any way they could be helped by advice or otherwise to get back to Canada again. We can rely upon the lure of this country, and the lure of the opportunities here to the immigrant, if he has once had the chance to get into his veins this virus, or whatever it is, which so binds people to this country and makes them want to come back to it once they have visioned its opportunities and associated with its people. I believe the idea is at least worth the experiment; instead of making it easy to get here and hard to get back, let us base our propaganda upon the theory of inviting the Britisher to come here and look us over. The world is a much smaller place to the Briton to-day than it was before the war; he does not look to-day on the crossing of the Atlantic as such a tremendous thing as he did before. It may well be that if we attempted to work along these lines we would reap a resultant benefit to our country.

These are just a few stray thoughts from one who has passed through the experience.

Miss AGNES C. MACPHAIL (Southeast Grey): I desire to make only a few remarks on the general subject of immigration, but before doing so I would like to refer to the statement made by the Minister of Railways and Canals (Mr. Dunning). My own opinion

is that we stress the qualities of the British immigrant too much, particularly the English immigrant. I want my hon. friend to understand there is no personal inference in this.

Mr. DUNNING: I trust I did not make that mistake.

Miss MACPHAIL: There is nothing as fine as a fine Englishman, but I think they have a high average of duds. The attitude of many English immigrants when they come to this country is that of an Englishman from home looking over a colony. I resent this attitude. Once we admit people to this country we should call them Canadians; I am not going to classify them as English Canadians, Scotch Canadians, Ukrainian Canadians or any other kind of Canadian—they are Canadians, and that is all there is to it.

Mr. DUNNING: I hope my hon. friend did not gather any impression from my remarks that I was doing that. The whole tenor of my remarks was in accord with what my hon. friend is now saying.

Miss MACPHAIL: I think the English superiority of the Minister of Railways has been expressed perhaps unconsciously. We have not allowed people from other countries to make their contributions which would make Canada, not a little England or a little Great Britain, but Canada. We have imposed our thoughts and our culture on the newcomer and have stopped him from making the contribution he desires to make, and which he is capable of making. We put upon him a veneer of, I would like to say Canadianism, but it is scarcely that; but we are so anxious to convert him into a British subject that we prevent him from making the contribution to Canada which he otherwise would make.

For quite a number of years now we have made the error of cheapening Canada. We have been going out pleading and coaxing people to come to Canada, and by it we have cheapened our very excellent country. There is no better country in the whole wide world. When we make such an effort to induce people to come here and when we have such extreme difficulty in keeping them here once they do come, we do not send abroad the impression, which everyone of us has, that Canada is a fine country. We defeat our own ends by the very eagerness with which we go out fishing for people in other parts of the world. There are in this house men who have come as immigrants, from Great Britain and other parts of the world and who have made the very best of Canadian citizens, but they are not men who came here under assisted passages or were caught with a hook and line and special bait; they are the people who had the initiative and the courage to come from their own country to this one. They have made a fine contribution to the welfare of Canada.

Personally I am in favour of just stopping state aided immigration. We do not need to grow so rapidly; great numbers is not a test of greatness. The overcrowded countries of Europe would be very glad to have our open spaces. We want to build Canada with a view to the future, and we should see that we are doing what is best for Canada and best for the people who come here, and which will show the best results in one or two hundred years. There is no real need all at once to fill up this country with people. If we treasure our own country, hold it high in our own estimation, and stop coaxing people to come here, strange as it may seem, we will get more people. In the country we hear it said that the farmer who wants the strawstack eaten builds a fence around it.

Our railroads want immigrants, but their object in wanting them is a purely selfish one. Most of us have selfish motives, but it is well for us, in talking immigration, to realize that the railways want more people in order that they may bring more business to them. The people who have land to sell want immigrants, because they want somebody on whom they can unload the land. It does not matter to them whether he sinks or swims—I suppose it does, really—but their first consideration is to get rid of the land and get the first payment, and then they are in a better position to get the other fellow when he comes along. The manufacturers want immigrants in order that they may have cheap labour. They want to be able to go out into the labour market and have less difficulty in getting people to work for them. The more industrial workers we bring into Canada the less chance there is of our workers getting a job, and the standards of living will be lowered. The business men want immigrants in order that they may sell their goods to the people who come in.

The agriculturists do not want agricultural immigrants, because if we bring immigrants into Canada in large numbers we will produce more stuff than we can get rid of profitably. We would then be producing still more, and the standard of living would be lowered on the farm, and it is low enough now. Most of the farmers we bring to Canada are not class conscious, and farmers who are not class conscious are not good for this or any other country. We do not want farmers with a lower standard of living. We do not want farmers who are bowing and scraping to the manufacturers, to the banks, to the railways, and to the fellows who wear white collars and

have soft hands. We want a farmer who is proud of his own industry and who will not let his brother farmer down. We do not want to lower the standard of living on farms; we want to raise it. That is the business of organized agriculture in Canada and I, as one of their representatives in the house, certainly am not in favour of dumping a whole lot of agriculturists into Canada who have no sense of the seriousness that comes from lowering the standard of living.

Some people say that we need more immigrants in order that we may produce more goods of all kinds. We have in Canada machinery and people enough to produce twice the quantity of goods we are now producing and we would produce them if we could get rid of them profitably. So on that score we do not need any more immigrants than we have at the present time. There is a disposition on the part of this government and of governments to bring agriculturists and domestic workers to Canada who, I suppose they think, are the two lowest on the social ladder. There is no inducement for domestic workers to come to Canada; there is no social standing in this country for a domestic worker. They have no unions; they have no way of protecting themselves. We should consider the interests of the immigrant as well as that of the person who wants to get labour conveniently and cheaply. I do not see any legitimate reason for saying to domestic workers in the old country that they will do better here than there. It is quite likely they are as hard to get there as here.

I am glad indeed we are doing something to stop child immigration. Children coming to Canada have been exploited. There has been an effort to bring them to this country in order that there might be cheap labour and cheap labour which could not make a protest on its own behalf. Had I been on the committee I should not have been in favour of bringing in more people between fourteen and nineteen years of age, because that is the age at which they can be most easily exploited, although it is better than bringing them in under that age. I took the trouble this year to read many reports on child immigration and the facts therein recorded would convince anybody who read them that children brought to Canada as immigrants have in the past been exploited. This is a system that should be stopped. They were not carefully examined as to their mental and physical fitness and our penitentiaries, jails, asylums and hospitals have far too high a percentage of people who came in here as child immigrants.

The time has come now when we should look on immigration sensibly, when we should take the view of the masses of the people on it and not the view of those who are spending a great deal of money to endeavour to persuade the government to bring immigrants here for their selfish purposes. The people of Canada are not in favour of spending millions in bringing immigrants who cannot be settled in this country in a way that is comfortable to them or to Canada. We have in the winter time too much experience of unemployment, bread-lines, soup kitchens and other troubles in caring for these people to want to continue paying large sums of money to bring them here in increasing numbers.

Mr. F. S. CAHILL (Pontiac): I first want to congratulate the Minister of Railways and Canals (Mr. Dunning) on his very excellent Canadian speech. I want also to congratulate the hon. member for Southeast Grey (Miss Macphail) on her excellent speech. When she suggested that the Minister of Railways showed his English attitude, he was only demonstrating the difference between the Canadian and the Englishman in the assurance of the Englishman in matters pertaining to immigration, the settlement of Canada, and business and conditions generally throughout the world. Probably the Canadian has something of an inferiority complex that we might well get rid of by listening to such men as the Minister of Railways and Canals.

I agree with much of what the hon. member for Southeast Grey has said with regard to the class of immigrants we desire in Canada. Personally I think we should throw the door open to the white races who are healthy and not of a criminal disposition of character, people who are mentally sound. I deprecate the Canadian attitude of making distinctions between settlers in this country. When you classify the British settler as first-class or the most desirable settler, you naturally put every other prospective immigrant in the category of a second-rater. That is a wrong idea. Any man, regardless of where he comes from, who is admitted to Canada should be admitted as a good Canadian, standing on an equal footing with any man in Canada. I want to point out, just as an instance of this classification of immigration how we are liable to land in difficulties. The first preference is to the British immigrant, those of the British Isles; that is England, Scotland, Wales and Northern Ireland. That

is emphasized in the report. The next class is Norway, Sweden, Denmark, Finland, Germany, Switzerland, Holland, Belgium and France. People from those countries are permitted to enter Canada without any restraint as to occupation or conditions. Then we have the third class composed of central and southern European countries: Austria, Hungary, Poland, Roumania, Lithuania, Esthonia, Latvia, Bulgaria, Jugo-slavia and Czechoslovakia. They are permitted to enter as third-raters. But I want to call the attention of the House of Commons to the fact that the committee in dealing with immigration overlooked entirely the state of southern Ireland; the Irish Free State is not includued in any portion of the list. People from the Irish Free State are either a first preference or they are excluded. I am quite satisfied that this is merely an oversight.

Mr. BRADY: Did the hon. member examine into the cause why the Irish Free State is not included?

Mr. CAHILL: Will the hon. member tell us what the cause is?

Mr. BRADY: There is a cause and it is the same as exists in New Zealand. The Irish Free State is not included in the immigration policy of New Zealand. It is the understanding that the Irish Free State did not consent to the regulations laid down. I presume the same thing is true in this case.

Mr. CAHILL: I am sorry I cannot listen longer to the explanation of my hon. friend. The people of Great Britain are a preferred class and are stated to be so because they are given assistance through the empire colonization scheme. Southern Ireland is left out of it because it is not a part of Great Britain. That is quite true, but Germany is not in the scheme. Germany is mentioned in the report as being an eligible country from which immigration may be received. So are the other states of northern Europe; so are the states of southern Europe included in the report as eligible under certain conditions. I am quite satisfied that the overlooking of southern Ireland was without any intention whatever on the part of the committee. I do not charge the committee with any wrong intent in that regard, but I merely point that out as evidence of where you are likely to land by specifying first, second, third and fourth class immigration to Canada. Every man who comes to this country ought to be admitted on an equal basis.

Mr. CAHAN: Southern Ireland is included as one of the dominions.

Mr. CAHILL: There is no mention of the dominions.

Mr. CAHAN: They are mentioned at the outset.

Mr. CAHILL: Where?

Mr. CAHAN: The very first clause on page 4.

Mr. MANION: The first clause reads:

From the United Kingdom or from any of the British dominions.

Mr. CAHILL: I am not quite as subservient in my mentality as my hon. friend from Port Arthur.

Mr. MANION: I do not happen to come from Port Arthur.

Mr. CAHILL: Well, from Fort William. A free state is not a dominion nor a colony. They regard themselves as a nation.

Mr. MANION: It is a British dominion.

Mr. CAHILL: They regard themselves as a nation just as the Canadian people regard themselves as a nation, except a small fraction of the Tory party who are still inclined to call themselves a dominion or a colony. That is one phase of the report of the committee on immigration. I agree with the hon. member for Southeast Grey that we should at once stop any assistance to persons outside of the Dominion of Canada. It is bad legislation for the parliament of Canada to vote money to assist the citizens of any other country in preference to our own people. We are granting to people outside of our borders preferences that we do not grant to the Canadian people and legislation which favours outsiders as against Canadians is bad legislation. The system of assisted immigration should be stopped at once. As a matter of fact, I opposed the assisted immigration scheme some years ago, and I am glad to find from the report that I was absolutely right, and that the scheme has proved detrimental to immigration to Canada rather than beneficial. It was poor policy then, and it is poor policy now.

We have the problem of emigration, as well as that of immigration, and I think it is the duty of the government of Canada to ascertain the causes of our emigration. It is far more important that we should solve the emigration problem than that we should solve the immigration problem, because if we solve the emigration problem, the immigration

problem will solve itself. Therefore, Mr. Speaker, I would be favourable to admitting into Canada any person of the white race who was healthy and physically fit.

With regard to colonization, much time was spent in the committee discussing this question, and many suggestions have been made in regard to it, but I have yet to hear any practical suggestion with regard to colonization in Canada. It is quite possible to bring about a considerable colonization movement. Every part of Canada which lies beyond the area of immediate settlement is condemned by the people of Canada as worthless or useless land. We have had that experience all through the history of this country. But where railroads have been built through any part of Canada the result has been the development of rich natural resources which has been beneficial to the citizens who have gone into that part of the country. Take the Timiskaming and Northern Ontario railway, for instance. It has developed the most wonderful mining country in Canada, yet the road was condemned at the commencement of its construction. The west was also regarded as useless until the railways developed it. I want to say that the development of western Canada has been due more to the building of railways and the giving of land grants than to any efforts on the part of any government. It was rather the colonization companies that brought people into western Canada and settled the country, and sold them land at a profit. These people are now prosperous citizens, and the same thing can be done over again.

I have a suggestion to make to the Minister of Immigration, and that is that he should appoint some person in his department who will attempt to cooperate with the provincial governments and with the railways of Canada in order to develop a colonization plan that will bring people to this country and settle our vacant lands. Perhaps he could arrange with the provincial governments to make a grant of land for colonization purposes, whereby the land could be sold to the settler for enough money to build railroads into that territory. The sale of the land to the settlers at a reasonable price on long term payments would more than pay for the railway, and the plan would be more beneficial to the settlers themselves, who would then be immediately adjacent to the railway instead of settling thirty, forty or fifty miles away from a railway.

I would not grant any more homesteads in Canada. I would not allow people to settle on land that is too far away from a railway. I would build railroads to the settlements and sell land to the incoming settlers, or to the Canadians preferably who are now leaving this country. In that way you could build up a big colonization plan that would settle many, many people in this country, and keep our own people at home. It is not necessary to go to the Peace River country or to the western prairies to do this. I have in mind a section in the province of Quebec, in my own constituency, where if a colonization railway were built and the land opened for colonization, we could settle thousands of French Canadians who are now leaving Canada. The land is valuable, and the people are anxious to get it, provided it is accessible by railway. I might instance a grant of land made to the Canadian Pacific Railway some three or four years ago. The company sold 80,000 acres of that land at $8 an acre to a contractor, who is now taking off the pulpwood. That shows the value of the land in these districts that might be taken up by settlers. The wood could be sold by them, and they would bring the land under cultivation, and it would be beneficial to all concerned.

So far as the railways requiring immigration is concerned, I think we have overbuilt our main line equipment. We have too great an overhead for the number of branch lines and feeders to our railways, and I think it will be necessary for us to continue to open up as much raw country as possible for settlement, in order to bring greater traffic to the railways, thereby enabling them to earn their dividends, and in time reduce freight rates to the Canadian people. If this were done, we could keep in this country many, many Canadians who are now leaving, and they are more valuable to us than any immigrants we may get, no matter how good they may be. Our first consideration in this parliament is for the Canadian people, and our first consideration in a policy of immigration or of emigration should be so to provide that our Canadian people will be able to remain at home. I think the government should seriously consider through a commission or otherwise the causes of emigration from Canada.

The report of the committee and the amendment thereto I am not much enamoured of. I am much more in favour of the suggestion made by the Minister of Railways and Canals (Mr. Dunning) with regard to immigration, and of the suggestion made by the hon. member for Southeast Grey (Miss Macphail). I think either of these suggestions would be much better to follow than anything contained either in the report or the amendment thereto.

Hon. R. J. MANION (Fort William): I rise just to say that I resent a remark made by the hon. member for Pontiac (Mr. Cahill) in reply to what was meant to be a courtesy on my part to him. I thought he had overlooked a phrase in the first clause of the report, and I pointed out to him that southern Ireland was included among the British dominions, which, of course, is a fact although the hon. gentleman does not seem to know it. He said in reply that I was subservient. I resent being termed subservient at any time, because I am not subservient in any way. I might add that his further remarks about the Tory members, as he expressed it, on this side of the house only show a line of thought which the hon. gentleman takes too often in this house. The Canadians on this side of the house are just the same type of Canadians as those on the other side of the house, or for that matter in the other corner of the house. We are all Canadians, and most of us I trust are good Canadians, in all sections of the house. Had I read the report as the hon. gentleman thought he read it, had I understood that southern Ireland was not treated in the same way as other British dominions, no one would have resented more quickly than I any such attitude on the part of the committee, because I submit that there are in this country Irish people from southern Ireland who are just as creditable to this country and to the British Empire as people from any other section of the world. Practically this whole Ottawa valley, for that matter, was colonized by Irish immigrants from southern Ireland, and no more creditable group of people ever came to Canada. But I should just like to say to the hon. gentleman and to his friends who adopt his attitude that if they would be Canadians first instead of Irishmen, if they would give their attention to Canadian problems—of which we have our fair share—instead of worrying about the problems of the Irish Free State, they would be better citizens of this country. That is the trouble with many of those gentlemen who are continually yelling about Ireland—they forget that they should be Canadians first. I have visited Ireland a few times, but I doubt if the hon. gentleman ever got anywhere near the island. I suggest to him that we have plenty of problems to worry about in Canada without going back three or four generations to problems created by our ancestors in Ireland.

Before I sit down, Mr. Speaker, let me say that if in Canada we introduce policies to provide work and wages for our own boys and girls so that they will be able to remain in their native country, if when we bring in immigrants we properly look after them instead of dumping them in the cities or on the prairies, that is, if we give them good land, good advice, and hearty cooperation, I say if we do these things we shall be able to build up this country, and the ensuing prosperity will be the strongest magnet to attract to our shores people from all parts of the world.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, when the hon. member for Fort William (Mr. Manion) rose I was about to open my remarks with a view to cooling the blood of the hon. member for Pontiac (Mr. Cahill) by informing him that there was a very good reason why the Irish Free State is not mentioned in the report; that is, the Irish Free State does not want to be. The hon. gentleman seemed to be worrying lest the Irish Free State was in some way overlooked; but we have had proof right here in the last three or four minutes that it is impossible to overlook any part of the world where there is more than one Irishman.

Mr. DUNNING: Or where there is even one.

Mr. EDWARDS (Frontenac): I wish to assure you, Mr. Speaker, that there was not the slightest thought in the mind of any member of the committee to overlook the Irish Free State.

Now, the hon. member for Southeast Gray (Miss Macphail) said we were too much inclined to impose our own thoughts and ideas upon the alien. I suppose that is a form of class consciousness which we all possess more or less. When the hon. member was speaking I could not help reflecting on her agony of mind if any restriction should be placed on the imposition of her ideas upon the members of this house or the people outside. She said we were too much disposed to stress the fine qualities of the English.

Miss MACPHAIL: I do not think I said that.

Mr. EDWARDS (Frontenac): Well, I do not wish to misquote my hon. friend. That is what I took down, and I thought I had it right. At all events, I think I am correct in this: she was rather afraid there was a disposition in Canada to favour British immigration, to dwell somewhat too much on the qualities of the English as English, and I think she used the word "fine." In that regard, Mr. Speaker, it seems to me that if you look back over the history of the past centuries something can be said for the English after all.

An hon. MEMBER: And you can say it.

Mr. EDWARDS (Frontenac): Something can be said for them. It is characteristic of the English not to let the world disregard their fine qualities. That is something which the hon. member for Southeast Gray should particularly appreciate. I know that in the past England has made many mistakes, but her record is written throughout the world, and she has done more than any other nation on the face of the globe to raise the standard of civilization to a higher level. Yes, there is something to be said for the English after all.

Now, the Minister of Railways and Canals (Mr. Dunning) stressed two points. First of all he asked: shall we try to get more British immigrants by offering material inducements? He rather deprecated this method. Well, the policy of the government has been along that line all the time that he has been a member of it, but this is the first occasion on which he has expressed himself as opposed to the policy. However, I am inclined to say to the hon. gentleman that the government might offer inducements to get British or other people into this country, not so much by way of land, and so on, but by presenting for their consideration such a sane governmental policy as will assure them work in Canada. He referred to our having adopted what amounts to the quota system with respect to immigrants from the continent of Europe, and he rather opposed the idea. But it seems to me we have to ask ourselves this question: after all, is it worth while in our day and generation seriously to contemplate the maintenance of British ideals and institutions in this Dominion? If we answer that question in the affirmative, then it does seem to me that we must give consideration to the number of immigrants from those foreign countries that we can reasonably be expected to assimilate. I think everyone will agree that it will be easier for Canada to assimilate those classes of immigrants which we have been favouring rather than those from the non-preferred countries of Europe which we have been trying to a certain extent to exclude. After all, we must regard this as a fact, the movement of peoples from one country to another—migration is the word which will cover it—has in all ages had a tremendous influence in shaping the destinies of nations and their standards of civilization. That has been true of past movements, and it will be true for all time to come.

But it does seem to me we have made a mistake, perhaps not intentionally, in our past policy of immigration and colonization in bringing in agricultural workers—those going on the land—assuming that there was no limit to our ability to absorb those who said they were willing to settle on the land. I submit this as a principle which we in this house should keep in mind in regard to immigration—we should aim to bring in immigrants of such a class and type that Canada's population would be fairly well balanced in terms of occupation and production. That should be our general aim. It has not been in the past. We have offered special inducements to those who signalized their willingness to settle on the land. What have been our principal sources of supply? The British Isles; continental Europe, divided into two classes, preferred and non-preferred countries; and the United States of America. The policy of the government has been to limit those coming from the non-preferred countries exclusively to people going on the land, agricultural workers. That has been our policy. The agreement with the railways, which we recommend should not be renewed in its present terms when the existing contract has expired, has been that they should bring out from the non-preferred countries only those who were going on the land. How has that worked? We have brought to Canada in that way thousands and tens of thousands, every one of whom has signified his willingness or intention to go on the land. Have these people done so? I quote from page 735 of the evidence a short conversation between the minister and one or two members of the committee:

> Hon. Mr. Forke: The complaint we have is that the newcomers are going onto the farms, but as soon as they have been here a year they do not go back to the farms, but into other employment.
>
> Mr. Edwards: They get into the country under the plea of going on the farms, and then leave the land the next year?
>
> Hon. Mr. Forke: We may as well face it; that is the idea.
>
> Mr. Arthurs: Does that apply generally to these non-preferred countries?
>
> Hon. Mr. Forke: Oh, yes.

There is the situation. We have been bringing in thousands and tens of thousands of people from the non-preferred countries of Europe every one of whom got into the country on the understanding that he was to go on the land and remain there. But after being on the land a few months or a year these men leave and drift into the cities and towns; and they are the main factor in the unemployment situation in our cities and centres of population. That is what we are confronted with; it is one condition which in my judgment we ought to make every possible effort to put an end to. No one in this house will

cast any reflections upon the ability of people coming from the non-preferred countries or from any country of Europe to become good citizens of Canada. No one wishes to suggest anything of that sort. We have too many evidences to the contrary in this country. But I repeat, notwithstanding that fact, that everyone will agree that there is more difficulty in assimilating these people than there is in assimilating people of British stock; and it seems to me we must have regard to that circumstance in certain parts of the country if we wish to maintain in their integrity British ideals and institutions.

There are in the report a great many points to which I should like to refer, but I will not take up my full time discussing them. With the report in general I am glad to agree. There is one clause of it with which I cannot agree and I so expressed myself in the committee. I think this was the only clause in the report to which I objected. I refer to the clause on page 8 under the head of Railway Rates for Canadian Landseekers. It reads:

> The committee also recommends that measures be taken to ascertain whether the railways will restore the home seekers' rates in effect prior to the war, making such rates effective east bound as well as west bound.

I object to that paragraph and I object also to a somewhat similar clause, though more extended, in the amendment proposed by the hon. member for St. Lawrence-St. George (Mr. Cahan), namely, that we should provide facilities for settlement in the more recently organized provinces of Canada of settlers from other provinces who are intent upon leaving the east and going west in search of improved conditions and better opportunities. I object to this clause being incorporated in the report. Our committee was appointed as a committee on immigration and this is not an immigration matter; it is a matter which does not touch immigrants at all. It is a matter referring entirely to business within the country. It is an internal matter which has nothing to do with immigration. I object therefore to our considering it or expressing an opinion upon it. We might just as well have incorporated in our report a recommendation in regard to pensions or something of that kind, as to incorporate this. Moreover I object to the principle involved; I object to the government undertaking to make arrangements to move settlers from one province to another. The idea started in moving from east to west; but logically, if you assist in moving people from the eastern provinces to the west, how can you refuse assistance to those in the west who desire to come east if they have changed their minds, believing that there are better opportunities for them in eastern Canada? Where will this sort of thing end? Transferring people from one province to another is not a function of the Immigration department, and I object strongly to the principle not only as indicated in the report but as stated in the amendment proposed by the hon. member for St. Lawrence-St. George. There are a good many things in the amendment with which I agree. I believe it is absolutely and fundamentally sound in pointing to this fact, that the key of the whole situation, so far as successful immigration is concerned, is in providing profitable employment for people whom we bring to the country. I believe that if this government will adopt a policy which will not drive farmers off the farms, which will not drive dairymen out of their business, which will not discourage—

Some hon. MEMBERS: Oh, oh!

Mr. EDWARDS (Frontenac): Yes, this is politics; you cannot get away from the political side of it. I repeat what I have said: The key of the whole situation so far as successful immigration is concerned is to impress upon people in other lands that if they come here to farm they have a reasonable chance of success; that if they come to Canada to go into any other business they have a reasonable chance of succeeding in that business. And I have a right to ask consideration of this question: What encouragement is there to a man in another country to come to the Dominion of Canada and to go into the dairy business under present conditions, under the policy of the present government? What encouragement is there to a man in some other country to come here and go into the fruit and vegetable industry? What encouragement is there to people abroad to come to Canada and go into the sheep raising industry under the policy followed by this government? I say the policy of this government has not only closed factories in this country and deprived the people here of an opportunity of earning their living in Canada, but it has had the effect of reducing the reasonable profits of farmers and driving people out of business generally. How in the name of Heaven will you induce intelligent men in the old country to come to Canada under such conditions? Do you think you can stop their ears, their eyes and their understanding? If you invite them to come to the country to settle on the land the first question they will ask you is this, "Why don't your own boys stay on the land?" If you

are honest you will have to tell them that the reason is that, due to the mistaken fiscal policy pursued by this government, there is no encouragement for the boys to stay on the land. That is the absolute answer. There you have the key to the situation. You have to provide a diversity of employment; you have to give an opportunity for people in various walks of life to earn a livelihood. How unfair it is, when you analyse it, for anyone to get up and say, "You must not bring industrial workers into the country because we have already all that we need of that class of workers, and if you bring in more you will lower the standard of living and lower wages. That would be unfair." And we are foolish enough, those who represent farming constituencies, to allow that to go unchallenged. Suppose you applied that reasoning to agriculture. There is an industry which every year produces far more than the requirements of the people of the country. We are looking throughout the world to find markets for our surplus farm products. Now, if that reasoning is good with regard to industrial workers, that you must not bring in any more, why not apply it to agriculture and say we are producing all the farm produce that we need, and we do not want more farmers? It seems to me that the argument would logically have to apply to the one as to the other. You must not bring bricklayers because we have enough bricklayers, says the bricklayers' union; you must not bring in any of this class or that class because we have a sufficient number to produce what these classes are producing. Bring in farmers, however, and every time you bring in five farmers you will provide employment for 1.73 people in industrial establishments. I think the whole thing is absolutely wrong and absolutely inconsistent. I repeat what I said a moment ago, that you must aim to bring in such classes of immigrants as we require in this country until you have a population fairly evenly balanced as between production and occupation. As far as I have been able to see there has been no attempt at all along that line.

The question of the feeling in the old country that British people were not wanted in Canada has been discussed in the house this afternoon. There may be a difference of opinion as to whether that feeling exists and as to whether there is any justification for it; many members would say it has no justification. I want to say just as emphatically that I believe there is ample justification for the belief which exists in the minds of many people in the British Isles that Canada does not want British immigrants. As a matter of fact the present government started out wrong as soon as they took office in connection with this matter of immigration; they had at that time as Deputy Minister of Immigration Doctor Black, president of Manitoba Agriculture college, secretary of the economic and development committee and a man of outstanding ability, recognized from one end of the country to the other as having studied this whole problem of immigration for years. His value will be realized when it is remembered that after the government dispensed with his services the Canadian National Railways placed him at the head of their immigration activities, which was a tribute to his worth. When the government took office they studiously ignored Doctor Black for a time until they forced him out and appointed in his place the present deputy minister, Mr. W. J. Egan. Without making any reference to Mr. Egan's present abilities, because I think he has learned from experience and I am sure he would be the first to say so, I point to the fact that in my judgment the government did an unwise thing in dispensing with the services of a man who was so well grounded in this work and who had made a study of it during most of his life, and in putting in his place a man who, no matter what his natural capabilities might have been, was without previous experience. That is what the government did; that was their first mistake, and with all due deference I say they made a further mistake when they appointed the present Minister of Immigration and Colonization. He had had no vast experience in dealing with immigration matters; his previous experience had been gained on the floor of this house down in the southeast corner, where he was one of the chief critics of the other parties in the house; whether they went under the label of Grit or Tory, nothing was satisfactory to him. He was appointed to that position. I venture to say he has learned a lot since that time, but he had no special qualifications for the work, and the result was that as far as immigration was concerned it was regulated by orders in council instead of parliamentary enactments. One thing was tried for a while; then another was tried, and when they both failed something else was tried.

Mr. JACOBS: Would the hon. gentleman pardon me a question? Has not the present Minister of Immigration and Colonization equal experience to that possessed by the hon. gentleman himself when he was appointed to that position in 1921?

Mr. EDWARDS (Frontenac): My answer is most emphatically in the affirmative, but for the consideration of my genial friend I

would add that when I was appointed to that position I had as deputy minister and assistant deputy minister men who had grown up with the department and who were qualified to guide me as they would be qualified to guide the present minister or any other minister who assumed the office.

Mr. JACOBS: The same officials are still there with the exception of Doctor Black, who was appointed when my hon. friend was appointed. Then it was a case of the blind leading the blind.

Mr. EDWARDS (Frontenac): Doctor Black had been studying the immigration question for years, and so had Mr. Blair.

Mr. JACOBS: Was he not taken from the position of chief organizer for the Conservative party and pitchforked into that position?

Mr. EDWARDS (Frontenac): He might have been one of the organizers of the Conservative party, and in that way he would get a good deal of experience. At any rate, Doctor Black made a study of immigration matters for several years; he was a man highly qualified for the position because of his former associations, and next to him we had in Mr. Blair a man who was splendidly qualified and who had been in the department for many years. In my humble judgment, and I say it candidly and without wishing to reflect upon the present deputy minister, when the services of Doctor Black were dispensed with the logical man to assume the duties of deputy minister was Mr. Blair, who had been appointed by the Liberal party.

Now I would like to say just a word or two with further regard to this matter of discrimination. In my judgment the Salvation Army has been very directly discriminated against and very unjustly used. The Salvation Army started in their immigration work some twenty-three or twenty-four years ago; they have brought to this country over 100,000 immigrants, and they are able to say that less than one per cent of the immigrants they brought here have turned out failures. I would call that a good record, and I think everyone must agree with that. The Salvation Army established a big training farm in England and seven or eight other farms and centres in Canada; they have gone to great expense to carry on this work, but the government have seen fit to shut down on that work because they were obtaining from the boys they brought to this country a sum of money for the purpose of enabling the army to carry on their work and bring out other boys. The government made the mistake of denouncing that principle; they said it was wrong, but that the government were wrong in their attitude is shown by the fact that they have now endorsed exactly the same principle, although for a smaller amount. They have approved of that being done to the extent of $25, but they declared the principle wrong when they shut down on the work carried on by the Salvation Army.

There is just one other matter to which I wish to refer for a moment. In his evidence before the committee Dr. Amyot, Deputy Minister of Health, stated most emphatically that the Minister of Immigration had no right to override the decision of the medical officers in regard to allowing people to come intc this country. Notwithstanding that fact, however, in looking over the proceedings of the committee—and this is where the discrimination comes in—at page 486 I find a girl described as follows:

> Domestic work 3 months. Can cook, wash and do housework. Canadian government say: "She has been employed in mill past four years, therefore not eligible for the reduced passage fare."

I could name eight or ten cases of girls who are described as first class cooks and good housekeepers and who have had experience in that line of work for some years but who, just before they thought of coming to this country, were not engaged in domestic service. The Immigration department denied them the right to come out under this passage, and in every one of these cases the government merely said, "You can bring this girl out all right if you pay the money necessary for her regular passage." That strikes me as being rather harsh treatment and drawing the line pretty tight, if we want that class of immigrant in this country, and I think we are all agreed we do. I contrast that with the action of the minister in granting permits to remain in this country to persons who were deaf, blind or nearly blind, feebleminded; persons who were turned down by their own doctors as being unfit physically and mentally. I contrast the harsh attitude of the department in regard to this class of workers being brought out by the Salvation Army, and whose services are needed in this country, with the laxity of the Minister of Immigration in granting permits to those who were defective physically and mentally. The minister himself must bear a share of the responsibility for the claim made by the heads of some of our institutions in this country that a number of the inmates had been brought in, not only from the British Isles but from continental Europe,

and we have had to pay the bills for their maintenance. It is only fair to state that the greater percentage of these cases come from continental Europe, but there are some from the British Isles who are now in our mental institutions, our jails or asylums. I say that the minister himself must take a part of the blame in allowing such people to come into the country after his own medical officers had said they were physically and mentally unfit to be citizens of Canada.

Mr. FORKE: I really do not know what the hon. member refers to when he says I gave permits to come in permanently to anyone who had been turned down by the medical officers. I suppose I have given permits for six months or a year, but as I recollect there have been no permits issued to allow them to remain permanently. I have looked over these permits and I think there is an explanation for every one of them. The hon. member for Frontenac can see the explanations if he wishes to look at them.

Mr. EDWARDS (Frontenac): I have the same explanations that the minister has—the ones he tabled—and that is what I am quoting from. I assume that if he had had any further explanations he would have put them on the report. I did not say that the minister had given permits to allow these people to stay in Canada permanently; I did not use the word "permanent" at all. If the minister's judgment was defective in giving permits to people to stay in this country who had been declared by his medical officers to be both physically and mentally unfit to be citizens of Canada; if he did that for six months, I have not enough confidence in his judgment to be assured that he would not give them for another six months or a year.

We have cases without number. There is Mr. G, twenty-five years old, who was given a permit by the minister to stay here, although there was a certificate given at the port of entry that he was feebleminded and illiterate. Here is another one; Mrs. H, who had been under treatment in the old country for a mental breakdown. If this woman has become an inmate of one of our insane asylums—and who can wonder at it—he is responsible for it. I contrast that, Mr. Speaker, with what I consider the rather harsh and arbitrary attitude of the department in regard to these persons, certified to as being first class physically and mentally, but who were not granted the privileges of reduced passage given to domestic servants coming to this country.

[Mr. J. W. Edwards.]

Mr. FORKE: I do not want to interrupt, and I think so far the hon. member has been very fair. But he has quoted the case of Mary Holt, who had been admitted into Canada after having been in an insane asylum. To be fair, would you state the facts of that case?

Mr. EDWARDS (Frontenac): I do not know just what page of the report it is on, but I have made a brief note about it. Mrs. Mary Holt had been under treatment in Scotland for a mental breakdown. Her husband seemed to be able to receive her and guarantee that she would not become a public charge.

Mr. FORKE: Will you allow me to read it?

Mr. EDWARDS (Frontenac): The hon. minister can read it when he speaks on this matter, and I do not care how many he reads. I do not believe he can find justification for his conduct in any one of the 145 cases. The Deputy Minister of Health declared that the hon. minister had no business to nullify the certificates of his medical officers and grant permits to come into this country, even for six months, to people who had been declared by the medical officers to be physically and mentally unfit to be citizens of Canada. That is what the hon. minister has to justify, and he will have to find more than appears in this report to justify his attitude in that regard.

I would again contrast the attitude of the minister's department in discouraging these first class citizens from coming to this country with that taken in regard to others. What justification on earth can the minister have for allowing a man to come here who was arrested in this country, while under the permit of the minister, on a charge of breaking in and stealing, and sentenced for six months? He was reported by the officials as being dull mentally and suffering from several diseases, probably inherited, but the minister gives the permit to stay in the country, and he breaks in and steals. The minister has to bear the blame for that. Again I contrast the minister's liberality in these cases with the attitude of the department in other cases. They have given every discouragement to these very worthy people, and I can prove that statement to the hilt.

The minister can take up as many of these cases as he likes when he speaks on this question. The trouble arose, so far as the minister was concerned, in his not being able to cope with the situation in his department. He was led from pillar to post to do this and

do that instead of managing the department. I believe he will do better as he acquires more experience, like everybody else.

I repeat, Mr. Speaker, that the key to the whole problem of immigration is to be able to show the intending immigrant that if he comes to Canada to go on the land he has a reasonable opportunity for success. We have to adopt a policy in this country which will stop our own boys from leaving the farms of Canada and going to the other side of the line. That means a complete change in policy. You can figure and theorize as much as you like about getting immigrants into this country, but what will tell in the long run and be the best advertising is the coming into Canada of men from the British Isles and from Europe who go on the land and write back home telling of how successful they have been in the different lines of endeavour. Such a man writes back home and says, "I have done well at farming; I have done well in the poultry business; I have done well raising vegetables; I went into this and that and have done well, and I would advise you to come here." No honest man can go to the people in the British Isles or on the continent and make the statement that there is a fair prospect of success in Canada under the policy that has been followed by this government. The whole tendency has been to discourage men from continuing in these lines of business. We have proof of that all over Canada, and you cannot get people to come in here and go on the land in the face of these facts.

Mr. S. W. JACOBS (Cartier): Mr. Speaker, I had not intended to say anything in this debate and I would not have done so had it not been for the fact that I was a member of the committee that brought in this report. Inasmuch as I am not in agreement with some of the main features of it, I feel that it is only doing a duty to myself to give some explanation as to my attitude on the questions submitted in this document. For the last ten or twelve years I have delivered in this chamber my annual immigration address. So far I have convinced no person but myself and it strikes me that ought to be a gentle hint to leave the work to more capable hands. Still, I belong to a somewhat persistent race and I feel that perhaps as parliaments change, the seed may fall on fertile soil and I may be able to make at least one convert in the course of time.

The document which has been produced in the house to-day is noted rather for what it does not contain than for what it does. It was drawn up by a committee, the basis of which consisted of members of the committee on agriculture, and consequently it has an agricultural tinge or flavour to it. One would imagine after reading the report that the whole of Canada consisted of agriculturists and none other. Might I point out that more than fifty per cent of the people of this country are not engaged in agricultural pursuits at all, and it seems to me that some mention ought to be made in the report with regard to those other people? The report is divided, as to the people who are to be permitted to come into this country, into three classes. This was already the rule. The committee are stating merely what already existed. There are three classes of people: first, the children of light, the sons of the morning, the British race; second, those who are somewhat analogous to the British race, but not quite so. We might call them first cousins of the British race—the Germans. I can remember only a few years ago when to mention in this house the name of Germany in a sympathetic or Christian spirit—and I was the only one who did so—was to bring down on you the vials of the wrath of the ultra-patriots. The very mention of the name was anathema. We have moved since then and now the Germans are in the preferred class. Then we have the Norwegians, Swedes, Danes, Finns, Swiss, Dutch, Belgians and French. I can understand why France is included in the list, because French is an official language in this country. Thirty per cent of the people of Canada are French-speaking and it is the most natural thing in the world that the French are included in this class. But I ask myself; If the French did not occupy the position which they do to-day in this country, would France have been included in the list or not? I think the answer is self-evident.

There is another class, the lower or third class, the third stratum. They consist, not of cousins of the British but cousins of the German race. For instance, we have the Austrians. I do not know who drew up these classes, A, B and C, but I rather fancy that it was prepared in Washington where most of our rules of immigration come from. We have the Austrians in this third class, and I should like to ask those who are responsible for the preparation of this list, in what respect do the Austrians differ from the Germans? I do not know of any difference at all. There are no representatives of the Austrians in the house. Probably if there had been their interests would have been looked after. Then we have in this third class, Hungary, Poland, Roumania, Lithuania,

Esthonia, Latvia, Bulgaria, Jugoslavia and Czechoslovakia. Russia, a country of 150,000,000 of people, is ignored altogether. They are evidently of such a class that it is not worth while even mentioning them. They are not on the list at all. Do you not think, sir, that among the 150,000,000 people in that great European country there might be some who would make good citizens of Canada? I would fancy so. There must be people there who are not satisfied with conditions as they exist in their country to-day, riven as it is by revolution and so on. Nevertheless they are not even mentioned in the list. Are hon. members aware that 75 per cent of the people of Europe are debarred from coming to Canada by this class 3 list? Take for instance the countries of Norway, Sweden and Denmark in the preferred list. Why, the city of London and suburbs is larger in point of population than the whole of those countries combined. I say that not thirty per cent of the people of Europe are in the second class. The Minister of Railways and Canals (Mr. Dunning) told us that the people of England do not want to come to Canada because they are pretty well taken care of in their own country. They have the dole, the old age pension, unemployment insurance, and so on. How are we going to fill up our country with the proper people if the British race are so well taken care of that they do not want to come here? I would fancy that you would get them in places from which it is desirable for them to emigrate. People never emigrate from a country where they are satisfied. That has never been heard of. They go from countries where they are dissatisfied. The countries where the people are dissatisfied at the present moment are those which have gone through revolution and are just now in a topsy-turvy condition. I do not say that they are all dissatisfied, but there must be in those countries tens of thousands, yes, millions of people who would be very glad to come to Canada if they could find an opportunity to do so. But their names are not even mentioned in the lists. Yet we endeavour to proclaim to the world that Canada is open for immigration.

Mr. FORKE: In regard to Russia there has been the difficulty that they would not recognize their own passports. If a Russian left Russia he could not return. Consequently there has been some difficulty in making any arrangements with the Russian government. I think they are coming to their senses now and are beginning to recognize their own passports.

[Mr. Jacobs.]

Mr. JACOBS: But are we coming to our senses?

Mr. FORKE: I think we are there now.

Mr. JACOBS: To let them in? That is the thing. This is merely a temporary matter with the Russian government.

Mr. FORKE: We want to deal with governments that will recognize their own laws and regulations and that will deal properly with other nations.

Mr. JACOBS: When those people leave Russia, that country will not be able to see them for dust. They will not want to go back. My hon. friend is referring to the point that if they do not turn out well, they cannot be sent back. We have taken those chances in the past and I would be prepared to take some chances now.

The hon. member for Frontenac-Addington (Mr. Edwards) told us a few moments ago that we want the agricultural class in this country and nobody else, that it is useless for people to knock at our doors and seek entrance if they do not intend to go on the land. That was stated so pontifically by the hon. member that you would imagine it really was a fact, but if he had read the report, which I trust he has, he would see that people coming from Norway, Sweden, Denmark, Finland, Roumania, Switzerland, Holland, Belgium and France, are admitted freely to this country, no matter what their occupations may be. One hundred thousand painters can come in here from Germany, and you cannot say them nay, but if one painter from Austria, from Vienna, were to try to get in, it would necessitate my going with my hat in my hand to see the hon. minister and begging for favour for this Austrian. Is that right? Is that just? Why should there be a distinction made between these two peoples? They are the same class of people, identically the same; they profess the same religion; they belong to the Nordic race. In every respect they are first class, and yet this ridiculous distinction is being made. Then we have the cases of people from Poland, Germany, and so on, who are not permitted to come in. A few years ago Poland belonged to Russia, and Finland belonged to Russia, but to-day the Finns can come in, and the Poles not. What distinction is there between a Pole and a Finn? I challenge the minister to tell me how by looking at a Finn and a Pole he can tell which is which.

Sir EUGENE FISET: The Pole may have fins.

Mr. JACOBS: In that case the Pole might get in, but it would be his finish.

That is the objection I take to this report, that you are making distinctions between peoples where no distinction should be made. I am not talking of Italians, Spaniards, Portuguese and people of that kind. They are not to be mentioned in the same breath with the British people; they are not to be brought into this country; they have no culture at all which thely can contribute to the development of this country; they are Italians, Spaniards and Portuguese, and although they may have had a history, their future is all in the past so far as Canada is concerned. They can do nothing for the upbuilding of this country; they belong to the Latin race, and all Latin races are rigidly excluded with the exception of the French, and a large portion of the French belong to the Norman race and can therefore be looked upon, by a stretch of the imagination, as Nordics. Is it not strange that in this country where we have nine millions of people, and could contain one hundred millions, we should make these distinctions between races as to whether they are Nordics or Latins. I say we are making a serious mistake in making these distinctions, and that this country is not in a position just now to do anything of this kind.

My hon. friend from Frontenac-Addington, I understand, belongs to the medical profession. He knows that when he prescribes medicine for a patient he gives him two grains of this, three grains of that and four grains of the other, with plenty of water in it, and then it has to be shaken up well, and taken until relief is afforded. That is what we ought to do in this country in connection with immigration. We can take two per cent of this class, two per cent of that, and two per cent of the other, and they will all go to make up a people that we shall have very good reason to be proud of. After all, what is the British race but a conglomerate mixture? We all know that that is the case, and that there is no such thing as the pure British stock today, except perhaps in the fastnesses of Scotland, in the hills of Wales, or in the wilds of Ireland. It is only there that you find the ancient British race. All the others are a mixture of the Saxons, the Danes, the Normans, and people of that kind who in turn invaded and captured the country. That is what has made the British people great; it is a mixture of all these races. Here we are in this country a population of hundreds of millions of Christmas trees and eight or nine million people, and we hope to make a great race by exclusion. It is an impossibility. The greatness of a nation is reckoned by the people who live in that country—not by its lakes and rivers and mountains, but by the people themselves. Here we have a country which is losing to the United States hundreds of thousands of people every year. As was pointed out some time ago, within the last five years, 591,000 of our people have gone to the United States. Naturally they go there, because a magnet draws them. They have a quota law in the United States, and everybody from Europe except a paltry two per cent is excluded, although they used to take in from one and a half to two million Europeans annually. But they have been shut out, and where is the United States going to get people to take their place? The United States is draining Canada dry of its people, and we are sitting by and presuming to lay down by silly rules what classes of people shall be brought into this country to take their place.

I say that it is a serious mistake to select people on the basis of the country from which they come. A man is a human being, although he may be born in a stable. A Russian may be a very good man, and so may a Pole and a Ruthenian, even though born in Russia, and a man may be a very bad and wicked man although born within sound of Bow Bells. You should select people for what they are worth in themselves. Look them over, and see if they can fit into the life of this country; to select them by countries, the method that has been followed in Canada for the last fifteen or twenty years, is a serious mistake. In the days of Sir Clifford Sifton we used to get from four to five hundred thousand immigrants a year and they peopled this country. What would this country have been without that vast body of immigration that came to this country prior to the last fifteen years? Things have changed. Our friends the farmers presume to sit in judgment upon the people who do not want to go upon the farms at all. I can understand that they want to have people go on the farms, but when it comes to selecting people for city life it seems to me that the people of the cities ought to have something to say about it. In this report practically nothing at all is said about immigrants except those who are to go on the farms, although fifty per cent of the people in this country are not on farms at all. You are providing that an artisan or anyone else may come in provided he comes from these particular countries that are mentioned in paragraph 6, but my objection to that is that if we are going to allow Germans, Swiss, Danes and Finns to come in—regardless. mark you, of the occupations

which they are going to follow when they come here—why should we not extend the same privilege to Austrians, Hungarians, Poles, and so on? I am not here to make an eulogy upon the history of these races or to tell what the Hungarians, Poles and Austrians have contributed to the civilization of the world. Mind you, we are not asking to bring people in here who belong to a different colour; we are not asking that people be allowed in here who belong to a different religion; we are not asking that people be brought in if they differ in any respect from the people who happened to be born in Berlin or Hamburg. But I say that it is an outrage and a crime that we should have to come to the Department of Immigration every time we want to get a man admitted to this country from, say, Vienna, when a man who comes from Berlin or Hamburg is welcomed with open arms. The thing is an absurdity.

The report is void of common sense. Sixty men representing the wisdom of parliament held thirty-six meetings, and they have produced a mouse. I would be prepared to accept the amendment of my hon. friend from St. Lawrence-St. George (Mr. Cahan), but I think it is already incorporated in the last paragraph of the report which reads as follows:

> Your committee would also recommend that the government make an intensive and comprehensive study of the possibilities of increasing industrial and agricultural development in Canada with a view to attracting capital and providing wider and increased opportunities for employment not only for our own people, but for the prospective immigrants.

That is the only constructive suggestion in the entire report. We spent our time in discussing whether we should widen the list of boy immigrants from fourteen to nineteen years of age, whether we should pay $11 per British immigrant, or $9.73, and matters of that kind. We have trifled with our time. We have not contributed anything to the most important question now before the country, and I think everyone of us who was on that committee ought to admit that the result of all our work is simply nil.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, there are a few aspects of this question which I should like to emphasize. To a very large extent I agree with what has been said about this report by the member who has just resumed his seat (Mr. Jacobs). It does not seem to me to be anything like so far-reaching and statesmanlike a document as we might have expected; on the other hand I am profoundly thankful that it is no worse.

One or two of the clauses of the report seem to me to be in the right direction. It is suggested that there should be a larger measure of cooperation with the provinces. I think anyone who has been closely in touch with the immigration problem must admit that this is very necesasry. It is the provinces that must attempt to absorb those immigrants, that must educate them, that must care for them in case they fall sick, that must carry the burden in case they are unfit. It seems to me highly desirable that the provinces should be consulted in the matter. I hope that this cooperation will go even further, and that only immigrants will be brought in that the provinces desire, for after all, since the provinces themselves must assume so much responsibility, they ought to have a very large voice in determining the character and number of the immigrants.

I had hoped that even more clearly than has been indicated in the report it would be declared that the work of immigration should be taken out of the hands of the railways. I would go further and say that it should be taken out of the hands of all private organizations. It would seem to me that the peopling of this country is so preeminently a matter that concerns the state itself that we should allow no private agency, whether it be business or philanthropic, to handle its administration.

With regard to the amendment, the mover (Mr. Cahan) laid great stress upon the necessity of having a business man at the head of the Immigration department. I think we all wish to have the most efficient administration possible, but I fancy that the underlying suggestion is that certain methods now in vogue in the business world should be put into operation in this department. In my opinion that would be a distinct mistake. Altogether too long we have had immigration policies based upon methods that are employed in business, in industry and in finance. As the member for Southeast Grey (Miss Macphail) pointed out so clearly, immigrants have been brought here in order that they might be employed as cheap labourers, that is, they have been brought here to be more or less exploited. The Minister of Railways (Mr. Dunning) considered that the man who asked what the government would do for him would not make a good immigrant. It is not so much a case of what the government could do for the immigrant as what the exploiters would do with him. I am hoping that we have gotten over the worst stage and that

to-day we are giving more attention and care to the immigrant himself.

It is generally taken for granted that immigration will be a great economic advantage to this country. I do not think we ought to assume this. A most illuminating editorial appeared in the Manitoba Free Press of June 8, 1927, about a year ago, in which this passage occurs:

> You not only transpose the population, you transpose the problem which that population constitutes in its own country. Britain has nearly a million idle workers whom she would be glad enough to see in Canada; Sweden has 65,000 whom she would be agreeable to see here too. What does that actually mean?

Then the article proceeds to show that the reason those people are idle in their own countries is that they cannot find work to do, they cannot find a market for the goods which they produce, and if we bring them to this country the writer says:

> Consequently what would then be transferred to Canada would be the problem of finding markets for the increased production which these immigrants would produce.

So I think we ought to hesitate to accept the conclusion that merely by bringing in people we help to solve our economic problem. If there are social and economic maladjustments in this country, merely by doubling both sides of the equation we do not solve our problem. These people are not merely consumers of the goods, they are producers; they are also producers of more goods, agricultural or manufactured; and if we already have difficulty in finding a market for our goods at home, we will have doubled the difficulty if we double our population. I think that is an aspect of the question which has not been given sufficient consideration.

I pass hurriedly to a question which I have taken up again and again on the floor of this house, that is, the misrepresentation by immigration agents in the old country with regard to conditions in Canada. I know the Minister of Immigration (Mr. Forke) has said that he is not responsible for those misrepresentations, but that is altogether too easy a way of getting out of the responsibility. He could very effectively handle those agents. With the cooperation of the British authorities such agents could be licensed and prevented from misrepresenting Canadian conditions to prospective immigrants. Just recently a correspondent has sent me a copy of an article which appeared in the Evening Express of Cardiff, Wales, on October 21, 1927. In big headlines we find the following:

> 300,000 Surplus Men
> Where Every Girl Is Married
> £4 10s To Canada

Then the article in large type is in these words:

> Situations can be found in Canada for hundreds of unemployed Welsh domestic servants.
>
> The Canadian government offer an assisted passage, a comfortable home, easy work, good food, clothing and companionship to every Welsh girl who migrates to the British Dominion.

It is stated that there had been an interview with Mr. H. L. Cotterill, a successful English farmer in Canada, now attached to the Canadian colonization department, who had recently visited Cardiff. The article continues with this sub heading:

> Exceptional Opportunities
>
> Canada offers undreamed-of opportunities to British girls. Her wages would be anything from £6 to £8 a month with all found. No city, town or village in Great Britain offers such attractive wages. There are 300,000 more men than women in Canada, and as soon as a girl feels her feet there she marries. We cannot keep girls for more than a few months however good a home she finds. The servant is never oppressed on Canadian farms. She is accepted as one of the family, seldom has to wear a cap and uniform, and is never relegated to the kitchen.
>
> There are labour-saving devices in most homes—

Remember, our farm homes are still being referred to.

> —which makes her work so pleasant that she can finish her duties by noon. Electric light, central heating, and hot and cold water are only some of the pleasures of Canadian home life.

We may laugh at a description of that kind; we all know that it is very far from portraying the real conditions in Canada. But when a girl in the old country reads that description and on the strength of it books for Canada and then finds the home life which is so common in many of the outlying districts of western Canada she may very well feel aggrieved. I do not need to give similar advertisements with regard to the men; I have given these on other occasions.

Again let me say this in regard to labour and immigration. Although the Minister of Railways has referred to our employment agencies, the fact is that we often have in this country larger numbers of people, at least in certain seasons, than we can find work for. It is only a year ago that a resolution was passed by the rural municipalities of Saskatchewan at their convention held on June 23, 1927, at Prince Albert, which resolution I shall quote. It portrays the conditions that have prevailed year after year and which existed last year right in the heart of our best agricultural district.

> That whereas large numbers of immigrants have been brought into western Canada this

spring by transportation and other interests working in cooperation with federal government agencies in Europe:

And whereas no adequate provisions have been made by these parties for the supervision and settlement of these newcomers upon the land in accordance with the published intention of the government:

And whereas, because of this, many immigrants have been located in urban centres with no prospect of sufficient employment to enable them to provide reserves for the coming winter and moreover thus aggravating the unemployment problem in such centres:

Therefore be it resolved that we place these facts before the Prime Minister of Canada, the Minister of Immigration, the Minister of Railways, the Minister of Labour, and the members for the several constituencies of this province with the request that immediate steps be taken:—

(a) For the placing of the financial responsibility for the care of such immigrants now and next winter upon the transportation companies and others directly responsible for the situation.

(b) For the prevention of its recurrence in future years by the proper regulation and settlement of only such immigrants as the country can absorb.

(c) The immediate planning of government works for the coming winter to give employment to our own citizens who are suffering from the dearth of employment and low wages caused by the recent influx of immigrants.

We all recognize that there is room for a certain number of immigrants in this country; but the point is that they are brought in without sufficient regard to the opportunities that are open at the particular time and with almost entire disregard of the seasonal nature of so much of the work in Canada. I had occasion a few weeks ago in the early spring to call the attention of the Minister of Immigration to the conditions which prevailed in my own city of Winnipeg. He rather made light of the situation. He said that he had heard from his officials there that these men would not take work. But the fact that we had discussed the matter on the floor of the house and the further fact that the men had held a parade in Winnipeg was sufficient to set machinery going so that, according to the Tribune of May 2, the officials of the employment service a few days afterwards stated that the week before work was found for 620 men, 234 going to farms, 229 to railway construction camps, 61 to highway costruction gangs, 14 to logging camps and the remainder to casual employment. I cite this example merely to illustrate this point: A few days before this the Minister of Immigration had told us that these men would not go to work on the land, and yet when the opportunity was offered them 234 went to work on the farms, the others later on finding employment in other spheres of activity.

The fact is that we have seasonal unemployment in this country. Every year we have to reckon with that situation, and it will be more or less permanent until such time as we make special efforts to provide for winter work. I think it is only fair to Canadians already here that the government itself should very seriously consider the advisability of bringing in immigrants in the springtime before there is work, substituting these immigrants for people already in employment here, and then later turning them loose in the autumn to forage for themselves, as best they can with the result that they finally land up in our cities, a charge upon our urban authorities. I know we have discussed this question again and again, but the problem remains. It is only within the last few months that the government of my own province has issued a report on seasonal unemployment in Manitoba. It is only a few years ago since we had a conference of all the provincial authorities dealing with this question of seasonal unemployment, but we are content, it seems, to make reports and then allow the situation to drift along until something almost desperate happens.

With regard to British immigrants I think it is becoming increasingly clear that there is less disposition on the part of residents of Great Britain to leave their own land to risk the uncertainties of these newer countries. I noticed the other day a speech made before the manufacturers' association in session in the east. It corroborated the testimony which was given this year before the committee on industrial and international relations to the effect that, by reason of the provisions now existing in Great Britain for unemployment, for sickness, invalidity and old age a great many of the best workers in that country are unwilling to leave and come to a land where there are fewer provisions of this kind. If we are to get the best class of English immigrants it seems that the surest way is to raise our social standards until they are somewhat comparable to those which now exist in England as well as in a number of countries in northern Europe.

The Minister of Railways made mention of the harvesters who came to this country and he rather rejoiced that so few of them had returned to the old land. Those who sat in the house several years ago may remember that a large contingent of those harvesters came to Ottawa, out of work, without food, and begging that something should be done in their case. And the most that could be done was to get a special car and bundle them back to Toronto. I am not so sure that that experiment in bringing harvesters to this country was an unqualified success. I am not

so sure that the reason a good many more of them did not return to the old country was not simply that they had not the money with which to pay their passage. It may be all very well to get one harvest gathered by such a method, but I submit that a policy of this kind is not one on which we ought to depend to settle this country with the most desirable people.

With regard to foreign immigrants, I am not one of those who would advocate a wide open policy for immigrants from Europe; not because I have any prejudice against south-eastern Europeans. I have a great many friends among them. I admire a great deal what they have accomplished in the old land. I have seen enough of their achievements in Canada to respect them. But I say that we ourselves in Canada are not yet fitted to undertake the problems which the incoming of these immigrants introduces. We urge that we should get immigrants and then we are afraid to assume the responsibility which is entailed by their coming.

I should like to give a few figures by way of illustration from a report which I prepared some years ago for the governments of the three prairie provinces after making an intensive survey of over 1,000 Ukrainian homes in those provinces. I want to give some idea of the social and educational conditions which prevailed at that time in many of these communities and which still prevail to a lesser or greater degree. I noted that on the whole the immigrants remained isolated from their English-speaking neighbours, not so much because they wanted to remain isolated as because the English-speaking neighbours shunned the localities in which these immigrants were located. I also noted that the children were being gradually assimilated through the schools but in the process of assimilation they were losing much that should be retained. I do not think we can emphasize too strongly the necessity of urging these non-English-speaking immigrants to conserve the best things which they bring with them; too often we ask them to leave the old culture behind and forget that in so doing we are asking them to leave behind very much that is most worth while in the whole history of their nationality and in their own characters.

Again, I noted that the educational and social development is not proportionate to the material advancement. I could give you cases in which the Canadian-born children of these foreigners are not so well educated and not so well fitted to engage in the activities of citizenship as were the immigrants themselves when they first arrived in this country. Let me speak particularly of the educational problem which we must face in a good many of our western communities, and in so doing I would like to give a few statistics. In the districts visited, which were fairly typical of those settlements all the way from Winnipeg to Edmonton, 68 per cent of the men did not speak English, 86 per cent did not read English and 48 per cent did not read or write at all. Of the 1,823 parents in the families studied 80 per cent did not speak English; of the other adults and children over fourteen years of age 53 per cent did not write or read English and 50 per cent did not read or write at all. Of the 1,253 children of school age 34 per cent did not attend school, 54 per cent did not read or write English and 61 per cent did not read or write at all.

Mr. DUNNING: In order to make this clear would my hon. friend tell us in what year that study was made?

Mr. WOODSWORTH: This study was made in 1917, eleven years ago.

Mr. LUCHKOVICH: Might I ask a question? Did I understand the hon. member to say that 30 per cent of the children did not attend school?

Mr. WOODSWORTH: Yes, 34 per cent.

Mr. LUCHKOVICH: How about compulsory education at that time?

Mr. WOODSWORTH: Compulsory education was not being enforced. I may say that these statistics were very carefully taken at that time; I had the name, the age and the residence of each child. In this connection let me give a little illustration of the official attitude. I mentioned this condition of affairs to the then Minister of Education in one of the provinces—a province which rather boasted of the high standard of its educational attainments. He said, "Oh, well, that cannot be; we have compulsory education in this province." I said, "Well, I have the facts, and your province averages just about the same as the other two prairie provinces." Then that official said, "Oh, well, it would never do to let that become public; it would create a bad impression." I do not think any statement could better convey the attitude which we find all too often with regard to these matters. These facts must not be told the public for fear of creating a bad impression, yet at that time, although it was said that most of the children were attending school

and there has been no subsequent census anything like so carefully taken of the districts visited in northern Manitoba, Saskatchewan and Alberta, 34 per cent of the children of these non-English-speaking communities were not given an opportunity to attend public school.

Mr. SANDERSON: May I ask a question? These statistics are for the year 1917; would the hon. member say they apply to-day?

Mr. WOODSWORTH: I said they applied more or less to-day, but I am inclined to think that conditions have gradually improved. However, I would say that had I made that statement eleven years ago the officials would have said it was not correct, if there had not been the most absolute evidence to the contrary. I am not speaking of conditions just as they prevail to-day but I am speaking of problems with which we are still faced. These statistics are confessedly a little out of date, but they are the latest I have and they do give us some idea of this great problem.

Let me make it clear that I am not blaming the educational authorities of the three prairie provinces; they have done magnificent work in trying to meet this great additional problem which they have had to face. I do not think eastern members of parliament ever realized the problem which the immigrant has meant to the west. You have your English-speaking girls and boys who do not need to learn to speak English; they may have to learn how to speak it more correctly, but they learn the language at home. In the west we have tens of thousands of children who have not that opportunity. More than that, we have had a good many people come to Canada in their young manhood and young womanhood who have had to pick up the language as best they could. In my own city of Winnipeg I suppose we have spent hundreds of thousands of dollars on adult education simply because we felt it desirable that these people who come to us should acquire the English language as soon as possible.

That is the problem we have had in the west. I state the facts not to lay blame but to call attention to a situation. We have done the best we could, in building school houses away out in the northern districts, sometimes far from the railways, where it is almost impossible to attend school. In other ways we have done much, but I should like to emphasize the fact that this great task has been imposed upon us because of the immigration policy of this country. If we are going to import these immigrants we should be prepared to see the job through and assume the responsibility created by their coming. Let me give one or two other points which I noted at that time, and again let me say that the conditions are somewhat improved by now, although in the northern districts I could find a good many similar communities to-day.

Mr. SANDERSON: May I ask another question? The hon. member is going to quote figures which were obtained in 1917, and I would draw attention to the fact that that was during the war period, when conditions in this country were abnormal.

Mr. WOODSWORTH: Conditions in some places were rather abnormal, but conditions in the rural communities about which I am speaking are very much the same to-day as they were then. I will say frankly that they are somewhat improved, but I could go to large areas in my own province, up between the lakes, and find conditions almost precisely the same as they were at that time.

Mr. FORKE: I would ask my hon. friend to read a letter appearing in the issue of the Manitoba Free Press which arrived here this morning, written by Mr. Dutton of Dauphin, Manitoba. This gentleman is very prominent in the province of Manitoba, and he deals with the foreigners in the northern part of that province. I would ask the hon. member to read that letter and know something of the conditions of those people, as told by a man who is living among them at the present time.

Mr. WOODSWORTH: I have spent much time among the foreigners and given as much attention to this question for the last twenty years as any man in the province of Manitoba.

Mr. FORKE: That man is living right among them.

Mr. WOODSWORTH: I too have lived among them. These statistics were secured for the governments of the three prairie provinces, and I want to bring before this house some of the problems that face us. Of the 937 families, 10 per cent lived in one room and 56 per cent in two rooms. I want to contrast that with some of the extravagant statements made in the Cardiff paper. Fifty-six per cent had no books, and 95 per cent no English books. Fifty per cent of the families did not take any newspaper, and 96 per cent did not take an English newspaper. In only about a dozen cases—all but three in Manitoba—was a doctor or a trained midwife

present at the last birth. Sanitary arrangements were very primitive, and about two-thirds of the women, usually the younger women, worked in the fields. Practically all the children worked on the farm as soon as they were old enough. There was little provision or opportunity for recreation.

Mr. McMILLAN: Does that apply to conditions eleven years ago or to the present time?

Mr. WOODSWORTH: I have already stated that these statistics were collected in a survey made of the Ukrainian rural communities in the three prairie provinces eleven years ago. I said that I had no doubt, from my observations in crossing the country, that conditions have been improved in the last eleven years, but I would also say that there are many communities in the northern part of these provinces in which conditions to-day are very similar to those which prevailed at that time.

Mr. McLEAN (Melfort): I think the hon. member will agree with me that there are many Canadian homes where conditions are just as bad.

Mr. WOODSWORTH: Quite so.

Mr. McLEAN (Melfort): Why emphasize one particular class of foreigner?

Mr. WOODSWORTH: I am not trying to blame the foreigners. I have many friends among the foreigners and they know me, and they understand that. I am simply taking a select group which present more of a problem than the Canadians who have been here longer. If the hon. gentleman who has just spoken would like to get the economic side in favour of the foreigners, I will give it. It shows the wonderful progress made by these foreigners. Of the 832 families from whom information on this point was secured, 50 per cent started with no capital at all and 42 per cent with less than $500. Out of the whole number of families, 40 per cent had no debts at all, 40 per cent had less than $1,000 of debt, and 7 per cent over $5,000 each. In the great majority of cases they had secured a quarter, half or whole section, and in many cases the farms were in very good condition. I want to make it clear that I am not suggesting that these people are not good settlers; I should not like to give that idea to the house. They are among our very best settlers; they are people who have been accustomed to working on the land, and they are doing an excellent work. I do not want to suggest that they are in poorer condition than a great many Canadians in the outlying districts. Some of these Canadians are living under conditions similar to this. But the educational and social life of these foreigners present greater problems than the educational and social life of the Canadian people. The immigrants are not necessarily illiterate because they do not understand English. A great many coming here from northern Europe are well educated, some of them more highly educated than our own people, even although they do not speak English. Nevertheless, the presence of large groups of non-English speaking people in Canada presents a peculiar difficulty to us. A great many of those who came out at the time of the great immigration some twenty years ago, under the Sifton policy, were from south-eastern Europe where at that time school education was not very common, and so a good many of them were illiterate when they came here. There is the other side of the picture. In our schools in Winnipeg to-day there is not a group that takes a higher standing than the children of these immigrants from southeastern Europe, and there are none that take higher standing in the university than those who come to us from various European countries.

Let me come back to the point I was trying to emphasize. There is no use in bringing in all these immigrants from the various countries of the world and then refusing to give special consideration to them or declining to accept the obligations put upon us. We will have to adopt some policy of helping these people if we are to get the best from them. I should like to suggest a few recommendations which I have not the time to develop fully. The immigrants should be protected against exploitation, because they are particularly liable to this through their lack of knowledge of the English language. There should be provisions made for closer settlement than we have given them in the past. In some instance there should have been financial assistance and expert advice given, especially the latter, because many of the immigrants have had to learn at great cost to themselves what they might have been told had there been an arrangement such as we now have under the Soldier Settlement Board. There should have been a stricter enforcement of our school attendance, and curricula should be adapted to meet the needs of these newcomers. There should be special opportunities provided to enable the young people and adults to learn English. There should be instruction given in sanitation, and in farming methods, especially in dairying. This is being accomplished to a

greater degree to-day than it was at that time. There should be encouragement in the native handicrafts, some of which are wonderfully beautiful and would be a great asset if they could be developed. There should be a better mutual understanding between Canadians and the immigrants. I wish I had the time to develop this point. We have brought these people in and to a certain extent they have remained foreigners. We have maintained an isolated position. Unless this situation is altered we are laying up trouble for ourselves in the years to come.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. WOODSWORTH: I have been trying to emphasize that if we are to benefit by the labour of the immigrant, we must not refuse to accept the responsibility which his coming creates. If British trade unionists, accustomed to the right of organizing, accustomed to social insurance, desire to have similar conditions in this country, we must not call them agitators. If we bring in people of other languages, we must not wonder that they want to have the language rights of the minorities of Europe. If we bring in people of alien habits and customs, we must not expect them to live like puritan Englishmen. The tirades which we make against the foreigners, calling them bolsheviks, merely reveal our own ignorance. The immigrant brings with him his own mental, moral, social, religious and political backgrounds. His backgrounds are not those of either English Ontario or French Quebec. It is for us older Canadians to find common ground with the newcomer. Only in this way can we prevent what might become something of a Balkanization of this country. Only in this way can we build up a greater Canada which will be not an English Canada or a French Canada but a larger and more inclusive Canada in the building of which all these various people will contribute.

Mr. THOMAS McMILLAN (South Huron): I rise to dispel among other things two impressions which I consider are wrong impressions to go abroad from this house during this debate on immigration. The first is that we do not need immigrants and we should not encourage them. The second is that there are no opportunities for immigrants and that the government by its action has bludgeoned parts of our agricultural interests to such a degree that they are not able to take advantage of the opportunities which I believe Canada possesses. As regards the first, this is a land of opportunity and we should encourage the right kind of immigrants. I do not believe we should humble ourselves in order to get them, but we should cause the people of other lands to realize that Canada is a land of opportunity and that as long as they are of the right calibre, we would like to have them. There are in this world two classes of people. The one bends to circumstances; the other compels circumstances to bend to themselves. The one is always beset with difficulties; the other clears those difficulties away. In the end the one becomes a living embodiment of what the qualities of energy, industry and perseverance shall surely accomplish, while the other exhibits the miserable wreck following indolence, indecision and want of purpose. It is the first class of immigrants that we wish to have in this country, and consistently with reason we cannot have too many of them.

The impression that we do not need immigrants and that we cannot make provision for them is, from my experience, contrary to the fact. From my experience, not only in my province of Ontario but after an extended trip last year over the western provinces, I believe, if we can get immigrants of the proper stamp, the men who, when they come to this country and realize, as is the truth, that we have great opportunities, will turn those opportunities to their own advantage, there is ample provision for them in Canada. We are looking for them on the farms throughout the whole of my province of Ontario.

The next is that we are not using the agriculturists of this country aright; that we are bludgeoning more particularly the dairy interests, and that under the present regime they have not a chance to operate. What do hon. gentlemen opposite want. That has already revealed itself very clearly. It revealed itself in the efforts which have been made across the floor to get us to pass other orders in council whereby we may repeat the action taken when the previous government came into existence for such a short time. We know the very day they were sworn in, the 13th day of July, 1926, at one crack, for instance, the duty on tomatoes was jumped up from 30 per cent to 76½ per cent at the very time when the consumers of Canada, and more particularly of central Canada, wished to secure their supplies of fruits and vegetables. What is that if it is not protec-

tion with a vengeance? In other words, they do not care what tariff there is on goods or whether there is any at all when people do not want to buy the goods or at seasons when their friends have not the goods to sell. The whole thing is indefensible! What does it mean? It means that they may go to certain sectional interests in certain small areas of the country and say: We wish to get your support and in order to get it we will start and tinker with the tariff so that when your strawberries are ripe, as we were told from across the floor the other day, which is the very time when the people throughout Canada want to buy them, we will put on a high duty and compel them to buy from you. Of course this will cause the great mass of the people to pay more for their berries. That is what it will mean. In this way they can, by this dumping duty process, jack up the tariff and thus put these sections in the position that they can extort high prices for their berries and spread that high price over the table of every consumer in Canada. They will be able to spread an additional plaster over the table of every family in Canada in the case of all their fruits and vegetables. As a result of that kind of thing, our friends across the way under this vicious policy the evil of which they discovered and put into operation when they assumed power—this shadow government, which never had any good reason for its existence, and which tried to keep itself in power by—

Mr. HEAPS: I rise to a point of order. I should like to ask, Mr. Speaker, what the question of strawberries has to do with the report of the committee on immigration.

Mr. McMILLAN: When I rose I said that I wished to dispel two impressions which had been placed before the house, one of which was that this government was bludgeoning the dairying industry of this country. I propose to show that they are not bludgeoning the dairy industry, and that the dairying interests are the greatest interests in Canada to-day, so far as live stock is concerned.

Mr. DEPUTY SPEAKER: The hon. gentleman will have to connect up his remarks with the question now before the house, or he will be out of order.

Mr. McMILLAN: Thank you, Mr. Speaker. I will proceed to do so. They are now trying to work up a vicious spirit among the dairymen and butter makers of Canada, and are using the Australian treaty as a means of doing so.

Mr. GARDINER: Will the hon. gentleman permit a question? Will he tell us what he is reading from?

Mr. McMILLAN: I am reading from my own statement, which has been done pretty nearly every time any hon. gentleman across the floor from me has addressed the house this session. I am not quoting from anyone.

In other words, Mr. Speaker, after we have burdened all the people for the benefit of a few, we will now put the dairy farmer in a position, by means of this high tariff on butter, to enable him to charge every consumer in Canada a higher price for the butter they require for domestic use.

Mr. SHORT: I rise to a point of order, Mr. Speaker. Are you going to allow this gentleman to proceed to discuss the dairying interests of this country when the subject before the house is the report of the immigration committee, and he is reading his speech too?

Mr. McMILLAN: I appeal to you, Mr. Speaker, and to every member of the house if it is not a fact that when the hon. member for Frontenac-Addington (Mr. Edwards) was speaking this afternoon, he made the distinct charge that the government of this country was bludgeoning the greatest section of the agricultural industry of Canada.

Mr. EDWARDS (Frontenac): I never used the word bludgeoning.

Mr. McMILLAN: And he went on to say that therefore any immigration policy was no use. He said that that was the crux of the immigration situation in this country. I propose in a few words to show that the dairying interests in this country have been in a better position during the last few years than for many years previously.

What are the facts? I have before me the trade returns showing the exports of butter from Canada and the imports into Canada from all countries of the world for the last number of years, together with the prices in Montreal, New York and London. The facts are that up until very recently, under normal conditions, Great Britain has been the world's best market for butter, and consequently the greatest distributing and price-regulating market of the world. But what happened? In the fall of 1925 there was a seamen's strike in Australia, which stopped all shipping from Australia and New Zealand, the shipping of butter and every other commodity. As a consequence, there arose a scarcity of butter in the British market. In October, 1925, New Zealand butter in London was selling at 50.78

cents per pound; Australian butter in London, 47.74 cents, and Canadian butter in London, 46.87 cents. You will notice that Australian and New Zealand butter was higher than Canadian. Canada then shipped so much of our domestic product to Great Britain as to leave none for the supply of our own people; even our cold storage stock for winter use was not provided. As a result, up went the price of butter in Canada in 1926. Following are the prices of butter in Montreal, New York and London previous to March, 1926:

Date	Montreal	New York	New Zealand butter at London	Australian butter at London	Australian butter at Montreal
	c.	c.	c. c.	c. c.	c. c.
Dec. 1924	37	49	....	....	....
Feb. 1925	30	40·8	34·29 to 35·15	32·12 to 32·98	30·40 to 31·26
Oct. 1925	46	50·84	50·78	47·74	46·02 ....
Mar. 1926	46·5	42·78	36·46 to 37·32	35·15 to 36·02	.....

It will be observed from the above quotations that in March, 1926, butter in Montreal was 10 cents per pound higher than New Zealand or Australian butter was in London, and four cents per pound higher than it was even in New York. As a matter of record, the following are the prices of butter, in cents per pound, during 1927 to May, 1928, showing that during all the year 1927 the price of our butter in Montreal was higher than the price of Australian and New Zealand butter in London:

1927	New Zealand at London	Australian at London	Australian-Montreal parity	Montreal No. 1 pasteurized
Jan. 1	36·02—37·76	36·02—37·32	34·30—35·60	40·25—41·50
Feb. 5	37·32—37·76	36·02—36·89	34·30—35·17	41·00
Mar. 5	34·72—35·59	33·85—34·72	32·13—33·00	40·75—41·50
April 2	32·98—33·42	32·55—33·42	30·83—31·70	46·00—48·00
May 7	32·98—33·42	32·55—34·29	30·83—32·57	36·00—36·50
June 4	36·46—36·89	35·59—36·46	33·67—34·74	34·50
July 2	34·29—35·15	34·29—35·15	32·57—33·43	34·00—34·25
Aug. 6	35·59—36·46	35·15—36·02	33·43—34·30	34·50
Sept. 3	37·76—38·63	36·89—37·76	35·17—36·04	37·75—38·50
Oct. 1	38·63—39·93	38·19—39·06	36·47—37·34	38·50—38·75
Nov. 5	36·02—37·32	36·46—37·32	34·74—35·60	37·50—37·75
Dec. 3	36·02—37·32	36·02—36·89	34·30—35·17	37·50
1928				
Jan. 7	32·72—35·59	33·85—34·72	31·85—32·72	35·50—37·00
Feb. 4	34·72—35·59	33·85—34·72	32·72	35·25
Mar. 3	36·89—38·19	35·15—36·46	33·15—34·46	37·50—38·25
April 7	36·02—38·19	34·72—35·59	32·73—33·59	39·50
May 5	35·15—36·02	32·55—33·85	30·83—32·13	35·00—37·50
Week ending May 26th	....	.....	.....	33·25—33·50
May 28th	.....	.....	.....	33·50

No sales of Canadian butter at London during this period.

Mr. HEAPS: I must again rise to a point of order. The hon. gentleman was allowed to proceed before, Mr. Speaker, but you stated that he would have to show some connection between his remarks and the subject now before the house, which is the report of the immigration committee. I have been waiting for the connection, but I cannot see it.

Mr. McMILLAN: I am showing it.

[Mr. McMillan.]

Mr. DEPUTY SPEAKER: The point raised by the hon. gentleman is well taken. The hon. member should confine his remarks to the motion now before the house.

Some hon. MEMBERS: Immigration.

Mr. McMILLAN: I was proceeding to show, Mr. Speaker, that the observations made by hon. gentlemen opposite—and they were not called in question—were that this

government has been bludgeoning the dairy interests of this country to such a degree that immigration was futile, and it was useless to endeavour to encourage it. I am proceeding, sir, to show, and I think, beyond the shadow of a doubt, that the dairy industry is in a very favourable position in this country at the present time—so favourable as to dispel the erroneous impression that has been placed before the house by hon. gentlemen opposite. At this point I wish to call attention to the following figures:

Average Monthly Prices of Butter, New York

Fresh Extras 92 Score

(Equivalent to No. 1 Canadian Pasteurized)

	1925	1926	1927	1928
January	39.88	44.86	49.09	48.72
February	40.8	44.83	51.52	46.61
March	47.46	42.78	50.14	49.41
April	44.49	39.41	50.34	45.46
May	42.57	40.80	43.44	Week ending
June	42.43	41.11	42.48	May 26th
July	42.85	40.42	41.64	44.50
August	43.43	41.73	41.87	
September	48.14	44.58	46.41	
October	50.84	46.86	48.38	
November	50.63	50.53	49.79	
December	49.15	54.63	51.87	

As a result of those abnormal conditions Canada for the moment became the world's best market, and so butter was sent into Canada from Great Britain, Australia and New Zealand.

Imports from Great Britain

	Pounds
1926	2,062,893
1927	1,418,444
1928	1,325,190

Imports from Australia

	Pounds
1926	2,485,502
1927	801,324
1928	4,904,536

Imports from New Zealand

	Pounds
1926	2,342,966
1927	571,872
1928	13,623,917

This trade was due to the fact that the price of butter has been higher in Canada than elsewhere, with the exception of the United States, and of course there is twelve cents per pound duty on butter entering the United States. These conditions have obtained up to the present time and it is my candid opinion that the Australian treaty has very little to do with the price.

If Australia and New Zealand could get a better price for their butter elsewhere they would not send it to Canada. We have heard a great howl as to the injury to the dairy industry of Canada by these large imports of butter from New Zealand. There is nothing to that cry. That shows that the price of butter was higher in Canada than in Great Britain. The members of the Canadian National Dairy Council and our Tory politicians are simply barking up the wrong tree. They could use their strength to much better purpose. This butter was imported simply to supply a shortage. We have imported butter in years past. In the years 1913, 1914 and 1915 we imported six or seven million pounds a year, and then followed the most prosperous years the dairy industry has ever known in Canada.

If Canada had a surplus for export there would be no butter imported and the price would be relatively lower than it has been during the last two years. New Zealand would not ship any butter here if she could get a higher price in Great Britain, as she can send it at less cost to Great Britain than to Canada.

The Canadian National Dairy Council has had much to say about the large importations of butter from New Zealand and the great injury to the dairy industry of Canada therefrom, but in all their communications to me, and they have flooded me with communications, I should like to point out to them the fact that they have never announced to me that the president of the Canadian National Dairy Council, Mr. J. A. Calder, Regina, has himself been importing New Zealand butter for speculative purposes. In February last he was reported as having had 5,500 boxes of 56 pounds each, or 308,000 pounds of this butter in store at Vancouver, B.C. The fact is, Mr. Chairman, the pessimistic propaganda carried on during the past winter had its origin not so much in a concern for the producer as in the interest of the creamery operators and cold storage speculators who were holding butter in cold storage for future sale.

The Canadian National Dairy Council claims that it is not seeking higher duties on butter but asking only that the government restore previously existing higher rates, but the fact is as I must remind the house again, that during this time butter was a higher price in Canada than in Britain.

In the literature sent out by the dairy council there is much which should be explained. Among the members of their organization are prominent makers of butter. They are creamery owners. One of the most active in the association is J. A. Calder, head of the Saskatchewan Cooperative Creameries and also, as I have said, the president of the Canadian dairy council. In the statement sent is the following:

> The market trends show definitely that the effect of importation (importation of New Zealand butter) has lowered the price of butter fat paid to producers without compensation to the consumer.

Mr. SPEAKER: Order. It is true that the hon. member for Frontenac-Addington (Mr. Edwards) in the course of his address stated incidentally that the dairy policy of the government was detrimental to immigration. But even so, the hon. gentleman should confine his remarks to the question of immigration. Not the butter policy of the government, but its immigration policy is the subject before the house.

Mr. McMILLAN: Thank you, Mr. Speaker, I assure you that I am willing at once to bow to your decision, in this way, that the future of the agriculture of Canada is at stake, and if this discussion on the immigration problem is broadcast all over the country, with the idea—not contradicted—that the government has been bludgeoning the agricultural interests of Canada to such a degree that there is no need for immigration, I say it is the very worst thing that can happen to this Dominion. I say so, sir, because of the fact that I have been in this business all my life, I know what dairying is, and I know that if there is one section of the farming industry of Canada which should be given every encouragement and a fair chance and justice not only before the eyes of the Canadian people, but of the whole world, it is the dairy industry of Canada.

Now, sir, let me read from this report.

Some hon. MEMBERS: Immigration?

Mr. McMILLAN: Yes, this is the immigration report. This applies to the amendment as well. It is stated that the key to the solution of the whole problem is such development and extension of employment in Canadian agriculture, mining, forestry and manufacturing as will readily absorb incoming settlers. How can we more acceptably absorb incoming settlers in agriculture than by showing to the people of Canada that this government is doing everything it possibly can for the agricultural industry? We are told that the government has been bludgeoning the agricultural interests. I want to give some quotations from the Market Examiner of Calgary setting out the prices of butter and butter fat:

1924	Butter	Butter fat	Spread in price between butter and butter fat
	Cents	Cents	Cents
January	45	34	11
February	45	34	11
March	45	34	11
April	41	32	9
May	36	30	6
June	35	31	4
July	35	28	7
August	35	28	7
September	37	30	7
October	37	30	7
November	37	30	7
December	40	32	8

Average spread, 7 11/12 cents per pound.

The table shows that in 1924, before the Australian treaty came into force, there was a spread of 7 11/12 cents per pound. If we take the figures for the last twelve months, June, 1927 to May, 1928, we find that with the exception of four months the price of butter was higher than it was in 1924; and the spread between the prices of butter and butter fat is less now than it was before, being 5½ cents as compared with 7 11/12 as in 1924. These are the facts revealed by price comparisons.

Now what is being done by the National Dairy Council and my hon. friends who are discussing immigration from the standpoint of their own party? The prices of butter are up, sharply up; the prices of butter fat are up still more sharply. But the spread in price between butter fat and butter is over two cents less now than it was before the treaty came into force, and probably less than at any time in the past. Are interested people trying to tell the farmers things that are not true? Price comparisons reveal the situation. What has the Canadian National Dairy Council to say regarding these matters? We must keep agriculture in Canada prosperous, and I would direct the attention of the house as well as of Canadian dairymen to the increasing demands for dairy products in the United States, which will mean a good deal to future immigration into Canada. The imports into the United States now exceed

the exports very materially. For the year ending December 1926 the export of all dairy products from the United States, when reduced to a fat basis, amounted to approximately 16,000,000 pounds while the imports on the same basis for the same period were 60,000,000 pounds, or a net import of over 44,000,000 pounds.

The following table gives the proportion of our exports to the United States, showing increases in the last eight years. The total exports from Canada, and the percentage of these exports to the United States, stated in terms of butter fat, are as follows:

Years ended March 31	Total fat exported from Canada	Exported to United States	Per cent of total exports
	Pounds	Pounds	
1919. . .	76,232,282	6,282,582	8.2
1923. . .	72,038,141	12,564,093	17.4
1927. . .	84,903,139	27,599,925	32.5

Practically one-third of our total exports was to the United States during the fiscal year ended March 31, 1927. The proportions will be considerably larger during the present year. Cream is the largest item in these exports at present. It was in 1911 that cream and milk were first listed as separate items in the exports, but comparatively small quantities had been exported for some years previously. In 1919 the exports of cream were 485,015 gallons and the exports of milk 827,973 gallons. In 1923 the cream exports were 1,712,241 gallons and the milk exports were practically the same as in 1919. In 1927 the exports of cream were 4,495,917 gallons and of milk 4,886,445 gallons. As a matter of record I will give the exports of cream and milk since 1911:

Milk and cream exported from Canada to United States

Year ending March	Milk	Cream	Total fat equivalent
	Gallons	Gallons	Pounds
1911. . .	58,102	1,823,821	8,045,757
1912. . .	7,771	886,174	3,901,966
1913. . .	7,939	820,360	3,612,446
1914. . .	307,188	1,323,909	5,935,940
1915. . .	477,692	1,859,575	8,354,337
1916. . .	394,831	1,262,280	5,696,368
1917. . .	760,805	803,498	3,809,661
1918. . .	1,116,362	585,601	2,979,092
1919. . .	827,973	485,015	2,432,550
1920. . .	1,985,113	795,780	4,217,065
1921. . .	1,508,618	1,279,195	6,172,314
1922. . .	1,391,299	1,671,678	7,856,946
1923. . .	856,039	1,712,241	7,842,462
1924. . .	2,191,395	2,783,866	13,039,007
1925. . .	3,088,212	3,384,186	16,003,718
1926. . .	4,598,199	4,120,181	19,786,446
1927. . .	4,886,445	4,495,917	21,543,597

I am not suggesting for a moment that there is an immediate market in the United States for all our surplus products but I think it must be apparent, in view of all the facts that unless the unexpected happens the future of our export trade must be closely connected with that country. I have thought until recently that the high prices prevailing in the United States would encourage production sufficiently to meet all demands, but that is not the case. It is evident that for some years the population of the United States has been increasing faster than the number of cows. In 1890 there was one cow for every three persons; in 1910 one for every 4.2; in 1920, one for every 4.9; and as at January 1, 1927, one for every 5.2. No doubt the yield per cow has increased but the per capita consumption has also increased. Between 1919 and 1924 the number of cattle in the United States decreased by 2,192,000 head while the number of persons increased over 10,000,000. American agriculture is not in the prosperous condition in which it ought to be, showing amongst other things that high protection in the United States has not benefited that industry. In fact, when President Coolidge recently vetoed the McNary-Haugen bill, Senator Blaine from the great dairy state of Wisconsin declared that he did not believe the American duty upon butter was any good for the farmers of his state. He even went further and stated that when the import duty on butter was raised from 8 to 12 cents per pound the price of butter dropped in Chicago below the price in Montreal. His opinion is that the American tariff on butter benefits only the great corporations that hold butter in cold storage and put up the price to the consumer in the fall, winter and early spring. The Canadian government is doing everything it possibly can to encourage immigration and to give immigrants an opportunity to make good in agriculture in this country. The following presents the conditions so far as the storage of butter in Canada is concerned.

Butter in Canadian Storage

		Increase
		%
Dec. 1, 1926..	19,349,417	
Dec. 1, 1927..	26,932,669	39.1
Jan. 1, 1927..	14,117,034	
Jan. 1, 1928..	21,184,694	50.
Feb. 1, 1927..	8,902,513	
Feb. 1, 1928..	18,731,027	110.4
Mar. 1, 1927..	6,552,935	
Mar. 1, 1928..	12,419,030	89.52

Notice the great increase in the quantities of butter held in cold storage in the months of December, 1927, and in January, February, and March, 1928, as compared with the same months in the previous year, and draw your own conclusions as to whether the howl over

the danger of reducing the price of butter did not come largely from the speculators who were holding butter in cold storage and who were very much afraid they were going to be stung. Do not the conclusions of Senator Blaine of Wisconsin apply with even greater force to the condition of the Canadian butter trade during the past few months, and is it not a fortunate thing that we have a government in power in Canada of such a calibre that it will not be stampeded by the hollow protestations of the Canadian National Dairy Council? Are not the facts sufficiently forcible to cause the government to consider seriously whether the grant should not be withdrawn from any association which would act in such a manner? This reveals the same story in the butter trade as was disclosed in the fruit and vegetable situation when Mr. Burrows, the secretary of the horticultural society, was making his boast openly that he would make protectionists out of the farmers of Canada.

The whole agitation along these lines is such a sham and deception that it is high time the farmers in every section of Canada were apprised of the fact. So long as the present government continue to follow a real, live, vigorous and progressive program as it has done in the past, this young country cannot afford to drop back under Conservative rule.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I rise not to speak of butter but to deal with immigration. However, I greatly admired the indifference of the last speaker (Mr. McMillan) to all the joviality which interrupted his remarks. Just a few moments ago one of my friends asked how long I was going to speak, and I told him I would speak as long as the subject under discussion needed to be spoken to. I know there probably have been speeches which have taken up too much time, but I think hon. members will agree that I have never taken up the time of this house unnecessarily, and I do not want to do so to-night. The other day in a book one of the hon. members on this side of the house lent me, entitled Disraeli, and which I have just handed back to him, I read of a little episode which happened in the British House of Commons. When Gladstone was a young man he asked his then leader whether in his speech he should be short and concise, but his leader told him to be long and diffuse. I will try to be as concise as possible, even though my speech may be a little longer than is necessary.

I was very much surprised when the Minister of Railways (Mr. Dunning) told this house that he was an immigrant; I did not know that, and at the time I wondered if he came to Canada under any such scheme as the present proposed plan of decreased rates. I am sure if he had he would not have become the great man he is to-day; he never would have reached the eminent position he now occupies. Much has been said on the subject of immigration; many people would like to see this country populated over night; others would like to see immigration brought about gradually, and still others refute an immigration policy altogether from an economic standpoint. But no matter how we may view immigration the question is always before us pressing for a solution. Superficially we might come to the conclusion that Canada needs more people; we might say that Canada is such a vast country with such great resources that our population is absurdly out of proportion to our real and potential possibilities as a great nation.

Some people wonder why we should pay such a heavy toll for the upkeep of our roads, our schools, our transportation systems and other facilities which are necessary in this modern world. Every time I take the trip from Ottawa to Winnipeg or vice versa I am very much impressed by that uninhabited region through which I pass, and which adds to the burden we must carry to-day with regard to freight rates, and indirectly the up-keep of our great transcontinental railways, because of the few people who live in that region. In my opinion northern Ontario never will offer any inducement to immigration until something is found in that locality in the way of mineral deposits; until we find these minerals that region always will offer a serious obstacle to our economic development. Incidentally, I wonder whether something of this sort was not in the fertile mind of the hon. member for Labelle (Mr. Bourassa) when he spoke of Canada being a geographical absurdity.

Of course it is in western Canada that the problem of immigration is now concentrated, because there we have some of the finest land in the world still unoccupied. Therefore the successful colonization of this land must engage the attention of the government if we are to derive any benefits from an immigration policy. Undoubtedly to-day the western farmers bear great financial burdens because of the sparse settlement of some parts of our country, and I have noticed that some members of this house have stated that these burdens could be greatly lessened if more of our land were occupied. They also say

that a greater settlement of the land would benefit not only the farmers but also the manufacturers; they claim that manufactures are not possible without a population, and that if we have no people in our country there will be no market for the products of our factories. They argue that manufacturers cannot exist unless there are markets, and since the consumption of goods must be local, the different localities must become populated. In other words we must have more people engaged in farming, fishing, stock raising and gardening.

So far as I have listened to the debate there seems to be no serious objection to immigration as such, but rather to the class of people we are bringing into Canada, the methods we are employing in order to induce them to come, and the inducements we offer to obtain the right type. As regards the proper class of immigrants that we should bring to Canada, I think the government, after thirty years of immigration, should know by this time the types which are most desirable for Canada. They should know the types that have become amenable to our laws and our constitution.

So far as the immigrants who have made new homes for themselves in Alberta are concerned, I can say most emphatically and without any fear of contradiction that they have become excellent home builders—not merely house builders but home builders. They have become home builders whose bodies and spirits are in Canada. There are some immigrants who come to Canada whose bodies are here but whose spirits are somewhere in New York, Massachusetts, Rhode Island or any of the other great industrial states of the American union. I have spoken of the word "home". I wonder if hon. members realize the full meaning of that word? On whether or not we realize the significance of the word home depends to a great measure the future welfare and well being of our country. If our immigrants have this home loving instinct I do not think we need fear for the future of the country. If they lack it, I am positive in the belief that degeneration is inevitable. I contend that when a man comes to Canada with the main intention of building a home he has therein the fundamental qualities of good citizenship. If we are to have a policy of immigration, let us give the immigrant a chance to build for himself a home, and we can take it for granted that he will obey our laws and be amenable to our constitution. I think of home as having a personal quality; it is humanly and profoundly fundamental; it is made up of composite personalities, the people of one family who live in the same house and whose devotion to each other results in that elusive but much sought for thing we call happiness. When the German, Scandinavian or central European lands on our shores he first thinks of liberty, then a home, and then happiness. It is the same thing the loyalists had in their minds when they left the United States after the year 1776. When they come here do they become disillusioned? In some cases, yes, but in most cases, no. The immigrants who come here, especially from the northern parts of Europe, and even from the central parts of Europe, are too thrifty, too sturdy, too persevering and too determined to reclaim for themselves a home in Canada to be easily disillusioned.

As far as I have been able to observe, the type we have brought in here has been of the class which is poorest so far as material possessions are concerned. They lived very simply over in the old country; their food was the simplest and poorest, yet they throve very well on it. They had no home conveniences such as we have in Canada; their dwellings were the rudest, and yet they dearly loved them. Their family life was much deeper than is usually the case on the American continent, and their whole lives were circumscribed by their immediate surroundings. They lived in these little rude huts I have mentioned and their whole world was the land on which they lived. You may ask, Mr. Speaker, why it is the central European yearns so ardently for the shores of Canada. I think I have the answer; it is land hunger. It is that fervent desire to build for himself a home; it is that history making impulse that causes people to leave their homeland and seek foreign shores. It is the eternal march of humanity, the eternal search for happiness in ownership of the soil —in other words, a desire for a genuine home.

My feelings, Mr. Speaker, with respect to this subject are intense. If, therefore, any hon. member were to ask me what type I would want brought to Canada, I would immediately answer, the home loving type. It is home that makes character, and it is character that determines destiny, and it is home making that is the mainspring of all civilization and human progress. All these elements are component elements; they are intermingled very closely and all spring from the one parent root—home. You might say, "Ah, but was it not the restless, cultured

and debonair Normans who conquered England in the year 1066?" My answer to that would be, Yes, but was it not the home loving Anglo-Saxon who finally assimilated the more cultured conqueror?

I think it would be a wrong policy, Mr. Speaker, to advocate the bringing over of large numbers of people in order to take away the jobs that rightly belong to the Canadian boys in Canada.

Miss MACPHAIL: And the girls.

Mr. LUCHKOVICH: And the girls also. I met a man on the train the other day who wanted to know why so many of the immigrants who come to our shores are men with very little education. I think I can explain why. Most of them may be men without very much education, but they have very high ideals. I do not think our policy should be directed to bringing people into this country unless we are ready to give them work. I do not think we should embark on an immigration policy unless this country is ready for it from an economic standpoint. Furthermore, I do not think we should stimulate immigration by artificial means, because by doing so we shall only defeat the ends for which the immigration policy was inaugurated. By stimulating immigration artificially we discourage the pioneering individual and turn our immigrants into sissies or mollycoddles, whose only purpose in coming to Canada is to use this country as a back door through which to slip into the United States.

Miss MACPHAIL: What do you mean by "sissies"?

Mr. STEVENS: That is well understood.

Mr. LUCHKOVICH: He is not a red-blooded individual by any means. I have never yet known a man who appreciated a home that was virtually handed to him, and I have never yet known a man to appreciate a home which was not erected by the toil of his own hands or the sweat of his own brow. I have never yet known a home loving man whose home loving qualities were not engendered by honest, plodding toil.

I also think great care should be taken in the selection of our immigrants. The selection of our immigrants as well as the placing of them when they get here should be a government duty. The immigrants should be sound both in body and in mind, and they should be intelligent. They should be imbued with the idea that while the government is giving them a chance when they come here to build homes for themselves and therefore to share in the benefits that such homes give them in Canada, they should at the same time be prepared to share with us the burdens and responsibilities that such citizenship entails. A learned man once said that "every choice we make is for an eternity," and it is only reasonable, therefore, to conclude that when the immigrant comes here, he and his offspring will remain in Canada for all generations and all time. Therefore if the government is to continue its policy of inducing immigrants to come here it should bring in the type of immigrant that is adaptable to a country like ours. I may say, when I speak in this way, that I advocate bringing in people who are of peasant stock. The peasants are emphatically an adaptable type. A great poet once said:

> Ill fares the land, to hast'ning ills a prey,
> Where wealth accumulates and men decay;
> Princes and lords may flourish, or may fade;
> A breath can make them, as a breath has made:
> But a bold peasantry, their country's pride,
> When once destroyed, can never be supplied.

I do not think it is wise to embark upon a wholesale immigration to Canada. Just as I think it is folly to bring over to Canada the riffraff of Europe, so I think it is equally foolhardy to bring in too big an influx. Just as I think it is the height of wisdom to bring in the sturdy, pioneering, home-loving types, so I think it is equally wise that our policy should be one of quality rather than one of quantity. Premier Baldwin in a recent speech in Canada had this to say:

> Canada has an enormous future and, if it be not impertinent to say so to Canadians, I would say: The future is with you; do not be in too much of a hurry. Your country is a country for virile races. Quality before quantity any day. Build up with the best. What does it matter if it is a hundred years or more before your country is full? Keep the stock you have, and the men and women you have, and see to it that the coming generations are in no whit inferior to them. I have often thought that it is a dangerous thing to the morale of a nation to get rich quickly, as it is to an individual. Time is on your side. Maintain the values; maintain the standards; and may the prayer of Canada always be the prayer of the Greek sailor, which has been preserved for us by Seneca: "God, you may save me if you will; you may sink me if you will; but whatever happens, I will always keep my rudder true".

There is a world of philosophy in that statement—"I will always keep my rudder true." Surely that is the spirit not of the mollycoddle but of the red-blooded pioneer.

Now that I have said something about the type of immigrant that we should allow to come into Canada, I shall speak for a few moments about the classification of those immigrants into the preferred, the non-preferred

and the undesirable. This classification in many cases is an unjust one, because those put on the non-preferred list might in some cases be placed on the preferred list, and it is possible that even some who are classed as undesirable might be put on the non-preferred or even on the preferred list. You cannot expunge a fact by a mere recital which is not a fact. I think it was Abraham Lincoln who once asked a friend of his this question: "If you call a dog's tail a leg, how many legs would that dog have?" The answer was: "Five." "No", said Lincoln, "You cannot make a leg out of a tail by merely calling it a leg." So in the same manner putting a man on the non-preferred list should not always mean that he is a non-preferred immigrant. I agree with what has been said about undesirable immigrants, that if they are not amenable to our laws and constitution, they should not be allowed to come into the country. I hope hon. members will not misunderstand me when I speak on the question of immigration. I make absolutely no differentiation as to race, or even religion. I speak merely on principle and I oppose the principle of extending financial aid to immigrants in order to stimulate immigration, because I think this is based on a principle that is fallacious, dangerous and absolutely inimical to the purpose for which it was inaugurated. Canada is still a young and primitive country. We have not yet reached the point where the modern conveniences of present-day civilized life begin and where pioneering ends. I have never yet heard in the history of the world of a successful subsidized immigration and I have also never heard of an overfed, pampered and petted person who ever amounted to anything. It is for that reason that I oppose any financial aid to immigration. I know it is dangerous to endeavour to teach a man to swim merely by throwing him into the ocean. But let us remember that there is always somebody in the crew who is ready to throw out a line in order to draw him back on to the deck of the ship. In the same manner in a pioneering community there is always somebody ready to extend a helping hand in times of greatest difficulties. Therefore, other things being equal, if the immigrant has the will and if he is made of the proper stuff, I have absolutely no doubt that he will make good in a country like Canada.

I have often wondered whether it would not be an improvement on our present system if something were done to make Canadian residents who bring in immigrants on affidavits actually responsible for those immigrants when they come into Canada. I have known cases where immigrants upon their arrival in Canada found that the people who had signed affidavits in order to bring them here repudiated the affidavits or eschewed all responsibility for them and would have nothing to do with the immigrants. I have in mind the case of a young girl who came to Canada about two years ago. She also came over here on an affidavit signed by an Alberta farmer. When she arrived, he eschewed all responsibility for his affidavit, and would not give her the work she expected to find when she came to Alberta. She is now being bandied about from one farmer to another, and they are taking advantage of that situation. She is receiving no wages, but is living in the hope that the work and the remuneration she expected to find in Alberta before her departure for Canada will be forthcoming. Cases like this are by no means rare. I merely cite this instance in order to give an example of what is being done, not only in the province of Alberta, but all over Canada. It might be argued, therefore, that only families already resident in Canada should be allowed to bring people in on affidavits. I personally think it would be a very good thing, because when the immigrant arrived in this country somebody in Canada would be responsible for him, and this would prevent the immigrant becoming a charge on the country and from joining the numerous breadlines which we have all over the country even at the present time.

With regard to the immigrants and their susceptibility to our laws and constitution, and their readiness to accept those laws and that constitution, I know that I am dealing with a subject that is of grave concern to many people in Canada. It is of grave concern for this reason, that they see in the coming of foreigners to our shores a potential menace to everything that they hold as dear as life itself. I have noticed also that the coming of immigrants to our shores has caused a great stir in our social, political and educational circles, directed, no doubt, with a view to welcoming the immigrant and with a view to assimilating our immigration within as short a time as possible. The subject is at once a dangerous one, and also very contentious and very delicate. It is difficult indeed to deal with a subject like this without stepping on the toes of immigrants, and also without hurting the sensibilities of the native born. There are many realities in life such as religion, race, love and patriotism, which can be overdone. I intend to deal merely with the question of assimilation so far as it has to do with the questions of race and patriotism.

To begin with, there have been many plans for the quick assimilation of the immigrant.

One of them has been to sandwich the immigrant in with the rest of the races in Canada. So far as this sandwiching plan is concerned, I have this to say: I actually know how it works. It is possible to tolerate the immigrant only so far as he obeys our laws and also respects our constitution, but when it comes to accepting him in our social circles, that is a different matter. It is a different matter also for the immigrant. What does it all result in? It results in the immigrant trying to seek his own level; in other words, he leaves the locality to which he originally came, and goes to another where he hopes to find his own level.

It has been said also that the segregation of the immigrants in large colonies is not conducive to ready assimilation, that it results in an imperium in imperio, or a nation within a nation. When we make remarks like that I think we stretch our imagination a little too far. The immigrant is a human being just like ourselves. He differs from us in no way except in language and certain racial characteristics, and surely in the matter of worldly-wise self consciousness he is not the sophisticated human being that a good many of us are.

There have been two ways in which the immigrant has been looked upon in Canada. One is the mystical attitude, and the other is the rational one. The rational attitude is the one we employ in our everyday life. The mystical attitude is the attitude which we often adopt towards him when we are not in a very good mood, when we are not very well disposed towards him. The rational mood, I would say, would be the more humane. The mystical attitude is the one which smacks more of prejudice, discrimination, and in less democratic countries than ours it virtually amounts to persecution. We on this side of the ocean are more sensitive than we appear. The mere vague annoyance which our own supersession in this country causes us is combined with our antipathy towards anyone and anything foreign. We are obsessed with that mystical attitude which repels everything we are not used to, and it is precisely this attitude which causes such a great gulf to be made between the different racial elements in our country. It is this attitude that makes us look with horror upon the farmer driving into town in his sheepskin coat, and upon the woman dressed in shawl and top boots coming home from market with a duck under one arm and a chicken under the other, in preparation for the family dinner. Why, even the foreigner's thrift and industry is viewed by us sometimes with hostility and suspicion. Of course we must recognize that the Canadian views the foreigner from his own individual and very limited angle. He does not realize that the shadow of penury hangs very frequently over the newcomer and that everything he owns and attains in the way of the material things of life and education depends wholly upon his thrift and industry. The same can be said of the children of the immigrant at school. The immigrant's son or daughter must not fail, because he cannot afford to support his children on his paltry income. They must extend themselves to the limit at all times, for it is only by the greatest economy of finance that these poor people are able to get an education.

It is these things and a multitude of others that must be considered in the light of their effect upon the mind of the Canadian; for it is precisely these things that produce that typical mystical attitude towards the less fortunate newcomer. Yet, Mr. Speaker, I think if we were able to visualize ourselves in the immigrant's position we would realize exactly what his feelings are; we would understand his attitude better, and we would come to a more reasonable solution of the question than we have done up to the present. At any rate it would help to break down the present barriers of misunderstanding between the different racial elements in our population, and it would also result in clear and sane thinking, without which no true progress can take place.

Now, sir, from what I have said with respect to this question I may be considered an ultra idealist, and my contribution may be thought impracticable, but I hope not. Despite everything that has been said against the immigrant, I think the day is not far distant when all the animosities engendered by racial conflicts not only in Europe but even on this continent will give way to a more reasonable attitude and will bring about a sound solution of the whole question. I look forward to the time when all these racial misunderstandings will disappear and will recede into the dim and distant past as relics of a barbaric and savage age.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I do not intend to detain the house at any great length, but I think it is important that something should be told about the work of the committee. It seems to me that a good deal of what has been said this afternoon is somewhat theoretical. We who have had to do with immigration have read in the press from time to time statements made by hon. gentlemen on the opposite side of the house that there

was a laxity on the part of the government and the governmental services in securing immigration. But we have always argued that before we bring in immigrants under present-day conditions there must be placement for them, or we would have a condition of affairs that would not be good for the country. Hon. gentlemen opposite have argued that their fiscal policy would cure the whole situation, for according to them there would be work for everyone who cared to come to it. Well, that is not borne out by the state of affairs across the line. In that country they have the kind of fiscal policy that my hon. friends opposite have been advocating with such enthusiasm, but conditions there are not one whit better than here, or even as good.

Mr. MANION: But they have a quota law.

Mr. STEWART (Edmonton): I am not speaking of the quota law at the moment. I am merely answering the statement made by my hon. friend from Frontenac-Addington (Mr. Edwards). I think it is answered sufficiently in that curt comparison with respect to the fiscal situation in both countries.

When the committee was instructed to consider the whole question of immigration under the motion proposed by the Prime Minister (Mr. Mackenzie King), we summoned before the committee people who, we thought, knew something about immigration in order that we might get the best advice possible. We listened to them with a great deal of interest. Let me mention a few of these gentlemen: Mr. W. J. Black, director of colonization of the Canadian National Railways; Mr. J. S. Dennis, director of colonization of the Canadian Pacific Railway; Sir Henry Thornton, president of the Canadian National Railways; Mr. E. W. Beatty, president of the Canadian Pacific Railway; Sir Joseph Flavelle; Hon. George Langley; Mr. C. A. Magrath. We also had a very interesting speech from a gentleman who I regret was injured in the performance of his parliamentary duties, and who since that time has not been in the house. I refer to the hon. member for Vancouver North (Mr. McRae). Frankly, I had thought we would have secured a greater amount of direction from these gentlemen than appears in the evidence itself when we analyze it.

I hope I am right in thinking that in the 245 members of this house we have a pretty fair representation of the public opinion of the Dominion, and consequently I have listened with a great deal of interest to the speeches made to-day. True, forty minutes is scarcely sufficient to express oneself fully on an important question of this kind. However, I have arrived at the conclusion that there is no very strong opinion in favour of assisted land settlement; if there is I have yet to hear it. Not only was there considerable opposition evident in the committee, but very little was said in favour of such a scheme. I agree to some extent with the last speaker (Mr. Luchkovich) that it is not the best policy to adopt to encourage immigration and increase our population.

In respect to bringing people from Great Britain to this country, we find a peculiar situation. I think it is the desire of everyone to keep Canada what she has always been, a great Dominion; but behind that there is the sentiment of Canadians sprung from British stock that Canada is a part of the great British commonwealth and shall always remain so. And I take issue with those who say we have no right to make selection of the people who shall come to live amongst us. We have every right to make such a selection. I do not bar anyone in that statement, but I do submit that we possess the inherent right to say who shall become Canadian citizens. That is the right of every nation in the world: I made this statement in the committee and I repeat it to-night: I know of no country in Christendom which is more generous than Canada in opening its doors to the nationals of other countries. I make that statement because I believe it is our privilege and our right to do so if we wish. If we desire to increase immigration, from the mother country particularly, and to further the larger object of promoting the welfare of the empire as a whole, if that is the desire of the majority of the members of this house as representative of public opinion in Canada, then no doubt to a certain degree we can assist in bringing in people from the old land. The committee went into that question thoroughly and their deductions and decisions are embodied in the recommendation.

We say, first, dealing with British immigration, that in our opinion the introduction of young people into Canada should be encouraged and extended; that is one of our recommendations. We believe that the field for domestics is a large one in Canada and that aid by way of assisted pasasge should be continued to that class of people coming from Great Britain. There are in Canada at the moment a large number of men who are separated from their families, some of whom came under the assisted passage scheme; others paid their own passage entirely. These men desire to bring out their families and we recommend to parliament

that this class of people now in Canada, these citizens, should be given assistance to bring their families to Canada in order that they may take up permanent abode here.

We discovered in our investigations in regard to land settlement—because it has largely to do with provincial affairs—that a scheme was in operation on a very small scale in two of the provinces in Canada under a tripartite agreement, whereby the province put up a certain amount, the government of Great Britain contributed something, and the Dominion of Canada lent its good offices to recruit and settle the individual. We recommend such an extension of this scheme as would bring about satisfactory results.

Then we come to the most crucial part of the whole business. We discovered that in recent years the increase in rates to immigrants from Great Britain had been 200 per cent, in the case of persons coming to Canada, as against 100 per cent in the case of those going to Australia. We strongly recommend that immediate steps be taken to secure if possible from the steamship companies a reduction of rates to £10 to all intending immigrants from Great Britain.

These are some very definite recommendations which the committee have made, and made unanimously. Someone has said that there is no meat in the proposals of the committee.

Mr. BENNETT: Hear, hear.

Mr. STEWART (Edmonton): Possibly so. My hon. friend says, "hear, hear." May I say to the hon. gentleman that the committee is dealing with many more questions than the one introduced in the amendment to-day.

Mr. BENNETT: It was immigration and colonization.

Mr. STEWART (Edmonton): The recommendation of the committee with respect to recruitment is quite concise and clear, that no matter what agency may be securing immigration it shall be responsible to and under the control of the federal authorities, and that the Department of Immigration shall use its best endeavours to cooperate in the work of colonization with the provinces themselves to the extent of paying for an organization which the province might set up for the purpose.

I feel rather strongly on this question, for this reason: If the provincial government will undertake this responsibility, particularly as it affects agricultural settlement, we shall have solved what is now a very difficult problem, with which we must deal before very long. Since 1922 I have had the idea that it was my duty to undertake the responsibility of devising some remedies for the situation that has existed, and I still feel that the provinces, with an organization created by themselves, could much more acceptably carry out this work than it can be done by officers of the federal government, removed by such great distances from Ottawa. Not only are we interested in the boy settlement and in the bringing out of girls, and visiting these young immigrants to see how they are getting along, as well as giving necessary supervision; the same thing applies if a settler is going on the land. Indeed, it applies in every direction, and I have a word or two to say as to how it would apply in industrial activity.

These are the principal recommendations, except this: that for the settlement of these British youths who come to Canada there now exists an arrangement with the British government who are prepared to make a loan for the establishment of these boys when they reach a certain age, to place them on farms. They are given a loan if they have accumulated $500 themselves. The committee thought that it would be wisdom on our part, after hearing the evidence of Professor Barton and of some other enthusiasts who are training Canadian youths in agriculture, that we should offer the same measure of assistance from the federal government to our own Canadian boys, who are receiving some training, as we are prepared to offer to the British youths who were assisted by their own government as well. There are hon. gentlemen in this house who will admit that this is a step in the right direction; it is an endeavour to retain the best kind of immigration we can possibly have—our own boys—and to keep them on the land, helping them to establish themselves there.

Now with respect to passages, we deemed it important that the passage rate should be reduced—important because we believe that the individual who accepts an assisted passage does feel under some obligation to the government for having helped in his transportation from Great Britain to Canada. He will feel very much better if he realizes that he is paying his passage, and every individual who comes as an immigrant from Great Britain will pay £10 and come under the old rates. Thereby we shall perhaps have wiped out what is a more or less serious difficulty which has retarded immigration from Great Britain. So far as British immigration is concerned, that is our chief recommendation.

Dealing with the matter of colonization, I may say that a good deal of attention was given this question. I have stated that we discarded the idea of assisted land settlement except to the extent that it might come under the tripartite agreement on the part of the British, the Canadian and the provincial government in Canada. We have sought to bring down the passage rates in order, as I have stated, that every British immigrant, whether coming for industrial employment or as an agriculturist, may enjoy the same ocean rate from Great Britain to the Dominion. This brings me to the last important clause. There are many others in our recommendations, but what I have said introduces the last important clause in the recommendations of the committee. It also brings me to the amendment proposed by my hon. friend from St. Lawrence-St. George (Mr. Cahan). May I say that with the main portion of the hon. gentleman's motion I agree. But it is embodied in the recommendations. This motion was discussed in the committee and now I am going to take exactly the same ground that I took in that committee. I agree with the suggestion that an industrial and agricultural survey of Canada should be made, that it should be supervised and paid for by the federal government and that the provincial agencies should be asked to cooperate. Just here I might mention why I feel rather strongly on this matter. A year or two ago the city of Winnipeg felt that something might be done to encourage industries to locate in that city, and they asked the natural resources intelligence branch of my department to supply them with a man who had some knowledge of industrial conditions. We have men who make surveys of industrial conditions and report to us for the purpose of securing information on these matters, and we have gone some distance in developing the idea. At that time I did have an individual whom I could recommend, and we sent one of our investigators to Winnipeg, where he spent about two weeks. The business men of Winnipeg organized an industrial association, and I was pleased to learn the other day, from one of the members of that association who visited Ottawa in connection with a delegation which came to interview me with respect to the Seven Sisters falls development, that partly through the efforts of this gentleman but chiefly through the activities of that organization they had been able to locate thirteen new industries in the city of Winnipeg.

There are tremendous possibilities in this idea, and I thoroughly agree with my hon. friend for St. Lawrence-St. George that we should not confine ourselves to agricultural immigration. There are possibilities for industrial workers in Canada if encouragement is given, in order to make a success of our urban centres in addition to bringing settlers to the rural parts of the country. However, I take issue with him when he says this work should not be tied up to the Department of Immigration, that it should be undertaken by someone who has nothing to do with immigration. I would like to point out that some of the criticism in the proposed amendment touches the Department of Immigration because this work has not been carried out. The work of that department is to ascertain where individuals who are desirous of coming to Canada can be best placed and to undertake to see that there is no overflow of labour which cannot be absorbed. The moment there is a place for additional men, either our own people or those who may come to us, then it is the business of the Department of Immigration to make that fact known and to recruit immigrants in the various countries from which we desire to secure immigration. That is the difference between my hon. friend and myself with respect to this matter.

Something was said by one of the speakers with respect to the ability of Doctor Black and regret was expressed that he was not still the deputy minister of immigration. I hold no brief for the present deputy minister, but in fairness to him I think it should be pointed out that many of these measures with which we were dealing and which we commended were instituted by Mr. Egan, the present incumbent of that position. Let me repeat that statement; many of the things which were commended by this committee after the most minute investigation were instituted and brought into effect by Mr. Egan and the minister who happened to be in charge of that department at the time. I have no criticism to offer of Doctor Black; another hon. member dealt with that matter this afternoon, and I have nothing to add to what he said. I think Doctor Black is a very efficient officer. Our relations have always been very friendly, and I think he is performing a useful service in his present position. But I do think the present deputy minister should be given credit for the work he has performed.

Now I should like to close with a brief reference to one fact which is very apparent. A great deal has been said to the effect that we should increase our immigration very rapidly, but I have always taken the ground that it should be increased only as prosperity

increases in Canada and only as opportunity offers, and that this should be the goal at which the Department of Immigration should aim. We have climatic conditions in Canada which do not obtain in many other countries, and I think one of the principal reasons why we should try to recruit our immigrants as largely as possible from northern countries is because these people have been accustomed to a climate similar to that which we have in Canada. I am bound to say that as far as I am concerned, in the few countries I have been permitted to visit since I have had anything to do with immigration, and even before that time, I have yet to see any country in which I would rather live than our own Canada. That is my conviction, but I do say that we should be careful when we are recruiting immigrants to see that we have opportunities to offer them so that they will not supplant the people already here. I am heartily in accord with my hon. friend when he says that we should have a well-rounded policy, one of industrial as well as agricultural development; and indeed we should see to the development of all our latent natural resources. When we have a policy of that kind we will not have to worry very much about securing immigrants. There is not nearly so much difficulty in that regard now as there was a year or two ago. That is very apparent from the fact that agriculture is now in a much more flourishing condition than was the case in 1922 and 1923; people know they can make a living on the land in Canada, so they are willing to come to this country. That is the best advertising we can have with regard to its effect on the people who are thinking of coming to this country. Just in closing may I say that if we have the proper conditions, if we have opportunities to offer those who come from other countries, then we need not do very much worrying about securing immigrants to come to this country and take their places in our national life.

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, I do not intend to take up a great deal of the time of the house, but I listened very carefully to the remarks of the Minister of Railways (Mr. Dunning) this afternoon. I do not know whether or not I misunderstood him, but I thought he said he went to the west twenty-five years ago. If that is the case I have been there five years longer, because I went there about thirty years ago. I think I went to that part of the country one year after my hon. friend from West Calgary (Mr. Bennett) went to the west. My hon. friend chose to follow the practice of law, while I followed a different line of endeavour by taking up a brush homestead. I am not going to give personal experiences, but I want to point out that there is a difference between immigration to-day and what it was in those days. When British Columbia came into confederation there was an agreement that a railroad should be built from the east to the west. The Canadian Pacific Railway Company built a colonization road, and I think my good friends the Liberals, if I remember aright—I came to Canada in 1878—said that the Canadian Pacific would not even pay for the axle grease. By going through that western country they opened up millions of acres of land on each side of the main line and the branches. There were millions of acres of free land, and interspersed with that were millions of acres of railroad land at $3 per acre. As soon as it became known that the land in the western country was fertile, immigrants poured in by the thousands. Why? Because the land was free. Just as soon as the homestead land began to be taken up, the $3 per acre land owned by the Canadian Pacific was in demand. In other words, we did unconsciously what our American friends had done; they put a railroad through the land first and the immigrants followed. Our policy more recently has been to let the immigrants get in by prairie schooners as well as they could, and the railroad would follow after they were in. What was the condition of the immigrants in 1898 when I was one? Just this: I had a free homestead and all I had to do was to provide my living. The government bet me $10 I could not stick it out for three years; I took the bet and stuck it out for twenty. All I had to do was make a living and buy a couple of pairs of overalls a year in order to keep going. My hon. friend from West Calgary knows all about that. These settlers did the same thing, and when the $3 an acre land began to be taken up, it was a question whether it was cheaper for the immigrant to buy that land from the Canadian Pacific Railway Company and work outside when he saw fit, or go on a homestead and be stuck there for six months in the year. At present there is no free land except away in the north country and the Peace River district, and there are no railways in that vicinity.

As far as the immigration policy is concerned, conditions have entirely changed. They are not the same as they were in the homestead days, and to meet the changed conditions you must adopt a different policy. If immigrants are brought in—I am not deal-

ing so much with the question of how they are brought in, whether you pay their passage or not—the question is whether they can stick with it and make farming pay. As I have pointed out, I had no obligations to pay on the homestead, I could just do as I liked as long as I managed to live. But the immigrant to-day has to pay $20, $25 or $30 per acre for raw land, and the problem is to make it pay after having to pay about $4,000 for a quarter section. At seven per cent interest this means $280 per year, and he has to live. At the present time I do not think he can do it. One thing that demonstrates this is the fact that we passed in this house last year what was called the revaluation act in respect to soldier settlement lands. Why? Because the soldiers had bought land at such prices that it was found they could not meet their obligations, and the land had to be revalued at lower figures. There are hundreds of farmers in Alberta and Saskatchewan—I do not know about Ontario—who bought land at these prices and under precisely the same conditions. They had no kind government to pass a revaluation act and take the burden off them.

Then during the war the farmers were told that the price of wheat would be set at $2.40 per bushel. That was not to keep the price up, but to keep it down. The farmer was the only person during the war time who underwent conscription of wealth. I remember seeing mounted police going through the district near Carbon, Alberta, and examining the wheat bins. They would say to a farmer, "You are keeping too much wheat. Of course you raise it, but we are only going to allow you to keep enough to sow your land, and we are going to take the rest at $2.40 per bushel." The farmer is the only person I know of who had his property, his wealth, conscripted during the war. The hon. member for Wetaskiwin (Mr. Irvine) hopes that we all will be in this position if there is another war. I know of farmers who bought land during the inflated war period, just as our soldiers bought it in 1919-20, and lost all because land values went down; they could not meet their payments and they were foreclosed. Where are the new settlers coming from? I do not care where they come from, whether Scandinavia or elsewhere, a large number of them are going on land held by speculators or corporations at from $20 to $30 per acre; that is where it is intended they are to go.

This question has to be dealt with on a business basis, just as a merchant will count his capital cost and his overhead and try to meet interest and principal charges in order that his business may be a going concern. If he cannot do that he is bound to fail. The same thing is going to happen with the immigrant. If a farm can be bought under such business conditions that he can make it pay you will have no difficulty in bringing him in. Would there be any difficulty in the city of Ottawa if a man knew that a business that was a paying proposition was for sale and all he had to do was to go and take it? You would have a hundred applicants to-morrow. Just as soon as it is known that the farmer who buys land can make it pay, can pay the interest and the principal in proper proportion, and make a living and have something when he gets through, then you will have no difficulty in settling your lands and having a prosperous agricultural community. But that is what the immigrant cannot do to-day, and that is why so many are going on the land and then going off it.

My hon. friend from West Calgary was a solicitor for the gas company at one time, and in his very able manner he proceeded to present a case before the utilities commission. He took the affairs of the gas company before this commission and he charged their overhead, he charged the depreciation, he charged the interest on their plant and the cost of production and all that. When this was placed before the commission they granted a reasonable profit over and above 8 per cent on the invested capital. It does not really matter what the company got, but they were allowed to charge 48 cents per thousand for gas. At that time oats were selling at Calgary at 25 cents a bushel. I happened to be in the council chamber at that particular time, and I went to my office and did some figuring. I took land at $25 an acre and I capitalized it. I knew what on the average a crop of oats would bring. I figured the cost of producing the oats, the overhead charges, the interest, the depreciation on machinery, and then I added just the same 8 per cent that the utilities commission added as a profit to my hon. friend's application in connection with the gas company. It worked out that those oats, to bring the very same profit which was allwed the capitalist, should sell at 60 cents a bushel, and the farmer at that time was getting 25 cents a bushel. I give that as an illustration to show that unless land is at such a price that a man can go on it as a business proposition in the same way as the hon. member for West Calgary figured in connection with the gas company, he cannot make it pay. If you reach that condition where he can make

it pay, you will have no difficulty in getting immigrants to take up farming in Canada.

There is another point that I want to bring out. I have seen some of the moving picture films which are taken abroad to show to prospective immigrants and I have also heard some of the speeches delivered to them and some of the conversations had with them in the old country. I do not know whether to make this as a charge, but I am sure I am speaking the truth. All the rosiest pictures of Canada are set forth. I have seen the pictures of "before" and "after". There is perhaps a plain prairie with a little log shack with a single room; then on the other hand there are the bumper crops, the cattle, the fine house, and so forth. In other words what they really do is paint just one side of the picture. It is only fair and right, if we are going to be honest with the prospective immigrants, that we should place both sides of the picture before them, because if they do not get it from us they will get it from some of their relatives on this side, or after they come here and go back home, they will tell their relatives at home their opinion of the country and the picture they will paint will be a very much exaggerated one. We know all about the frost, hailstorms, snowstorms, cold and other conditions we have in this country, and before an immigrant is induced to come out here, it is our bounden duty to give him both sides of the picture.

Various reasons have been presented why we should bring immigrants into Canada. I think one railroad magnate said: We need two million immigrants in the west; if we had two million immigrants here, our railway problems would be settled. That may be true from the railway standpoint and they are considering the question from that point of view. Another person said: We should have another two million people in the west; they would help to pay our national debt, and so forth. But the good of the settler and his future are not considered at all. What is considered is the benefit that would accrue to Canada and not the benefit that might accrue to the particular settler. We do not tell him, as we tell each other, that we want him here in order to relieve the railroads of the burden of over-capitalization, in order to help us to pay our national debt. We do not tell him those things. It is only right and honest that we should tell the settler the truth, the whole truth and nothing but the truth, but in many cases that is not done.

That is the problem, and if you want to bring in immigrants, the farm lands which you have for sale must be offered at a reasonable price and in the far-off stretches where there are no railways, colonization railways must be built, or else it must be made clear that when a man comes here with small capital the proposition will be a business one based on the same principle as that of my hon. friend in connection with the gas company.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I do not intend to trespass at any length upon the time of the house in discussing this matter; but in view of what was said in the early days of the session when this committee was appointed, I think it is desirable to make a few general observations.

I cannot but think that the report of the committee will be very disappointing to many people in Canada. It certainly offers no new field for endeavour, nor does it offer any new suggestion with respect to the problems involved. I believe the Canadian people are firmly of the opinion that the problem is one of first magnitude calling for immediate action on the part of the government of the country. The reason I say that is greatly strengthened by what I observed from the government's statistics the other day with respect to the movement of our population. From 1897 to 1927, a period of thirty years, the population of Canada increased by 4,377,000. The population of Canada was 5,142,000 in June 1897, and in June 1927, thirty years later, it was 9,519,000, or as I have said an increase of 4,377,000. According to the same reports, between December 31, 1897, and December 31, 1927, we brought into this country 4,491,156 souls. That would mean that in those thirty years the country not only failed to keep the people it brought in but lost a part of its natural increase, because 114,156 more people were lost to the country than we brought in. That is rather a striking statement. According to the year book issued by the department the natural increase of population in those thirty years could not have been less than 2,600,000. Therefore we have the astonishing result that in the thirty years from 1897 to 1927 Canada went behind about 2,750,000 people. We brought in nearly 4,500,000; our natural increase was about 2,600,000, and yet our total net increase was only 4,377,000. Those are alarming figures; they are figures calculated to make every thoughtful Canadian pause—not pause and condemn governments, but pause and ask himself just why we have failed to keep in our country the population that we brought to it from other lands and also the young manhood and womanhood as it grew up in the country to man's and woman's estate. Those figures, as I read them from the report, made me pause, made me consider

again how serious is the problem with respect to immigration.

Canada must have increased population if we are to maintain our position among the peoples of the world. We have provided facilities for a population of at least fifteen million people. We are carrying for the moment a debt of two and a half billions of dollars, necessitating annual interest payments, and a charge for pensions arising out of the great war, and for sinking fund, that amounts to a very, very vast sum indeed. The problem therefore is a pressing one. It is a problem that demands solution, and I have not yet concluded that the statesmanship of the Canadian people is not equal to the task that is imposed upon it. I believe that the vision and foresight of those who made possible this confederation have not been lost entirely to their descendants, and that we of this day and generation, if we but approach our problems as we should, in a spirit of goodwill, of unity of thought, of high purpose, of courage, and of real ambition to serve our day and generation, may bring about their successful solution.

It is not in the narrow sense a party question. It is a question that far transcends party. It is a question that strikes at the very life and existence of Canada, and therefore I do think that those figures alone are sufficient reason why we should approach that problem not in any narrow sense, but as one of the first magnitude and of the greatest possible importance to this confederation.

With those very few observations, I turn to look for a moment at the result of this committee's efforts. I listened with much pleasure to the speech this morning and this afternoon of the hon. member for Marquette (Mr. Glen). He endeavoured to support this report as being a sufficient justification for the efforts of the committee, and my friend the Minister of the Interior (Mr. Stewart) gave some reasons why he thought the results of the efforts of the committee should be viewed as being eminently successful. I regret that I cannot see in them anything that we should rejoice over, and I trust that I am not looking at the matter in any partisan or narrow spirit. Where is there a ray of hope to those who will read that committee's report in the press of this country that any new policy will be inaugurated that will change the conditions under which we exist?

I do not propose to discuss the fiscal policy of this country or of the neighbouring republic. It is sufficient for my purpose to say that under a system of the highest protection the world has ever known, the United States has attracted to its shores the largest population that has ever been brought into any country in the known history of the world and that population is to-day the largest population living in one area, under one form of government, that we have in the world. They have their problems, problems of very great difficulty, but they were able to bring people into their country to such an extent that they now have a quota law against the free admission of the peoples of the world into the United States. That does not in any sense indicate just what action we should take here. I quite agree with my hon. friend the Minister of the Interior that that is so. But there are difficulties in connection with the solution of the problem in this country that were not known in the days when the United States were attracting people so readily to their shores. This was referred to by my hon. friend the Minister of Railways and Canals (Mr. Dunning) and I cannot but think that the address to which we listened of that minister was by all odds the best speech he has made in this chamber. It was one that I think made all of us rejoice and feel a sense of pride that coming to these shores under the conditions he described, he has been able to make for himself such a place in this young Dominion. I am sure that he indicated in the very course of his observations one of the real powerful immigration agencies that should be at work in this country all the time, and that is the immigrant himself. Coming to this country as he did, a youth of seventeen, as a result of the inspiration that he received, he brought here eight people. That is the result. One satisfied immigrant brought here eight new settlers, and that is the way the population of the country grows. Unless we can create conditions that will bring about that feeling of satisfaction and pride in this country on the part of newcomers that governed and actuated my friend the Minister of Railways in inducing his father and sisters to come to Canada to settle, we shall not be able to increase our population with that rapidity with which we should increase it. I feel quite satisfied that that is so.

But there have been many changes in the last twenty-five years. My friend who has just taken his seat (Mr. Adshead) very properly referred to the changes that have taken place in all parts of Canada, particularly in that part in which we both reside. Distance has been annihilated; the attraction of the city has become greater than it ever was before; the building up of great industrial concerns in the great republic to the south has made it more difficult to attract new settlers

to our land; the difficulties in connection with a satisfactory return from the labour of the husbandman has also had something to do with it; but, on the other hand, there is no occupation that affords the same assurance of health and of enduring happiness as that which comes from toiling upon the soil and working the land. That, I think, is abundantly demonstrated by every man who has had any experience in that occupation, as well as by what we have been told by those who know the conditions far better than we do. But the attractions of the city are with us. The great war has also changed the attitude of men towards occupations. The great war has changed the mental outlook of millions of people. On the other hand, it must not be forgotten that amongst the other nations of the world outside the British Empire, notably the German republic, you will find one of their most powerful journals referring to:

> Europe's right to the use and development of these empty but fertile and healthy regions of the British Empire. "What right," is it asked, "has Great Britain to keep her Dominions empty?"

And the proposal is made that there should be some arrangement by which the League of Nations would take charge of settling the vacant spaces of the Dominion. That indicates a profound lack of knowledge of our institutions, an entire lack of understanding of what the position of Canada is within the British Empire, but, on the other hand, it indicates that there are people who are longing for the opportunity to settle the great open spaces of a country such as this. Now if the people of Germany feel that way with respect to it, and they have old age pensions and unemployment insurance, just as they have in Great Britain, we have a state of mind developed there that is somewhat different from the state of mind in Great Britain. Yet we know that there are congested conditions in Great Britain. We know that there is there a surplus population that desires the opportunity for advancement, the opportunity to gratify their ambitions, to make new homes for themselves, to own and possess land, and after all, the same idea that was in the mind of the young immigrant of twenty-seven years ago, the love of adventure, the love of the soil, the desire to own a home, to live under the flag of his fathers, is still in the minds of large numbers of young men and young women in Great Britain. But they do not come here, because, rightly or wrongly, they have in Great Britain the idea at the moment that we do not want them. I charge against this administration that during the last few years there has grown up in Great Britain the idea that the people of Great Britain are not wanted in Canada. I read it in their morning papers, in the Post and in the Times; I read it in their evening papers; I read it in their weekly magazines. They have that idea firmly entrenched in their minds, and it has come about not wholly without some reasons, because of difficulties that have been experienced, for instance, in connection with medical examinations, difficulties experienced when they came here, the idea that they are dumped down on the land and left there, difficulties in finding work—these and allied matters have made many of the people of Great Britain believe that they are not wanted in this country. The idea has been, of course, fostered to some extent by countries which require settlers just as much as we do, but the idea I mention has got abroad and it is painfully apparent to those who have visited England in the last ten years, since the war at least. The idea is firmly embedded in their minds that we do not desire those settlers in Canada. That idea is, of course, erroneous, but it has been fostered by conditions to which I have alluded. Under those circumstances and under those conditions, there was brought into being last year a new plan of medical inspection, notwithstanding the fact that according to the reports issued by our own department there were very small numbers of rejections of those who had been examined in England. I am happy to say that one of the recommendations of the committee, insisted upon by the medical men on the committee, will change this and may have very far-reaching and beneficial results. But that in itself was one more factor that made the people think we were desirous of excluding them from this country, although rejections at ports of entry on medical grounds of immigrants from the British Isles were comparatively few. In 1920 they amounted to 21; in 1921, 99; in 1922, 60; in 1923, 37; in 1924, 130; in 1925, 83, and in 1926 only 40. Those are the figures according to our own returns. Nevertheless this new medical plan put in force last fall had very disastrous results, for a friend of mine, a former Canadian, who is vitally interested in the settlement of this country by British people, sent me word as soon as the committee began its sittings that as long as those medical regulations were continued it was no use making any attempt to get British settlers into this country. Then unfortunate occurrences, such as that to which my hon. friend from Halifax recently directed attention, have also done something

to neutralize our efforts towards getting new settlers. These are the real conditions that confront us.

But what have we on the other side? We have a great country with a small population. We have millions of acres of untouched land within twenty miles of the railway; we have great fisheries; we have lakes and rivers; we have vast mineral deposits—we have gold and silver and nickel; we have extensive forests. In a word, we have everything that goes to make a great people; that is, we have a great estate. What are we doing to develop this estate? That is the question. The question of immigration is tied up with the question of colonization. Colonization, of course, means work. That single word is the key to the whole situation—work. Work must be provided not only for our own people but for newcomers. I have said so often—I repeat it now—if you go to the old communities of this country you find men and women are leaving, not because they wish to, but because there is no work for them to do. Yet we have the greatest estate that any people ever had committed to their hands in trust to develop. But we are not developing it. True, we are taking away some of the minerals, we are taking something from the forests, we are getting vast wealth from the soil with the limited number of people employed. And I want to place myself upon record that it is a fallacy to believe that the bringing of more people into Canada means the cheapening of labour and the lowering of the high standard of living of those who are here. History teaches us that if you get people settled in a country you are making work. Every time you bring a new productive person into the country, whether he be productive by his hands or his brains, if you are unifying your efforts, you are always opening up new avenues of work. That has been the history of other countries, and I am sure it will be the history of this country.

Now, with this vast estate and with our limited population, we have brought in, as I say, a large number of immigrants, but we have not kept them here, we have not even maintained our natural increase. What is the obvious remedy? Not what the committee's report indicates, but the amendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan), namely, that we should have a great department—a department of immigration, colonization and industry, divided into two branches, the one dealing with the securing of immigrants, coordinating its efforts with the provinces, and the other seeing to it that there is work for those people when they come here, and not only for them but for those who are already here.

I do not propose to-night to enter into a discussion of the policies necessary to achieve the second result. There may be acute differences of opinion between us with respect to that, but this I do say, that every possible legislative power of this parliament, together with the powers of the provincial legislatures, should be exercised to carry into effect the idea contained in the creation of the second branch of that great department. It was suggested by my hon. friend the Minister of the Interior (Mr. Stewart) that these two things are not related one to the other. Why, they march hand in hand; without the two it is impossible to succeed. I will take an illustration that came under my own observation and with which I at least in my youth had something to do. East of Calgary the Canadian Pacific Railway Company induced the government of the day to permit them to take the balance of their grant lands in a solid block containing an area of about three million acres. It was surveyed by competent surveyors. They said: An irrigation system is essential if these lands are to be made productive. An analysis of the soil showed that these were fertile lands if properly watered. For this purpose the waters of the Bow river were available. The Canadian Pacific Railway Company spent millions of dollars on an irrigation canal in the western section and the central section, and they spent further millions of dollars in developing these lands and making them fit for the settler. They then spent hundreds of thousands of dollars in the endeavour to get settlers, and I am bound to say that in the first instance their expectations were disappointed; they got no such results as they expected. But they did not stop. They went forward then and developed the eastern section at a further vast expenditure. They found difficulty in getting settlers to come in of their own volition, so they divided the country into ready-made farms, provided with suitable buildings, stock and implements. To-day when you pass through that country as I did only last week you see comfortable homes, well-kept barns and well-tilled land, with evidences everywhere of the amazing prosperity that comes to those who till irrigated land under conditions such as exist there. As I surveyed the scene it gave me a sense of pride that we have in our country an institution that was willing to risk its capital to the extent I have stated to bring about those results.

I regret to have to differ with my hon. friend the Minister of Railways as to relying entirely upon unorganized and individual effort as we used to do twenty-five years ago. But conditions have profoundly changed in the meantime. They have so profoundly changed that, as mentioned this afternoon, there is a very great demand for settlers made upon Britain and upon various countries of northern Europe from which we draw population, with the result that we are not able to secure all we wish from those countries. Australia and New Zealand are in the same plight. But, on the other hand, we can get our fair share if we make conditions here such as are found in other communities, and therefore it is necessary to give that assistance to immigrants which otherwise we would not be compelled to give. So we must take example by that private enterprise to which I have referred. There may be failure, seeming disaster, but with perseverance and determination we must go forward with the work, regardless of the prospects, until at last success crowns our efforts. That is what we must do with this estate.

This is only magnifying by thousands the irrigation work of the Canadian Pacific. This is the same problem as they had to face, only there is added to it something more. The Canadian Pacific found very early that mere agricultural development was not sufficient; they realized that you must add to that some industrial activities. So they endeavoured to get a beet sugar factory, and there is now a small establishment at Raymond in southern Alberta. True, it is not in the irrigation block to which I first referred. It is in the old Galt irrigation block southeast of Lethbridge. There you have an idea of the beet sugar industry. I did not realize just what one industry means in the life and development of a country until I analyzed it on the ground in connection with that sugar beet industry. It was an amazing revelation. I followed its processes from the time the beets were put into the ground until the sugar was put into the bags. There was $1,000,000 of an investment in that factory. I found that a number of men were engaged in making the soil ready for the beets; a number of others planted the beets in the soil; others, again, were engaged in connection with the management of waters and canals and the caring for the plants during the summer, constantly freeing them from weeds. Then I began to see them being taken up, put into cars and by cars transported to the factory. That, I found, reacted so that the repair work on these cars was reflected in the shops at Calgary. I found miners busily engaged getting out the necessary limestone for transportation to the factory for the purpose of clarifying the beet juice so that it might be made into sugar. I found coal men employed, a number of men mining some 10,000 tons of coal for the purpose of running the factory. That one industry, with all its ramifications, from the work in the fields, the planting of the beets, up to the time the sugar was placed upon the market, gave employment to a vast number of men—indeed, an amazing number compared to what one would expect. Men were engaged, as I say, in activities of various kinds: planting beets, gathering beets, weeding beets; there were train men, engineers, firemen, conductors; there were coal men, repair men, limestone men. And finally there were those who sold the finished product over the counter.

That single industry, developed as it was in southern Alberta, furnishes an illustration of the point I desire to make with respect to the second branch of the great department which should be set up in this country, in relation to the industrial side of Canadian life, to give employment to settlers. The minister will tell you that there is no more prosperous settlement in western Canada than that settlement in southern Alberta which utilizes these sugar beets and operates that factory. There you have work and settlement, settlement and work, the one coordinated with the other. There would be no work if there were no settlement, nor would there be any settlement if there were no work. And this factory has brought back to Canada men who had left it. The same conditions existing there have made possible settlement in parts of the United States whence those settlers came.

Let us take another illustration: take the development of our mining industry at Trail, for example. That is an illustration of the development which can take place in an industry from very small beginnings. Because of an economic survey made, because of the determination that there was something there worth trying to get and worth maintaining, the effort which was exerted there has succeeded. Take other branches of activity. Take linseed oil, if you will; from the flax you have the linseed oil. The same may be said with respect to flour.

In 1915 the late Sir William Van Horne was asked to be chairman of an economic commission in this country having for its purpose the very idea which is now set forth

in this amendment—the idea of determining by survey what the possibilities of this country are as regards industrial development and the utilization of our vast resources, and side by side with that the settlement of new people. Settlement and work; settlement and development; settlement and employment: these things must go side by side in any policy worthy of the name.

Now I regret to say this—you will say it is very unkind of me to say it. But the fact is that we have not at this time, in charge of this department, a gentleman who by natural aptitude or training is calculated to properly develop policies in connection with the Immigration department. I have as profound a respect as any man in this house for my hon. friend the member for Brandon (Mr. Forke). But in England they have long since, in their parliament, made it a rule under conditions such as these to fearlessly express their opinions with respect to ministers of the crown who direct policies. And in this instance I regret to say that it is painfully apparent to anyone, whoever he may be, whether Liberal or Conservative, whether he sits to the right or to the left of the Speaker, that the hon. gentleman, the member for Brandon, a man of integrity and character, is unfitted temperamentally or by training to discharge the varied and onerous duties of Minister of Immigration and Colonization in this country. That is one of the real difficulties. You could not have made the Canadian Pacific irrigation projects flourish unless you had had at the head of them a man such as the late Lord Shaughnessy or men of that type. And so, in relation to our immigration policy, you cannot have that policy succeed if you put in charge of it one who is disqualified—not qualified at least—either by training or by temperament, to discharge the very onerous duties that appertain to that position. So we say in this amendment that we should have a responsible minister in charge, although in Australia they did try a commission. And there are those in this country who believe that a commission responsible indirectly to the government might be able to succeed. In Canada there is less evidence of the likelihood of a commission succeeding. We say there should be a strong minister, a minister with the training, with the aptitude, with the temperament, with the desire and the determination and vigour to make such a department succeed—with these two great branches working side by side, the one, in cooperation with the provinces and other organizations, seeking new settlers, the other providing work for these settlers when they come here to keep them in this country. For I deny that this country is, by reason of its natural resources, unfitted for occupation, unfitted to give employment to men who come within its borders.

This criticism we make strikes at the very foundation of existing conditions. You will never make this department succeed, it cannot succeed, so long as it is presided over by the gentleman who now controls it, surrounded by those who sit with him. It cannot be done; it will not be done. And therefore we venture to offer that criticism. We offer it frankly because we believe it is in the public interest that it should be made, with no desire in the world to hurt anyone's feelings. However fit and proper, however able the hon. gentleman may be to discharge duties in other places, he is wholly unfitted for the discharge of duties in the portfolio which he now fills.

A step further. My hon. friend from Cartier (Mr. Jacobs) this afternoon, in a very humorous and at times pathetic speech, dealt with the kind of settlers we are bringing in. I venture to say to him that he overlooked one point. The Minister of the Interior (Mr. Stewart) dealt with it in part, but he did not in my judgment deal with it wholly. The reason we are seeking British settlers is not that we attach so much more importance to them as settlers than to any others, but that our institutions are moulded and formed, and have been for generations, upon British models. And we believe, we are firm in the conviction—as I believe the government is—that the only way in which we can maintain these institutions is by continuing to bring to this country a proper modicum of settlers who understand and appreciate them. That is the real reason.

Mr. JACOBS: Are not the laws of the United States moulded on British institutions, and have not their people come from every part of the world in tens of millions, conforming to British institutions when they arrive in that country?

Mr. BENNETT: The hon. member for Cartier has entirely misapprehended the point. Read the history of the United States, read what is written in every magazine in that country by thoughtful men, and you will find that the principle of the melting pot has failed; and they are quite apprehensive. Every thoughtful man in the United States, every keen observer, every man who travels, every author, everyone who shapes and moulds public opinion in the universities and in the great foundations—all these are bewail-

ing the fact that uncontrolled immigration has been permitted into that country, to such an extent that there is now in the United States a polyglot population, without any distinctive civilization, and one about which many of them are in great despair. That is the answer to my hon. friend. And, sir, it is because we desire to profit by the very lessons we learned there that we are endeavouring to maintain our civilization at that high standard which has made the British civilization the test by which all other civilized nations in modern times are measured.

I quite agree with what my friend the Minister of Railways and Canals said this afternoon. We are bringing people into this country from all the countries which were mentioned by my hon. friend, but the report does not add to or take away from the countries; it merely names those countries from which the people have come. I have in mind at the moment Germans whom I know well, who came to this country many years ago. Some of them went west about the time I went there; some came later and some had been there earlier. I look upon their splendid homes and I realize that they are making a very great contribution to the life of our country. The older settlers—mark you, I say the older settlers—all law-abiding citizens, we appealed to them through their own great national heroes. Now we are endeavouring to make the appeal through the heroes of our own country, those great fathers of confederation who laid the foundations of this Dominion. The celebrations which took place in Canada last year commemorating the sixtieth anniversary of confederation were intended to carry out that very idea and to give effect to that very purpose. At least that may be said with safety. I have in mind families of Ukrainians; one hon. member who spoke to-night, although born in the United States, is a descendant in the second generation of a central European people. I have in mind their homes; I recall the circumstances under which many of them came to settle in this country. They came from Austria and from other states some of which are now a part of Russia. I saw their first beginnings; I saw their sod huts, and years later I saw their beautiful homes, surrounded by trees, with all the comforts which go to make life happy. These people adapted themselves to our conditions, and they have made excellent settlers. We have Germans and Ukrainians; we have people from other countries, Norwegians, Swedes, Danes, Finns, Germans, some Swiss, some Dutch, some Belgians, a few old country French, some Austrians; I recall a very considerable settlement of people from that country. We have people from Poland, a few from Roumania; I have never seen any from Lithuania, but that was part of another country before the war, and the same might be said with respect to Esthonia and Latvia. I have seen some few settlers from Czechoslovakia and Jugoslavia, which countries were parts of Serbia before the war. These people have made excellent settlers; they have kept the law; they have prospered and they are proud of Canada, but it cannot be that we must draw upon them to shape our civilization. We must still maintain that measure of British civilization which will enable us to assimilate these people to British institutions, rather than assimilate our civilization to theirs. That is the point; that is all that may be said with respect to it, and it is the point I desire to make at this time. We earnestly and sincerely believe that the civilization which we call the British civilization is the standard by which we must measure our own civilization; we desire to assimilate those whom we bring to this country to that civilization, that standard of living, that regard for morality and law and the institutions of the country and to the ordered and regulated development of this country. That is what we desire, rather than by the introduction of vast and overwhelming numbers of people from other countries to assimilate the British immigrants and the few Canadians who are left to some other civilization. That is what we are endeavouring to do, and that is the reason so much stress is laid upon the British settler, not upon the Englishman as the hon. member for Southeast Grey (Miss Macphail) said, but upon the British settler as indicating that standard of civilization on which we build our institutions and to which we hope to be able to make those who come to us not conform but assimilate, so that they may play the part in it that we ourselves play, that they may realize that the same conditions exist as in days gone by, when the people said "wherever the king's writ ran, there was freedom and liberty of conscience." So everyone who lives under British institutions in that part of the Empire which we call Canada may have freedom and liberty, regard for law and order and a desire for an ordered government of which they and we may well be proud. That I say to my hon. friend is our reason, rather than the reason which he suggested this afternoon.

As far as I can see it is the purpose of all governments to maintain that position; that is the intention of all governments, but we

do say that there has been a singular lack of appreciation of that position during recent years by the present government. In various sections of western Canada they have planted colonies from far-off lands, who have settled upon the soil and maintained their own peculiar civilization rather than become assimilated to that British civilization which should prevail in this country, because there has not been a sufficient leavening of it to ensure that result. That is one of the complaints we make.

Mr. Speaker, I have spoken longer than was my intention when I rose, but I cannot too strongly urge upon this house the real gravity and seriousness of the problem with which we have to deal. My hon. friend from East Calgary (Mr. Adshead) referred to the length of his residence in western Canada. I have also lived there for a great number of years, indeed for the major portion of my life since I attained manhood, and I have seen it grow and prosper. I have seen the difficulties which have been experienced and I have seen great problems solved by private enterprise. I have seen great communities settled; I saw the Calgary Colonization Company settle a great area near Calgary; I saw the valley of the Saskatchewan settled by private enterprise. Surely what can be accomplished in that regard by private enterprise can be accomplished by the government. I saw a great railway carry out the enterprise to which I have already referred. This country, east, west, north and south, from Cape Breton to Vancouver Island, is but a vast estate, and as I have so often said it is an estate which we hold in trust to settle and develop. What a reflection it is upon us that to-day there are less people, less tenants on that estate than the number we have brought in during the past thirty years together with the natural increase. What a reflection that is! But there is yet time to remedy the difficulty; there is yet time to solve these problems, and that can be done only by the creation of a body charged with responsibility and presided over by men of vision, of hope, of courage and of determination, who will look upon obstacles not as factors to deter them from going forward with their work but rather as difficulties to be overcome, to spur them on to greater effort. But, Mr. Speaker, these men do not sit upon the treasury benches of this country; such men are not directing this work and are not putting their minds, their hearts, their strength and their courage into this matter as they should. Because they are not doing so and because we believe that the enunciation of proper policies, the placing upon the statute books of proper legislation and the creation of proper departments of the government would bring about these results, we have offered this amendment with its constructive suggestions for the good of the country, rather than the piecemeal report of the committee which means nothing. The report of the committee is a mere statement of platitudes except for the last paragraph, which was included because it was thought it might temper the minds of some of the hon. members who sit on this side of the house to the extent that there would be unanimous adoption of the report of the committee. But that report in itself is not ample or sufficient, because it does not strike at the foundation of the difficulty, which is failure not only to bring people into Canada but to keep them here and to provide them with work.

Hon. J. L. RALSTON (Minister of National Defence): At this late hour I do not intend to detain the house at any length, but in view of the fact that I happened to be a member of that committee I do feel that the attention of the house should be directed to one or two matters which have been referred to by my hon. friend the leader of the opposition (Mr. Bennett). I think the house will bear me out when I say that my hon. friend has not offered anything new in the way of a solution for the immigration question. He has contented himself with stating that this is a great problem, which everybody knew. He has contented himself with stating that the population of Canada has not increased as fast as we would desire. He has also stated that employment is a very necessary corollary to immigration, and I think almost everybody knew that. I do not think there is anything very constructive in the speech of my hon. friend, except the suggestion that there should be the words "industrial development" added to the name of the Department of Immigration and Colonization. I do not think the country will regard that as a very constructive contribution to this debate or to the immigration problem.

Regarding British immigration, no one deplores more than the members on this side of the house what my hon. friend has suggested—I am not prepared to say that it is a fact—that British people have the idea that they are not wanted in this country. If any proof were needed of the fact that they are wanted, I think that proof will be found when our friends in the British Isles read the first portion of this report, which sets out the

attractions which are offered in order to induce British settlers to come to this country. I am not going to detain the house at any length in referring to them, but when we remember that all British subjects, no matter what their occupation may be, are welcomed to Canada and are eagerly sought after to come here; that special efforts are made to bring them here, it will be seen that we do welcome them. In addition to that, agricultural labourers have been given a reduction of 90 per cent in the passage rate they are required to pay to come to this country; British domestic workers are given a like reduction; the families of agricultural labourers are being brought out on that same 90 per cent reduction; British children over 14 and under 17 years of age brought here by voluntary societies have their passage paid free of charge by the Canadian and British governments; provision is made for the training and placement of British boys in farm homes, and a special grant is made to societies who bring them out, this grant being more than the amount of the passage. The federal government, in conjunction with the provincial governments and the British government, have arranged a special tripartite agreement, which has already been entered into by two provinces and a third is negotiating in regard to it, whereby the British government supplies $1,500 for stock and equipment, the Canadian government recruits the settler and supervises the settlement, and the provincial government furnishes the farm. In addition to that the Canadian government shares on a fifty-fifty basis in any loss in connection with the loan and shares any loss of interest on the price of the farm. There is also the three thousand family scheme, which is just about completed, in connection with which the Canadian government furnishes the farm on easy terms, the British government furnishes a $1,500 loan for stock and equipment, and the Canadian government provides additional assistance by way of selection, settlement and supervision free of charge. There is also the land settlement scheme for British boys, under which the Canadian government contributes $1,000, the provincial government $250, and the British government $1,250. When these things are really considered the people of the old land will realize that we do want British settlers here.

When I say further that this government spends $16.67 per head for administration expenses and in connection with the assisted passage scheme for British settlers as compared with 11 cents per head for immigrants from other countries, it seems to me it is a pretty practical illustration of the desire which Canada has to have Britishers come to this country. I do feel that it is mistake to give utterance to this idea, or give any credence to the statement that British settlers are not wanted.

Reference has been made to the matter of medical inspection. This house knows and the committee considered it in its report, that this medical inspection was put in mainly for the purpose of assisting the British emigrant and seeing that there is no chance of his coming to a port of embarkation and arriving on this side and being turned back because the Canadian doctors do not pass him. The Canadian government has at its own expense placed Canadian doctors on the other side to provide for examinations at some 350 centres in order that the British emigrant might have the examination made over there and know at the outset whether or not he would be accepted in this country. That was the purpose of the medical examination. That examination was not put into force in any capricious manner. Representations were made by the steamship companies, by the provincial governments, by the Dominion Council of Health and by other social service organizations, who all agreed that this would be a good system to put into effect. I submit that the system has not been given a fair trial.

Influences, to which I will not refer tonight, have started a certain amount of publicity and propaganda in the old land. Perhaps there have been those who fear their interests may by adversely affected in some way or other by this system of medical examination, and they have started propaganda with the result that some British people got the idea that this was a restrictive measure. The committee felt, not because they had not faith in the system of medical examinations and not because they considered it had been given a fair trial, that these examinations had better be conducted by local British doctors under the supervision and control of the Canadian organization. The committee was endeavouring to convey to the British people that it was not the desire of the Canadian government to let them have even an idea that there was any intention of restriction in this regard. As my hon. friend the leader of the opposition has said, that has been recommended by the committee, and I feel that the publication of what I have already referred to will set at rest the fears of our British brothers with regard to our desire to have them over here.

My hon. friend has referred to the matter of the great migration to the United States. We all know there has been a very large increase in the population there, but I want to say to him that I think it is to the credit and pride of Canada that we, situated side by side with that great nation which is supposed to offer the greatest attractions to immigrants of any country in the world, have been able to maintain our population as we have. We have been capable of increasing our immigration during the last three years from that very country to our own. In 1924 we had 11,000 coming from that country. This has been steadily increasing; in 1926, 21,000 came and in 1927, 25,000, the last group having something like $14,000,000 of capital and assets. I think it is to the credit of Canada, and I think it dispels some of the gloom which my hon. friend has tried to shed over this chamber and which his speech may spread over this country, when we remember that people from the United States, that supposedly attractive country, are coming here in these large numbers. In this connection let me read an editorial from an independent paper, the Daily Record of Sherbrooke.

BUSINESS OF THE HOUSE

Mr. SPEAKER: Unless it is the unanimous desire of the house to continue, I would call attention to the fact that it is now eleven o'clock.

Mr. MACKENZIE KING: Before the house adjourned last evening I mentioned that to-night I would move that the house sit until twelve o'clock. That suggestion was approved of by the hon. leader of the opposition, and I think met with the unanimous approval of the house. I believe it is the desire of the house to sit to-night until at least twelve o'clock, and I would move, seconded by Mr. Lapointe:

That the house may sit later than eleven o'clock p.m. this day.

Mr. GARDINER: I do not think there would be any objection if the motion read "until twelve o'clock".

An hon. MEMBER: After twelve o'clock would be another day.

Motion agreed to.

IMMIGRATION

MOTION TO CONCUR IN REPORT OF COMMITTEE ON AGRICULTURE AND COLONIZATION

Mr. RALSTON: I was going to read this editorial from the Daily Record of Sherbrooke:

Trekking Northward

They are coming here. Great vans, loaded with household goods, are on the move from New England mill towns northward to Quebec. It is easier to make a living here than there. So many Canadian families are returning.

A few years ago the movement was all in the other direction. Many who went did not better themselves. They received high pay for their work. But the job was not steady. In a few months they realized that they would have been better off had they remained in Canada.

This north or south movement is inseparable from economic conditions. Quebec province and Canada in general are prosperous. There is a greater proportion of unemployment in the states than here. Hence the reversal of the migrant movement.

Let me deal for just a moment with what my hon. friend has suggested with regard to the matter of work. I am afraid he has not read the report very carefully.

Mr. BENNETT: Yes, he has.

Mr. RALSTON: If he had and if he had studied what has been done in the way of immigration and of providing settlement and employment, he would remember, as I have suggested before, that in the matter of settlement of those from the old land, agricultural settlers particularly, special assistance, to which I have already referred, has been given by the Canadian government. But those are not the only immigrants who are coming here. In addition to them there are immigrants from continental countries. In respect to them, as my hon. friend should recall, we have an agreement with the railways and that agreement recognizes the principle which my hon. friend has laid down, namely, that there shall be settlement; that employment shall be provided, because it is specifically stated in the agreement that the railways shall provide settlement for the people they bring in. This is no new principle; this is not the first time that it has been enunciated. It has been long recognized as part of the policy of coordination of the colonization principle with the work of immigration.

I want to point out to my hon. friend the second thing which he has overlooked. If he will read the report over carefully, he will find a declaration of what I regard as a somewhat new principle, a recognition of what may be a more effective settlement agency than even a federal department, and that is this, that settlement and employment conditions perhaps can be more intimately and closely looked after and supervised by the provincial administrations. There is in the report a paragraph which points a way to that and which suggests a remedy which I think my hon. friend should take note of. He had in mind

the necessity for providing settlement and the best way to do it. The paragraph which is found on page 6 is as follows:

> The committee recommends that special efforts be now made to extend the field of activity of the provincial authorities particularly in the matter of placement, settlement and supervision of immigrants, and that, with this in view, the federal government consider contributing to defray the cost of provincial cooperation for that purpose.

The idea is to be taken along with what is set out in the preceding paragraph, as follows:

> In the opinion of the committee the responsibility and control of the selection of immigrants, no matter by whom recruited must rest solely and exclusively with the government of Canada.

But after the immigrants are selected, after the arrangements are made for their transportation, the matter of placement, settlement and supervision is regarded as being one in which the provincial governments can very effectively cooperate in seeing to it that the work to which my hon. friend has referred is provided. It is no mere gesture, because the committee has suggested that a contribution to the cost of provincial cooperation in that respect be made by the federal government.

Mr. LUCAS: Do I understand that by arrangement with the provinces, the latter will have the say in regard to the class and number of immigrants that they will accept?

Mr. RALSTON: I can only say to my hon. friend that he was a member of the committee which unanimously concurred in the report and I do not think I ought to be asked to interpret it for him. I think the report means exactly what it says, namely, that the field of activity of the provincial authorities particularly in the matter of placement, settlement and supervision of immigrants, can be extended and that the federal government should consider contributing to defray the cost of provincial cooperation for that purpose. That takes care of exactly the idea to which my hon. friend has referred, but it does not do so through some sort of distant department of industrial development set up by the federal authorities in Ottawa. It provides for cooperation by the people who, as I said a moment ago, are perhaps in a more close and intimate position to look after the matter of placement, settlement and supervision of immigrants. That is a forward step; that is a matter that has not formerly been stressed as strongly as we might hope for in connection with the colonization and immigration of this country. I believe along those lines rather than along the line suggested by my hon. friend, namely, by adding the words "industrial development" to the Department of Immigration and Colonization, is the way to see that those who come to this country are properly settled.

I want to say what my hon. friend has also omitted to note, namely that this report, states that although we are to do what we can in the matter of immigration, placement and settlement of those who come to us from other shores, we are not to forget the boys, girls, young men and young women of Canada and we must endeavour to see that they are given a fair chance as well.

May I refer just for a moment to the amendment which my hon. friend has moved. It recommends a department. The department is already established. It proposes to add to the title the two words "industrial development." It mentions a superintendent but I suppose there is nothing much in the name and the duties would really be those of a deputy minister and that title would do just as well. Let me refer to the duties which this department is supposed to perform. There is the co-ordination of all organizations in connection with the matter of immigration. That has been the policy of the Department of Immigration and Colonization ever since it was established. It has been coordinating and working with all these various organizations. It has assisted them in connection with their work. In connection with the inquiry which has just been held the committee have had many representations from them regarding their work with the department. It is also suggested that they will see that the immigrants are physically and mentally fit. We do not need to have any new department for that. Provision is made in the act for that and the matter of medical examination is for that very purpose. The suggestion is made that financial provision be made for settlement. If my hon. friend will look at the report which has been concurred in unanimously, he will find that in the matter of land settlement the committee has made a pretty definite recommendation.

Mr. EDWARDS (Frontenac): May I correct the minister there? It was not quite unanimous. There was one section that my hon. friend will remember I did not concur in.

Mr. RALSTON: That may be, but my hon. friend will bear me out in this, that the section to which I am now referring was concurred in unanimously.

Mr. EDWARDS (Frontenac): That is right.

Mr. RALSTON: The committee had heard the evidence with regard to the three thousand

family settlement scheme and they felt that opportunity should be given to see how that scheme would work out. A very large commitment had been made by the country in connection with that scheme. They had in mind the soldier settlement scheme in which the country had invested many millions of dollars. They had in mind also, although it is not mentioned in the report, the fact that provision had been made for farm loans; that the farm loan board would assist not only those who came to this country but those who are already here, and the committee recommends to parliament that time be given to see how this scheme works out before embarking on extended schemes of that character. I think from what I have heard around the chamber to-day there is a great deal of unanimity in regard to this particular part of the report which suggests that the farm settlement scheme should be allowed to pass the experimental stage and that we have the benefit of the experience in regard to it before we make further large financial commitments. That is what the committee has to say in regard to the question of financial assistance in the matter of settlement.

As regards the reference in the amendment to settlement in the new provinces of those from the older provinces, I only want to say that I happen to come from one of the older provinces and I feel equal opportunity should be given for settlement in the older provinces of those who may have gone to the newer provinces and who would like to come back.

The next suggestion is that the department should direct schemes of settlement. If there are no direct schemes to be put into effect, there are no functions in that respect for the department to carry on. But the department already has ample machinery for that purpose in the land settlement board, which has been operating for a good while.

In the second part of the amendment there are really only two points. One is that there should be an economic survey of this country taken with a view to ascertaining the opportunities for employment. As has already been pointed out, this report expressly recognizes that idea and the very last paragraph contains a most comprehensive statement of that policy in words which have been already read, but which I shall take the time of the house to read again:

> Your committee would also recommend that the government make an intensive and comprehensive study of the possibilities of increasing industrial and agricultural development in Canada with a view to attracting capital and providing wider and increased opportunities for employment not only for our own people, but for prospective immigrants.

The suggestion in the amendment is also that the industrial development branch shall advise as to future economic development. I want to remind the house that we have already a branch of natural resources in the Department of the Interior. We have already a Department of Trade and Commerce, which makes an intensive study of this kind of thing. We have a Bureau of Statistics which I think some gentlemen on the other side of the house referred to the other night as being in every way efficient, and with these agencies at our command it seems to me that we ought to be in a fairly good position to be advised as to our future economic development without setting up any more machinery for that purpose.

There is also the suggestion that attention should be given to the establishment of suitable industries in small towns. I do say that after the economic survey has been made it seems to me it may be time enough for this government to consider cooperation with the provinces in that respect, but so far it has been the practice that the establishment of industries is a matter of provincial jurisdiction and provincial scope, and I think it would be laying down a somewhat dangerous policy to suggest that this federal government shall now embark on the scheme of establishing industries in various small towns throughout the Dominion.

With those remarks I think I have dealt briefly with the teeth of the amendment which is before the house. I do fail to find, with all due respect to my good friend from St. Lawrence-St. George (Mr. Cahan) whose work as has already been stated, has been on such a high level in connection with the whole deliberations of the committee, I do fail to find in his resolution anything new or anything which will provide necessary machinery which we have not already.

My last word is that it seems to me that this report points to a redoubling of effort, to a uniting of resources, to a uniting of all the activities which will go to make the work of immigration successful—not to leave out the provincial authorities, not to leave out the voluntary organizations, not to leave out all those agencies which can help to bring into this country a desirable population, and when that population comes here, see to it that it is properly settled and properly placed. I feel that the report of the committee

will perhaps be found to have more of hope and more of new ideas, and to contain a great deal more in the way of constructive policies for the future than anything which my hon. friend the leader of the opposition (Mr. Bennett) has indicated in the rather doleful speech which he has delivered to-night.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, it had not been my intention to take any part in the present debate, especially in view of all that has been said, and I would not now do so had it not been for some remarks of my hon. friend the leader of the opposition (Mr. Bennett) this evening. For some reason best known to himself, my hon. friend has found it advisable to go outside of the report which we have been discussing to reflect upon a very loyal, a very faithful and a very able colleague, the present Minister of Immigration and Colonization (Mr. Forke) in his administration of the department. I feel that I should be belying every instinct which I possess if I permitted a reflection of the kind, particularly with my knowledge of the minister's qualifications for the position which he holds, to pass unnoticed, and to pass without a very severe censure, if it is permissible for such words to pass from my lips.

The hon. leader of the opposition reflected on my colleague by referring to him as one who did not possess the necessary training or temperament for the position which he holds. That, I think, was the gravamen of his indictment. I would say to my hon. friend the leader of the opposition that he is the last person who ought to speak of temperament. I shall not say anything about his training. I think probably it was a matter of temperament which for the moment caused him to make the remark which he did make.

May I say this, and I say it in all sincerity to my hon. friend: I belive that in commenting as he did upon the Minister of Immigration and Colonization he was giving expression to what he believed was expected of him as the leader of the opposition in voicing a certain critical attitude, rather than giving utterance to his own personal convictions. My hon. friend was careful to say that in British public life men speak fearlessly with respect to those who are opposed to them in parliament. I am sure that in commenting as he did my hon. friend was giving expression to what he believed some members of his following throughout the country would wish to hear voiced. But may I ask with respect to the criticism, on what grounds is it based? Why does my hon. friend say that the present Minister of Immigration and Colonization is not suited by training and temperament to fill the position which he holds?

What has been the training of the Minister of Immigration and Colonization? I ask hon. members to consider the training which the present Minister of Immigration and Colonization has had as fitting him for the portfolio which he holds, and to compare it with the training of other ministers who have held that position, or compare it with any training which a man could possibly have who was going to be called upon to fill the position of Minister of Immigration.

The minister came to this country as a young man; he came to Canada as an immigrant. As an immigrant he went to western Canada, was educated in part in this country, took an active interest in the municipal life of the community in which he lived, was appointed a reeve of the municipality in which he was residing, subsequently was made secretary-treasurer of the union of municipalities, clearly indicative of the fact that his fellow men believed that he was one who had a wise and a wide knowledge of the needs of those who were similarly situated to himself. He brought up his family in a new community, himself as a settler, himself one who was making a home in the new land, and he did it so successfully and so completely that he won the confidence of his fellow citizens in the district in which he resided to such a degree that on three separate occasions they have returned him as a member to this parliament of Canada.

May I add that when there grew up in this country, as there did immediately after the war, a party which was inclined to feel that the two old political parties did not represent to the extent which they thought it should be represented the feeling of the great agricultural interests in this country, and when that party became sufficiently strong to be recognized as a separate party in this house, its representatives in parliament chose the present Minister of Immigration as the leader of their party, and as their leader he held an honoured position in this house.

I cannot but believe that the feeling of hon. gentlemen opposite, if they share the view expressed by their leader, is due to the circumstance that the present Minister of Immigration sits to-day on this side of the house instead of on the opposite side, rather than to any feeling that is entertained towards the minister himself. I say, Mr. Speaker, I can

think of no career better calculated to be of service to one in the position of Minister of Immigration and Colonization than a career such as I have described, and no example to others more inspiring. Take those who are thinking of emigrating from the old country to this Dominion. Many references have been made to the fact that we are not obtaining the number of immigrants from the British Isles which we should all like to see coming to this country. I ask you, what greater inducement could be offered to any young man about to seek a home in a new land, what finer example than that which is to be found in the career of the present Minister of Immigration and Colonization? He is a living example of what this country offers to men who possess his sterling qualities. They can find in this land great opportunities, and there is no position to which they cannot hope to rise provided they possess the qualities which my hon. friend possesses in such large measure.

In the course of this debate with respect to immigration, we have not stressed sufficiently the exceptional position which many of those who have come from the British Isles as immigrants have attained in our Dominion. I am proud to be able to say that in the present administration at least three distinguished members—the Minister of Railways and Canals (Mr. Dunning) who spoke this afternoon, the Minister of Immigration and Colonization (Mr. Forke) who is being referred to to-night, and the Minister of Labour (Mr. Heenan) who at the present moment is representing Canada at Geneva—came to this country as emigrants from the British Isles, one from England, one from Scotland and one from Ireland. Could there be a better advertisement of what this country offers in the way of opportunity to British settlers? If it be necessary to mention another example, I might recall the memorable gathering which took place only a year or two ago, when members of this house who originally had come to Canada as emigrants from other countries gathered together, to the number, if I recollect aright, of twenty-seven, to celebrate that particular circumstance. Knowledge of that kind spread throughout the world is to my mind the best sort of immigration propaganda this country has to offer. If we are not getting a larger number of immigrants it is due in large measure to the fact that too little stress is laid on these outstanding successes, while too much is said by hon. gentlemen opposite in bemoaning conditions in this country.

May I say this further word with respect to the temperament, so-called, of my hon. friend the Minister of Immigration and Colonization? What, may I ask, is required in the way of temperament on the part of a minister of the crown to enable him adequately to fill a position which has to do very largely, in fact almost entirely, with human relations and human life? The first quality I should say is broad human sympathy, the second, a great desire to be of service to one's fellow men. I venture to say that hon. members, irrespective of party, will agree with me that no member of this house possesses those two qualities to a finer or in a larger degree than does the present Minister of Immigration and Colonization. Indeed, if he has been willing to take upon himself the heavy obligations of that department it is, I believe, primarily because he has as a life purpose the desire, which I believe is one held in considerable measure by all who are in public life, of being of some real service to his fellow men. But I would say this further with regard to my hon. friend: I believe he honestly feels that the greatest service which it would be possible for him to render to this land and to his fellow men is to bring an opportunity similar to that which he himself has enjoyed, within the range of as large a number of his fellow men as may be possible. I know that the great desire of the minister while he is holding his present portfolio is to be the instrument of helping others to share opportunities such as he as a young man shared, and to enjoy the privileges which he and his family have enjoyed in our Dominion. These are qualities which, as I have said, all hon. members recognize in the Minister of Immigration.

But may I add that if the minister needed any testimony to his successful administration of the department, he has it in the report of the committee which has been presented to-day. Listening to my hon. friend opposite, one would think there had been two reports brought into this house, one by supporters of the government and the other by his own followers. As a matter of fact the report which was presented by the chairman of the committee is a unanimous report, a report which has been agreed to by every hon. gentleman opposite who was a member of that committee, a report which has been agreed to by the members of the Progressive party who were on that committee. Indeed, I am somewhat surprised at my hon. friend from St. Lawrence-St. George (Mr. Cahan) who was himself a member of that commit-

tee, and I am told an exceptionally helpful and useful member. He had a good deal to do with the finishing touches of the report if I am to judge—

Mr. CAHAN: If I may interrupt the Prime Minister. I did dot some i's and cross some t's, but if the right hon. gentleman is under the impression or has been informed that the committee were unanimous in regard to the report, I entirely dissent from the statement.

Mr. MACKENZIE KING: What I did wish to express my appreciation of was the final form in which the report has been presented, the form in which the i's are dotted and the t's crossed, and for which I feel a debt is owing to my hon. friend. But I may say my hon. friend has agreed with all the members of the committee on the report which has been presented.

Mr. McGIBBON: May I correct the Prime Minister? While in the main we agreed on the report, there were certainly some parts which we did not agree on. I did not for one, but I was voted down and let it go at that.

Mr. MACKENZIE KING: Certainly, that is the procedure adopted by all the committees of this house. There may be matters in the report which personally members on this side might be inclined to disagree with. I think some do.

Mr. McGIBBON: Then it was not unanimous.

Mr. MACKENZIE KING: There is no minority report. It is a report of the committee presented without any mention in it of dissent in any particular. May I say that there is no more intricate problem than that of immigration, and I think the committtee has come to recognize that fact. It has come to see that it would be impossible so far as Canada is concerned for any considerable number of men to be of one mind regarding what is the most desirable policy to be adopted with respect to immigration. But this report—

Mr. CAHAN: That was the condition of mind of the committee, I think, when we separated.

Mr. MACKENZIE KING: Exactly; and this report represents the consensus of view—

Mr. CAHAN: No.

Mr. MACKENZIE KING: —so far as it is possible to get it from men who differ on many points.

[Mr. Mackenzie King.]

Mr. CAHAN: That is better.

Mr. MACKENZIE KING: May I point out what is common ground, that there is not a single reflection of any kind upon the minister in charge of the department—not a single reflection. Indeed, there is commendation.

Mr. CAHAN: Will the Prime Minister allow a statement?

Mr. MACKENZIE KING: Yes.

Mr. CAHAN: It is this. With regard to the position of the minister and the efficiency of his department, no vote was taken in the committee. If a vote had been taken, there are many members on the other side of the house, members of that committee who would have voted for such a motion. But it was left out by common consent because we were not unanimous on that point, and those who were in the minority were left to bring an expression of opinion before the house.

Mr. MACKENZIE KING: If hon. members on the other side were to give expression to their views with respect to any member of the administration they would vote him out of office as quickly as they could. We do not look to hon. gentlemen opposite to express encomiums upon any member of the administration.

Mr. CAHAN: Do not attribute to us opinions which we do not hold.

Mr. MACKENZIE KING: If there is any reflection to be made upon the Department of Immigration and Colonization, due to the manner in which the department is being administered by the present minister, it was the duty of the committee so to report; and I believe the committee would so have reported, had that been their conviction. But may I add this: my hon. friend in his amendment has not gone that length. He has not expressed a view of that kind, and I do not believe that in his heart of hearts he entertains it.

Mr. CAHAN: I thought the department was very inefficient and it was evident at every stage of the evidence.

Mr. MACKENZIE KING: It is a very easy thing with respect to immigration to make comparisons between the department as it is administered to-day and the department as it has been administered in bygone years, to make comparisons between the number of immigrants that are coming from the British isles at the present time and the number of immigrants that formerly came in; but when examination is made of the circum-

stances which account for the difference, one very soon discovers the reason. In days when it was possible to give to settlers free homesteads, to advertise free homesteads; in days when it was possible for men and women to bring their families from the old land to the new for a few dollars instead of having to pay the relatively enormous rates which are charged to-day by the steamship and railway companies, it was an easy matter to fill this country with immigrants. There were a large number of people, seeking to emigrate from the British isles, who were anxious to get away and it was then an easy matter to bring them in. But what are the facts to-day? Every single dominion has been competing for immigrants from the British isles; and so far as this Dominion is concerned Canada under the administration of the present minister has had the largest number of immigrants from the British isles. Moreover, while hon. gentlemen opposite in the last few years have been complaining about the numbers of Canadians leaving Canada for the United States, under the present minister Canadians have been returning in larger numbers than ever before.

I say, therefore, without wishing to prolong the discussion, that whether one is to judge the administration of the department by the actual records as they speak for themselves under the administration of the present minister; whether one is to judge by the temperament which should be possessed by anyone whose duty it is to deal with large numbers of human beings seeking to make homes in a new land under conditions which, to most men, must be unknown unless they have been matters of experience; or whether it be the matter of training, my hon. friend and colleague, one of the most loyal, devoted, industrious and efficient of ministers of the crown, no matter by which of these qualifications he is to be judged, will be found to hold an honoured position in this country.

Mr. EDWARDS (Frontenac): The Prime Minister says that there was unanimity and that there was no reflection in the report. Does he not consider that there was in the report some reflection on the efficiency of the administration of the department in the fact that it unanimously made certain very specific suggestions of very drastic changes?

Mr. MACKENZIE KING: So far as that is concerned, I think that some at least of these suggestions have come from the minister himself. They have come from hon. gentlemen on this side quite as much as from hon. gentlemen opposite.

Mr. EDWARDS (Frontenac): From the committee as a whole.

Mr. MACKENZIE KING: Exactly; I am prepared to give the committee as a whole full credit. It would be an extraordinary thing indeed if, after hon. members have sat for four months or at least three months listening to experts and others of high reputation in different avenues of business, they were not able to make some suggestions calculated to be helpful.

Amendment (Mr. Cahan) negatived on division.

Main motion agreed to on division and report concurred in.

REPORT

Report of the International Fisheries Commission appointed under the Northern Pacific Halibut treaty—Mr. Cardin.

PENSION ACT AMENDMENT

SENATE AMENDMENTS TO BILL NO. 289

Mr. SPEAKER: I have the honour to inform the house that a message has been received from the Senate acquainting this house:

1. That the Senate doth insist on its first and second amendments, striking out the letter (a) in line 1 of clause 2, and paragraph (a) of clause 2, because by reason of a subsequent amendment to clause 25 herein set out, clause 2 (a) serves no useful purpose.

2. That the Senate doth insist on its sixth amendment, striking out clause 7, because under section 11 of the Pension Act all who served in a theatre of war have been pensioned or are pensionable to the full extent of their disabilities without any deduction in respect of their pre-enlistment condition. The existing law clearly provides that even those who were found by medical examination to be unfit for front line service shall also be pensioned to the full extent of their disabilities notwithstanding the fact that their service in a theatre of war was of a non-combatant character, far removed from the scene of active hostilities. The existing law which has been in operation some ten years is definite and is well understood. Clause 7 proposes an amendment thereto providing that pensions shall be awarded to dependents where the aggravation of a pre-enlistment injury or disease substantially contributed to death. Consequently this is obviously intended to cover only those who served in Canada and England. The difficulty of interpreting the words "substantially contributed", coupled with the fact that the present law seems to be sufficiently generous to cover all classes that would come under this clause, warrant the conclusion that it cannot be reasonably justified.

3. That the Senate doth amend its seventh amendment by substituting for new section 21

(1) of clause 12 the following:

"21. (1) Nothwithstanding any of the provisions of this Act, any case respecting a member of the forces or any of his dependents which is claimed to be specially meritorious and in which pension has been refused by the Commission, or if an appeal lies to the Board, both by the Commission and by the Board, may be made the subject of an investigation and adjudication by way of compassionate pension or allowance as hereinafter provided."

4. That the Senate doth not insist on its ninth amendment, striking out clause 25, but substitutes the following new clause 25 in lieu thereof:

"25. Subsection one of section thirty-two of the said Act is repealed and the following is substituted therefor:

'32. (1) No pension shall be paid to the widow of a pensioner unless she was living with him or was maintained by him or was, in the opinion of the Commission, entitled to be maintained by him at the time of his death and for a reasonable time previously thereto.

(i) No pension shall be paid to the widow of a member of the forces unless she was married to him before the appearance of the injury or disease which resulted in his death,

(a) Unless the injury in respect of which he was pensioned or entitled to pension would not shorten his expectancy of life; or

(b) Unless he was not chronically ill of a pensionable disease and not in receipt of pension in respect thereof.

(ii) This subsection shall not be held to authorize any payment of a pension for any period anterior to the date of the coming into force of this Act'."

5. That the Senate doth amend its eleventh amendment by substituting for new subsection (10) of clause 30, the following:

"(10) The Board shall be attached to the department and the expenses required to be incurred for the discharge of its duties, including the salaries of its officers, clerks, and other employees shall, on approval by the Board, be paid out of the moneys provided by parliament."

6. That the Senate doth insist on its twelfth amendment, amending clause 31, because under the existing law the soldier himself, or in the event of his death his widow, his children or his parents have the right of appeal on the ground that the injury or disease or aggravation thereof resulting in disability or death was attributable to or was incurred during military service. Paragraphs (a) and (b) of this clause, while not clear, are intended to change the existing principle of the right of appeal, particularly for dependents other than widows and children who claim their financial resources are inadequate. The Senate is of the view this is not advisable.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

PERMANENT MILITIA FORCE—PENSIONS TO GENERALS

Mr. EDWARDS (Frontenac-Addington):

1. How many officers of the permanent militia force of Canada with the rank of general are in receipt of yearly pensions from the Dominion of Canada?

2. What are the names of such generals and the amount of pension in each case?

3. When and under what authority or for what reason or reasons was each such pension granted?

4. What was the salary or rate of pay of each such officer immediately preceding the granting of the pension?

Mr. RINFRET:

1. None.

2, 3 and 4. Answered by No. 1.

CIVIL SERVICE COMMISSION—ORGANIZATION BRANCH

Mr. LAPIERRE:

1. When was the organization branch of the Civil Service Commission constituted, and for what purpose?

2. What officers were first appointed to discharge the duties of this branch, and at what salary?

3. Who are the present officers of said branch, the date of appointment and salary each is now receiving?

4. Are the present officers graduates of Canadian universities, colleges or high schools? If not, which of them are graduates of foreign educational institutions?

5. What functions are said officers required to perform?

6. Does the scope of their work extend to the outside service? If so, which officer is assigned to investigate those departmental offices where the French language is chiefly the language of communication?

7. Is it the intention of the government to appoint an officer to this branch who is thoroughly conversant in the French language?

Mr. RINFRET:

1. The Organization branch of the Civil Service Commission was constituted in 1918 for the purpose of carrying on the organization and classification work as prescribed by the Civil Service Act of 1918.

2. Mr. H. S. Dixon, temporary appointment as chief, Organization branch, at a salary of $2,700 per annum; C. V. Putman, assistant, $1,500 per annum.

3. C. V. Putman, chief, organization branch. Permanent appointment as a result of competitive examination, April 1, 1920. Present salary, $4,320 per annum; F. G. Bird, principal investigator, organization branch. Permanent appointment as a result of competitive examination, March 23, 1920. Present salary, $3,540; G. H. Gilchrist, senior investigator, organization branch. Permanent appointment as a result of competitive examination, January 1, 1921. Present salary, $3,360; C. R. Medland, investigator, organization branch. Permanent appointment as a result of competitive examination, April 1, 1921. Present salary, $3,000; W. B. Cole, investigator,

organization branch. Transferred from the Department of the Interior. Permanent appointment to that department June 1, 1911. Present salary, $3,000

4. Messrs. Putman, Bird and Gilchrist are graduates of Canadian universities; Mr. Medland, London University, London, England.

5. To carry on the investigational work in connection with organization and classification work as required by the Civil Service Act.

6. Yes. The work is handled by departments, and when it has been necessary to assign an officer where the French language is chiefly the language of communication, Mr. Medland has been detailed for that work.

7. Answered by No. 6.

PURCHASE OF YACHT PATHFINDER

Mr. THOMPSON:

1. Has the government purchased the yacht Pathfinder?

2. If so, when, from whom, at what price, and for what department?

Mr. RINFRET:

1. Yes.

2. December 9, 1927—order in council P.C. 2328; James Playfair; $70,000; Department of National Revenue.

TARIFF ADVISORY BOARD—IRON AND STEEL DUTIES

Mr. CANTLEY:

What are the names of the persons or corporations comprising the 350 parties stated by the Minister of Finance as having appeared before or appealed to the tariff advisory board against any increase in the iron and steel duties or any consequences of the presentation to the tariff advisory board on behalf of the Nova Scotia Steel and Coal Company, Limited, and the Dominion Iron and Steel Company Limited, May 26, 1926?

Mr. ROBB: As regards this question, I would direct the attention of the house and of my hon. friend to the fact that I did not make the statement attributed to me in this question. I have here a memorandum of what I actually said, as reported at page 3425 of Hansard. This is what I said:

> The government has referred this steel inquiry to the tariff advisory board. Some 350 other firms throughout Canada have said, "We want to be heard on this; we are interested. We employ more labour in the steel and iron industry than do the two large steel industries, and we want to be heard."

If my hon. friend will correct his question to conform to what I really did say I can table the information forthwith.

Mr. SPEAKER: The question as amended is answered and the answer is tabled.

The answer follows:

The following persons, firms or corporations have at some time or other communicated with the tariff advisory board—either by answering a questionnaire or by voluntarily submitting memoranda or briefs—as indicating that they were interested in the original applications respecting the duties on iron and steel, filed by the Algoma Steel Corporation and the British Steel Corporation, or in the iron and steel applications related thereto:

Name of Company—Address.

Canadian Steel Foundries, Montreal, P.Q.
Dominion Foundries and Steel Ltd., Hamilton, Ont.
McKinnon Industries, Ltd., St. Catharines.
National Federation of Iron and Steel Manufacturers, England.
Malleable Castings, Mfgrs. of Can., Toronto.
United Farmers of Ont., Toronto.
Can. Council of Agriculture.
Sheet Metal Mfgrs. Assn., Toronto.
Wire & Nail Mfgrs. Assn.
Watson & Jack Co., Montreal.
Spear & Jackson Ltd., Vancouver.
Vancouver Iron Works, Vancouver.
Dominion Chain Co., Niagara.
McKinnon Columbus Chain Ltd.
Coal, Iron & Steel Industries in Maritime Provinces, M. A. McKay, Port Arthur, Ont.
Dominion Iron & Steel Co., Montreal.
P. L. Robertson Mfg. Co., Milton, Ont.
Laidlaw Bale Tie Co. Ltd., Hamilton.
Peck Rolling Mills, Ltd., Montreal.
Massey-Harris Co., Toronto.
Steel Co. of Canada, Montreal.
Galt Art Metal Co., Galt.
McFarlane-Douglas Co., Ottawa.
Metal Shingles & Siding Co., Preston, Ont.
Metallic Roofing Co., Toronto.
Metal Stampings Ltd., Toronto.
The P. K. Mills, Listowel, Ont.
The Robt. Mitchell Co., Montreal.
The Herbert Morris Crane & Hoist Co., Niagara Falls.
John Morrow Screw & Nut Co., Ingersoll.
Motor Products Corporations, Walkerville, Ont.
Monarch Electric Co. Ltd., St. Lambert, Montreal.
B. Mooney & Sons, Ltd., St. John, N.B.
Norton Co. of Can. Ltd., Hamilton, Ont.
The Parker Fountain Pen Co., Toronto, Ont.
Phillips Toronto, Ltd., Toronto, Ont.
Preston Furniture Co. Ltd., Preston, Ont.
Restmore Mfg. Co. Ltd., Vancouver, B.C.
The James Shearer Co. Ltd., Montreal, Que.
H. R. Silver Ltd., Halifax, N.S.
Snyder's Limited, Waterloo, Ont.
The Spanish River Pulp & Paper Mills Ltd., Sault Ste. Marie, Ontario.
Stanley Steel Co. Ltd., Hamilton, Ont.
Sterling Rubber Co. Ltd., Guelph, Ont.
Geo. M. Stewart, Montreal, Que.
Taylor Electric Mfg. Co. Ltd., London, Ont.
Taylor & Arnold Engineering Co., Limited, Montreal, Que.
The Toronto Carpet Mfg. Co., Toronto, Ont.
Universal Button Fastening & Button Co. Ltd., Walkerville, Ont.
Universal Engineering Corp., Montreal, Que.
Wallace Mfg. Co. Ltd., Sussex, New Brunswick.
Walter Wilson & Son, St. John, N.B.
Windsor Plaster Co. Ltd., Windsor, N.S.

Witchell Sheill Co. Ltd., Windsor, Ont.
Alsip Brick Tile & Lumber Co. Ltd., Winnipeg, Man.
The Bowmanville Foundry Co. Ltd., Bowmanville, Ont.
Burrard Iron Works, Ltd., Vancouver, B.C.
Canada Cabinette Heels Ltd., Montreal.
Canadian International Paper Co., Montreal.
The Coast Quarries Ltd., Vancouver, B.C.
Dempsey, Limited, Vancouver, B.C.
Dominion Forge & Stamping Co. Ltd., Walkerville, Ont.
The Dowsley Spring & Axle Co. Ltd., Chatham, Ont.
Elgin Gas Motor Co., Winnipeg, Man.
Emerson Mfg. Co., Winnipeg, Man.
Findlay Bros. Co. Ltd., Carleton Place, Ont.
Standard Clay Products Ltd., St. Johns, P.Q. and New Glasgow, N.S.
Wells & Gray, Ltd.
Witchell Sheill Co. of Can. Ltd., Windsor, Ont.
The De Long Hook & Eye Co. of Can. Ltd., St. Mary's, Ont.
Gainers Limited, Edmonton, Alta.
Gillies Bros. Ltd., Braeside, Ont.
Adam Hall Ltd., Peterborough, Ont.
The Harland Engineering Co. of Can. Ltd., Montreal.
The John Inglis Co. Ltd., Toronto, Ont.
Keewatin Lumber Co. Ltd., Kenora, Ont.
The Lady Belle Shoe Co. Ltd., Kitchener, Ont.
G. W. Mallory, Blenheim, Ont.
Moffats Ltd., Weston, Ont.
The Matthew Moody & Sons Co., Terrebonne, Que.
Morash Foundry Co., Morrisburg, Ont.
Ottawa Car Mfg. Co. Ltd., Ottawa, Can.
The Sarnia Fence Co. Ltd., Sarnia, Ont.
Sylvester Mfg. Co. Ltd., Lindsay, Ont.
Tait Pipe & Foundry Co. Ltd., Vancouver, B.C.
Thomsen & Clark Timber Co. Ltd., Vancouver, B.C.
Twin City Separator Co. Ltd., Winnipeg, Man.
Vancouver Machinery Depot Ltd., Vancouver, B.C.
The Viking Pump Co. of Can. Ltd., Walkerville, Ont.
Vulcan Iron Works Ltd., Vancouver, B.C.
The Waterloo Mfg. Co. Ltd., Waterloo, Ont.
G. & J. Weir (Can.) Ltd., Montreal.
George White & Sons, Co. Ltd., London, Ont.
World Match Corp. Ltd., Berthier (en haut), Quebec.
D. Ackland & Sons, Ltd., Winnipeg, Man.
Adams Cellboard Co. Ltd., Toronto, Ont.
Chas. A. Ahrens Ltd., Kitchener, Ont.
The Alberta Linseed Oil Co. Ltd., Medicine Hat, Can.
The F. J. Allward Co. Ltd., Toronto, Ont.
Andrews Wire Works of Can. Ltd., Watford, Ont.
Austin & Nicholson Ltd., Chapleau, Ont.
Authors & Cox Ltd., Toronto, Ont.
Aylmer Pump & Scale Co., Aylmer, Ont.
Bastian Morley Ltd., Toronto, Ont.
The Bateman Wilkinson Co., Toronto, Ont.
Bates & Innes Ltd., Carleton Place, Ont.
W. D. Beath & Son, Ltd., Toronto, Ont.
The Robt. Bell Engine & Thresher Co. Ltd., Seafard, Ont.
The John Bertram & Sons Co. Ltd., Dundas, Can.

[Mr. Speaker.]

Brantford Cordage Co. Ltd., Brantford, Ont.
The Brantford Washing Machine Co. Ltd., Brantford, Ont.
The British American Oil Co. Ltd., Toronto, Ont.
The British Columbia Electric R'y. Co. Ltd., Vancouver, B.C.
B.C. Marine Engineers & Shipbuilders Ltd., Vancouver, B.C.
Bulman Bros. Ltd., Winnipeg, Man.
Burlington Steel Co., Hamilton, Can.
Business Systems Ltd., Toronto, Ont.
Butterfield & Co., Rock Island, Que.
Canada Cement Co. Ltd., Montreal, Que.
Canada Foundries & Forgings Ltd., Brockville, Ont.
Canada Tack & Nail Co. Ltd., Morrisburg, Ont.
Canadian Atlas Steels, Ltd., Welland, Can.
Canadian Blower & Forge Co. Ltd., Kitchener, Ont.
The Canadian Drawn Steel Co. Ltd., Hamilton, Ont.
Canadian Furnace Co. Ltd., Port Colborne, Ont.
Canadian General Lumber Co. Ltd., Toronto, Ont.
Canadian Horse Shoe Co. Ltd., Hamilton, Ont.
Canadian Ironing Machine Co., Woodstock, Can.
Canadian Lamp & Stamping Co. Ltd., Walkerville, Ont.
Canadian Locomotive Co. Ltd., Kingston, Ont.
Canadian National Rys., Montreal, Que.
Canadian Ramapo Iron Works Ltd., Niagara Falls, Ont.
The Can. Raybestos Co. Ltd., Peterborough, Ont.
The Canadian Seamless Wire Co. Ltd., Toronto, Ont.
Canadian Stitchdown Co., Montreal, Can.
Canadian Tube & Steel Products Ltd., Montreal, Can.
Capilano Timber Co. Ltd., N. Vancouver, B.C.
Cartier Mfg. Ltd., Montreal, Quebec.
Champion Spark Plug Co. of Can. Ltd., Windsor, Ont.
The Chaudiere Machine & Foundry Co. Ltd.
George Christie Canada Ltd., Montreal.
B. J. Coghlin Co. Ltd., Montreal.
Collins, Never-Fail Products Ltd., Hamilton, Ont.
Courtaulds Limited, Cornwall, Ont.
Crane Limited, Montreal.
Crown Cork & Seal Co. Ltd., Toronto, Ont.
Davis Dry Dock Co., Kingston, Ont.
Chas. F. Dawson Ltd., Montreal.
Dodge Bros. (Canada) Ltd., Toronto, Ont.
The Doherty Mfg. Co. Ltd., Sarnia, Ont.
Dominion Bridge Co. Ltd., Montreal.
Dominion Engineering Works, Ltd., Montreal.
Dominion Machine & Tool Co. Ltd., Toronto, Ont.
Dominion Milk Corp. Ltd., Toronto, Ont.
Dominion Paper Box Co. Ltd., Toronto, Ont.
Dominion Rubber Co. Ltd., Montreal, Que.
Dominion Sheet Metal Corp. Ltd., Hamilton, Ont.
Dominion Tar & Chemical Co. Ltd., Montreal, Que.
Dominion Truck Equipment Co. Ltd., Kitchener, Ont.
Dominion Textile Co. Ltd., Montreal.

Donohue Bros. Ltd., Murray Bay, Que.
Duncan Lithographing Co. Ltd., Hamilton, Ont.
Durable Electric Appliance Co., Toronto, Ont.
The Eagle Star Battery Co. Ltd., Ottawa, Ont.
Easy Washing Machine Co. Ltd., Toronto, Ont.
The T. Eaton Co. Ltd., Toronto, Ont.
The Empire Shirt Mfg. Co., Louiseville, P.Q.
Erie Iron Works, Ltd., St. Thomas, Ont.
Fleming Bros., Halifax, N.S.
Ford Motor Co. Ltd., Ford, Ont.
Freyseng Cork Co. Ltd., Toronto, Ont.
Frost Steel & Wire Co., Hamilton, Ont.
Ganong Bros. Ltd., St. Stephen, N.B.
Gartshore Thomson Pipe and Foundry Co. Ltd., Hamilton, Ont.
Giddings, Ltd., Granby, Que.
Gilchrist Mfg. Co. Ltd., Vancouver, B.C.
The Goodyear Tire & Rubber Co. of Can. Ltd., Toronto, Ont.
Goold, Shapley & Muir Co. Ltd., Brantford, Ont.
Graham Nail Works, Toronto, Ont.
Gray Ball Bearing Co. Ltd., Toronto, Ont.
Great Lakes Power Co. Ltd., Sault Ste. Marie, Ontario.
Grout's Limited, St. Catharines, Ontario.
Guelph Spring & Axle Co. Ltd., Guelph, Ont.
Gurney Foundry Co. Ltd., Toronto, Ont.
Gutta Percha & Rubber Ltd., Toronto, Ont.
Hamilton, G. J. & Sons, Pictou, N.S.
Hamilton By-Product Coke Ovens Ltd., Hamilton, Ont.
Hamilton Gear & Machine Co., Toronto, Ont.
Hamilton & Toronto Sewer Pipe Co. Limited, Hamilton, Ont.
Humberstone Shoe Co. Ltd., Humberstone, Ont.
Huntting Merritt Lumber Co. Ltd., Vancouver, B.C.
Horton Steel Works, Ltd., Bridgeburg, Ont.
Hoyt Metal Co. of Can. Ltd., Toronto, Ont.
Hydro City Shoe Manufacturers, Kitchener, Ont.
Ives Bedding Co. Ltd., Cornwall, Ont.
Jackson Cochrane & Co., Kitchener, Ont.
Jenkins Bros. Ltd., Montreal, Que.
Kaministiquia Power Co. Ltd., Fort William, Ont.
L. A. Young Industries of Canada Ltd., Windsor, Ont.
American Lafrance Fire Engine Co. of Canada, Limited, Toronto.
Appleford Counter Check Book Co. Ltd., Hamilton, Ont.
The Baetz Brothers, Furniture Co., Kitchener.
Beardmore & Co., Toronto.
The Beaver Foundry Machinery Co. Ltd., Toronto.
The Bonner Leather Co., Montreal.
Brantford Roofing Co. Ltd., Brantford, Ont.
Brigdens-Limited, Toronto.
British American Bank Note Co., Ottawa.
Canada Crushed Stone Corporation Ltd.
Canadian Ammonia Co. Ltd., Toronto.
Canadian Liquid Air Co. Ltd., Montreal.
Cape Breton Electric Co. Ltd., Sydney, N.S.
Colonial Granite Co. Ltd., New Glasgow, N.S.
The Corbet Foundry and Machine Co., Owen Sound.
Robert Crean & Co. Ltd., Toronto.

Cross Fertilizers Ltd., Sydney, N.S.
Darling Brothers Limited, Montreal.
De Long Manufacturing Co., Orillia.
Dexter Lock Co. Ltd., Hamilton.
Dominion Oil Cutout Co., Toronto.
Draper Manufacturing Co., Petrolia, Ont.
C. A. Dunham Co. Ltd., Toronto, Ont.
Durham Duplex Razor Co., Toronto.
The Electric Chain Company, Toronto.
S. H. Ewing & Sons, Ltd., Montreal.
Farquhar Bros. Ltd., Halifax, N.S.
Fitzgerald & Co., Peterborough.
The Ford-Smith Machine Company, Hamilton.
Gill Plumbing Supplies Ltd., Galt, Ont.
Hi-Speed Tools Ltd., Galt, Ont.
The Imperial Varnish & Color Co., Toronto.
Interprovincial Brick Co. Ltd., Toronto.
Jack Frost Ice Machine Co., Toronto.
A. B. Jardine & Co., Hespeler. Ont.
The Johnson Wire Works, Ltd., Montreal.
William Kennedy & Sons, Ltd., Owen Sound.
W. A. Kribs, Co. Ltd., Hespeler, Ont.
The H. Krug Furniture Co., Kitchener, Ont.
London Rolling Mill Co., London, Ont.
Link-Belt Limited, Toronto.
MacDonald Wire Goods Company Ltd., Drummondville, P.Q.
McArthur Beltings Limited, Brockville, Ont.
Magnolia Metal Co. of Canada, Ltd., Montreal.
The Manitoba Bridge & Iron Works Ltd., Winnipeg, Man.
The Kerr Engine Co., Walkerville, Ont.
Kingsbury Footwear Co. Ltd., Montreal.
Lamontagne Ltd., Montreal.
E. Leonard & Sons, London, Ont.
Lincoln Meter Co. Ltd., Toronto.
Lundy Fence Co. Ltd., Toronto.
Mackinnon Steel Co., Sherbrooke, P.Q.
The R. McDougall Co. Ltd., Galt, Ont.
McKeough & Trotter Ltd., Chatham, Ont.
The McMichael Co., Toronto.
Manitoba Gypsum Co. Ltd., Winnipeg, Man.
Manitoba Rolling Mill Co. Ltd., Winnipeg.
Mann Axe Co., Ltd., St. Stephen, N.B.
L. & P. Manufacturing Co. Ltd., Niagara Falls.
Maple-Leaf Milling Co., Medicine Hat, Alta.
Marsh Engineering Works, Belleville, Ont.
Mathews Conveyer Co., Port Hope, Ont.
Meakins & Sons Ltd., Hamilton, Ont.
The Newell Mfg. Co. Limited, Prescott, Ont.
Nicholson File Company, Port Hope, Ont.
The Northern Bolt, Screw & Wire Co. Limited, Owen Sound, Ont.
The Norton Tool & Machine Co. Ltd., Toronto, Ont.
Ontario Steel Products Co. Ltd., Gananoque, Ont.
Otis-Fensom Elevator Co. Ltd., Hamilton, Ont.
Page-Hersey Tubes, Limited, Toronto.
The Pedlar People Limited, Oshawa, Ont.
The New Perfection Sprayer Co., Galt, Ont.
The Peterborough Lock Mfg. Co. Ltd., Peterborough.
The Hiram L. Piper Co. Ltd., Montreal.
N. L. Piper Railway Supplies, Ltd.
Pollard Manufacturing Co. Ltd., Niagara Falls.
Pollock-Welker Ltd., Kitchener, Ont.
Sangamo Electric Co., Toronto, Ont.

Standard Tube Co. Ltd., Woodstock, Ont.
Sarnia Bridge Co. Ltd., Sarnia, Ont.
Sawyer-Massey Co. Ltd., Hamilton, Ont.
Scholl Mfg. Co., Toronto.
Scott & McHale, Ltd., London, Ont.
Shelburne Shipbuilders, Shelburne, N.S.
Shurly-Dietrich Company, Ltd., Galt, Ont.
Sidway-Topliff Company, Ltd., Toronto, Ont.
Simonds Canada Saw Co. Ltd., Montreal.
The Skinner Company Ltd., Gananoque, Ont.
Small Bros., Dunham, P.Q.
Standard Foundry & Supply Co. Ltd., Walkerville, Ont.
Standard Steel Construction Co. Ltd., Welland, Ont.
Stanley Works of Canada, Hamilton, Ont.
Starr Manufacturing Co., Dartmouth, N.S.
The Steel Company of Canada, Ltd., Hamilton, Ont.
James Steele, Limited, Guelph, Ont.
St. Lawrence Steel & Wire Co. Ltd., Gananoque, Ont.
Jos. Stokes Rubber Co., Welland, Ont.
Storm-King Electric Windshield Cleaner, Toronto, Ont.
Superior Electrics, Pembroke, Ont.
Redcliff Brick Co., Redcliff, Alta.
The Renfrew Machinery Co. Ltd., Renfrew, Ont.
Richardson Road Machinery, Saskatoon, Sask.
Riverbank Manufacturing Co. Ltd., New Glasgow, N.S.
Royal Broom Company, Ingersoll, Ont.
Taylor Bros. Cutlery Co. Ltd., Hamilton, Ont.
J. & J. Taylor Ltd., Toronto.
The Toronto Iron Works, Toronto.
Tyee Machinery Co. Ltd., Vancouver, B.C.
United Shoe Machinery Co. of Canada, Limited, Montreal.
Universal Steel Wheel Co. Ltd., Windsor, Ont.
Vancouver Brass Works, Vancouver, B.C.
Victor Heaters Co., Sarnia, Ont.
The Wabi Iron Works, New Liskeard, Ont.
Charles Walmsley & Co. Ltd., Montreal.
Watson Foster Co. Ltd., Montreal.
Wayne Forge & Machine Co. Ltd.
Welland Steel Castings, Ltd., Welland, Ont.
Welland Vale Mfg. Co., St. Catharines.
Whittaker Fireplaces, Windsor, Ont.
Whitworth & Restall, Toronto.
Walter F. Wickware, Ottawa, Ontario.
Woods Underwear Company, Toronto.
Morrison Steel & Wire Co., Vancouver, B.C.
Toronto Wire and Nail Co., Toronto.
Yale Bedding Co., Montreal.
Western Steel Products, Winnipeg, Man.
The Canada Ingot Iron Co. Ltd., Guelph.
Corrugated Pipe Co. Ltd., Stratford.
Dominion Road Machinery Co. Ltd., Goderich, Ont.
Sumbling Machinery Co., Toronto.
Morash Foundry Co., Morrisburg.
Nicholas Brothers, Edmonton.
United Farmers of Canada, Saskatchewan Section, Saskatoon, Sask.
National Dairy Council of Canada, Ottawa.
Wahnapitae Power Co. Ltd., Sudbury.
Br. Columbia Pulp & Paper Co. Ltd., Vancouver, B.C.
C. J. Brown & Co., Danville.
Canada Barrels & Kegs Ltd., Waterloo, Ont.
Benjamin Electric Mfgrs. Co., Toronto.

[Mr. Speaker.]

K-T Foundry Ltd., Galt, Ont.
The Brantford Trades & Labour Council, Brantford, Ont.
Calgary Trade & Labour Council, Calgary.
Town Council, Trenton, N.S.
The Corinthian Stone Co., Guelph.
Smiths Falls Malleable Castings Ltd., Smiths Falls.
Galt Malleable Iron Co., Galt.
Auto Specialties Mfgr. Co., Windsor.
Fittings Ltd., Oshawa.
Ontario Malleable Iron Co., Oshawa.

RETURNED SOLDIERS' INSURANCE ACT

CONCURRENCE IN SENATE AMENDMENTS

Hon. J. A. ROBB (Minister of Finance) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 290, to amend the Returned Soldiers' Insurance Act.

Mr. GARDINER: Will the minister explain the amendment?

Mr. ROBB: The bill as it left this house gave five years for the applicant to apply for insurance; the amendment provides for one year.

Motion agreed to; amendments read the second time and concurred in.

SUPPLY

DEPARTMENT OF IMMIGRATION AND COLONIZATION

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

Immigration and Colonization — salaries, $305,570; contingencies, $45,000.

Mr. GARDINER: Will the minister please explain the increase in this vote?

Hon. ROBERT FORKE (Minister of Immigration and Colonization): It is due partly to statutory increases and partly to an increase in the number of employees.

Mr. BENNETT: Will the minister explain the nature of the employment of Mr. Gerhard Ens?

Mr. FORKE: Mr. Ens has been employed by the land settlement board to investigate conditions among the Mennonite people in their large settlements. He is employed temporarily at $100 a month and expenses.

Mr. BENNETT: What settlement is he investigating, and how long has the settlement been there?

Mr. FORKE: He is investigating all the different Mennonite settlements; he is well acquainted with the Mennonite people. He

has made a report, and I can table it if my hon. friend wishes.

Mr. BENNETT: I want to know if he is investigating any new settlements. The fact is that he is there for election purposes; is that not so?

Mr. FORKE: That is probably the opinion of the leader of the opposition, but that is not the purpose for which he was employed.

Mr. BENNETT: On whose recommendation was he appointed?

Mr. FORKE: On my own recommendation.

Mr. BENNETT: Certainly, but who suggested the recommendation to the minister?

Mr. FORKE. Mr. Gerhard Ens is very well known in Saskatchewan, and as I wanted a man for this work I employed him.

Mr. BENNETT: Whom did he succeed?

Mr. FORKE: There has been a large immigration—

Mr. BENNETT: Whom did he succeed?

Mr. FORKE: No one was there before.

Mr. BENNETT: For how long is he employed?

Mr. FORKE: Temporarily.

Mr. BENNETT: For how long?

Mr. FORKE: That will be at my discretion.

Mr. BENNETT: Regardless of the Civil Service Act?

Mr. FORKE: My hon. friend knows he is not employed under the Civil Service Act.

Mr. BENNETT: How long may he be employed temporarily without coming under the Civil Service Act?

Mr. FORKE: Three months.

Mr. BENNETT: So he was appointed to an office which had not existed formerly, for three months at $100 a month and expenses, to investigate and report upon the Mennonite settlements in Saskatchewan?

Mr. FORKE: Yes.

Mr. BENNETT: And what was the need for these reports at this particular time?

Mr. FORKE: He is not the only man I may have making reports on immigration conditions in western Canada; I have others in addition to him, if hon. members want to know it, who are making confidential reports to me on immigration matters.

Mr. GARDINER: Perhaps the minister might give us some information about these other people who are making confidential reports?

Mr. FORKE: They would not be confidential if I spoke about them.

Mr. GARDINER: The minister must not think he can take that attitude with this committee. We are voting supply for his department, and I would remind the minister that he is responsible to this committee. Now we would like to get that information.

Mr. FORKE: If the hon. member is determined to have the information I will give it, but I do not think it is in the best interests of immigration to do so. I have had complaints from Regina, from Yorkton and from Saskatoon, in addition to other places, about unemployment. I could have sent out a regular member of the department to investigate these reports, but I sent out someone who was not known to be a member of the department to make a confidential report upon the conditions which existed, and I would ask my hon. friend not to press for the name at present. I will give it to him privately if he wishes.

Mr. GARDINER: How many men are employed in that capacity?

Mr. FORKE: Only one, and he was only temporarily employed a week ago.

Mr. GARDINER: What necessitated his employment? Can the minister give us any reason why this action was taken?

Mr. FORKE: I wanted a confidential report upon conflicting statements, for my own particular purpose. I have nothing to hide in the whole matter.

Mr. GARDINER: I would suggest that the minister keep the name to himself, but I want to know what circumstances made it necessary to employ this other person.

Mr. FORKE: I had complaints from Regina that a certain number of idle people could not find work, and I had similar complaints from Yorkton and Saskatoon. There were conflicting statements with regard to the situation and I asked the superintendent in Winnipeg to find a suitable person to do that work and send me a confidential report. That gentleman is now engaged in that work; he is not engaged for any specified time; as far as that goes he may be discharged next week. I was asked if I had other employees doing

this work, and it would not have been stretching it very far if I had said there were no other employees of this kind, but I am giving the facts of the case.

Mr. GARDINER: With regard to this Mennonite proposition, what is the trouble there? What necessitated the employment of Mr. Ens? Is he the man who belonged to the Mennonite settlement board?

Mr. FORKE: Yes.

Mr. GARDINER: Does the minister really think it is advisable to take a man off a settlement board interested in settling Mennonites in this country and ask him to investigate a situation with regard to Mennonite settlers?

Mr. FORKE: I think he has done very useful work. There was some trouble that he straightened out in regard to schools, and I think he has earned his $100.

Mr. GARDINER: What was the trouble with regard to the schools? Was there some trouble between the English-speaking and the Mennonite people of the school district, or what was it?

Mr. FORKE: I cannot tell at the moment, but I can get the report; I will bring it here if the hon. member wishes. I know there was some trouble in the schools, but I received the report only the other day and am not very familiar with it.

Mr. WOODSWORTH: Would the minister say what right the federal government has to be receiving confidential reports on the schools in Saskatchewan?

Mr. FORKE: I do not know whether or not I am getting outside my province. It was not exactly in connection with the schools; it was in connection with foreign children being properly looked after and told what to do in regard to getting their education. Is there anything wrong in that?

Mr. WOODSWORTH: No, I am delighted to find the Department of Immigration becoming responsible for the education of these foreigners. This is the first time I have heard of it. I wonder whether grants will be made for that purpose now.

Mr. FORKE: No.

Mr. WOODSWORTH: Are there no grants to be made?

Mr. FORKE: No.

Mr. WOODSWORTH: Then why should the federal government be mixing in the schools of Saskatchewan?

[Mr. Forke.]

Mr. FORKE: We are not mixing up with the schools in any way; the hon. member is taking something from my remarks which I never intended.

Mr. WOODSWORTH: I think the minister said that he sent out a man to make inquiries concerning some difficulty about the schools in Saskatchewan.

Mr. FORKE: I did not say that.

Mr. WOODSWORTH: Will the minister tell us what he did say?

Mr. FORKE: I said, among other things, that some children had had some difficulty about the schools, and he straightened it out for them. It was not interfering with education in any way. I have the report here and I am willing to table it and let you see it for yourself.

Mr. CAMPBELL: Are we to understand from the minister that the educational authorities are not capable of dealing with this matter?

Mr. FORKE: I think the members are magnifying this too much. If some families had any difficulty in understanding the school regulations I do not see where it would do any harm for an officer of this department to give a little explanation.

Mr. STEVENS: A confidential officer.

Mr. LUCAS: I notice there is an increase in the number of employees, amounting to fifteen; will the minister explain that?

Mr. FORKE: In 1928-29 the number of employees was 179; in 1927-28 the number was 164, making an increase of 15. This increase is accounted for as follows; one chief of records; one head clerk; one principal clerk; sixteen clerks grade 4 (promoted from grade 3); less net increase in lower grades due to adjustments and promotions, making a net increase of 15 in the number of civil government employees.

Mr. GARDINER: I am particularly interested in a special employee by the name of Ens. Was this man a member of the Saskatchewan legislature?

Mr. FORKE: I think he was in the Saskatchewan legislature.

Mr. GARDINER: Is he the member who resigned to allow a prospective provincial minister to get his seat?

Mr. FORKE: I do not know.

Mr. DUNNING: I think I could answer that question if I could get it clearly. I should like to have it repeated.

Mr. GARDINER: Are you aware of that fact?

Mr. DUNNING: What is the fact?

Mr. GARDINER: I wanted to find out if the Mr. Ens who resigned his membership in the legislature to make room for a prospective minister is the same person.

Mr. DUNNING: I can answer that.

Mr. BENNETT: Surely the Minister of Immigration is a capable minister?

Mr. DUNNING: How can he know about the Saskatchewan legislature?

Mr. LAPOINTE: The one who knows is willing to give you the information.

Mr. GARDINER: I asked if that was so.

Mr. LAPOINTE: He is the one who knows; you do not want the information.

Mr. FORKE: The answer is no.

Mr. GARDINER: That is all I want.

Mr. DUNNING: Mr. Ens did not resign his seat in the Saskatchewan legislature to make room for a prospective minister.

Mr. GARDINER: I thank you very much for a very complete answer to my question.

Mr. DUNNING: Mr. Ens ceased to be a member of the legislature many years before there was a minister elected in that constituency; that is my best memory in the matter.

Mr. GARDINER: Is it the intention of the minister to employ this gentleman for any length of time?

Mr. FORKE: He is employed only by the month.

Mr. GARDINER: I understand that he belongs to the Mennonite colonization board. Would it not appeal to the minister as being hardly fair to employ one of the members of that board to look after the interests of the Mennonites, and pay his salary out of Dominion funds? I am well aware that this board have ample funds to look after the interests of their own people, and there is no need for this government to pay out even $100 per month to do that work when they are well able to pay for it. Before we go any further, can we get some assurance from the minister that this man will be dismissed or retired within a very short time?

Mr. FORKE: I intend to keep him just as long as he is useful.

Mr. GARDINER: Let us know what he is going to do. What is the intention of the minister in regard to the employment of this man so that he will be worth $100 per month and expenses?

Mr. FORKE: I will put the report on the table.

Mr. GARDINER: I want an answer from the minister now. It is a simple question and there is no reason why he should not answer it.

Mr. FORKE: Repeat your question.

Mr. DUNNING: He is not a criminal, and all this cross-examination is unjustified.

Mr. STEVENS: A minister is bound to answer any reasonable question.

Mr. GARDINER: How long do you intend to employ this gentleman?

Mr. FORKE: He is employed in looking after new settlers, and goes into any district where he can be of help to the Mennonites who are new to the country and need a little advice and assistance.

Mr. GARDINER: Is it the intention of the minister to pay his expenses?

Mr. FORKE: If I send him out of course his expenses would be paid.

Mr. GARDINER: I happen to know something about this Mennonite settlement board. We have many of them coming into our particular district, and, from the information I have received from the Mennonites who have come in, there is no need for the employment of this man except to help bear the expenses of this board. If you want to make a grant to this board for that purpose, well and good, but under the circumstances there is no reason why you should select one specific man for that purpose.

Mr. MANION: How many votes do you think he controls?

Mr. GARDINER: You cannot get any votes, because they do not vote.

The CHAIRMAN: Shall the item carry?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. CAMPBELL: This seems to be departing on a new policy altogether. I should like to ask the minister whether it is his intention to apply this to other nationalities, and have them look after their respective countrymen coming here? There are thousands of people of Slavic stock coming into this country, who have to be looked after, and they probably need guidance just as much as or more than the Mennonites.

Mr. FORKE: I will be prepared to take any steps that I think are in the interest of immigration and the immigrant coming into the country, and I will be responsible to parliament for what I do.

Mr. GARDINER: Is there any reason why the employees of the land settlement board should not do the work Mr. Ens is doing?

Mr. FORKE: We have had several members of the land settlement board over in Great Britain assisting the medical doctors over there. They have been making separate examinations for the assisted passage rates. That board has been overworked, and instead of discharging men we should be hiring them. I have no intention of employing any man we do not need, but I do intend to employ sufficient men to adequately take care of the work they are called upon to do.

Mr. GARDINER: I quite appreciate the position of the minister in that regard, particularly with reference to the land settlement board. In view of the fact that the land settlement board is primarily for the purpose of looking after the interests of the incoming settlers, does the minister not think that it would be better to increase the staff of that board rather than employ outsiders?

Mr. FORKE: It mght be difficult to make a permanent appointment of that kind. We do not want to increase our permanent staff when we can employ some local man for a month or so when we need him. That is much more convenient than employing a permanent official who may not be needed in the near future.

Mr. GARDINER: I notice it is twelve o'clock and probably we had better let it stand.

Item agreed to.

Progress reported.

At 12 o'clock midnight the house adjourned.

[The Chairman.]

Friday, June 8, 1928

The house met at eleven o'clock.

PRINTING OF PARLIAMENT

Hon. CHARLES MARCIL (Bonaventure) presented the third report of the joint select standing committee on the printing of parliament as follows:

Your committee have considered the matter of salary of the superintendent of the distribution office of parliament, and are of the opinion that the salary paid to this official is not adequate in view of the responsibilities of the position and the increase in the work of this office.

Your committee have therefore passed the following resolution, and herewith submit the same for the approval of your honourable house:

Resolved:

That the joint select standing committee on the printing of parliament do recommend to both houses that the salary of Mr. R. B. Davidson, superintendent of the distribution office, be increased to $3,600 per annum, from March 31, 1928.

FOREIGN DECORATIONS

On motions:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Yesterday I presented to the house a return respecting honours conferred by foreign governments on persons domiciled in Canada which has been asked for by the hon. member for St. Lawrence-St. George (Mr. Cahan). I was surprised to read in an evening paper that the return had been interpreted as giving the names of prominent men who had been decorated by foreign governments. As a matter of fact, what the return actually states is the following:

No information as to any person having actually received any such title, distinction, decoration or order.

Intimation of a desire to confer orders upon the following persons was received from various foreign governments by the Canadian government, which, however, declined to recommend that permission should be granted to accept them.

The direct opposite of what has appeared in the journal referred to is therefore the case.

Hon. ERNEST LAPOINTE (Minister of Justice): In that regard I may say that I was surprised to see that I had been decorated.

Hon. R. B. BENNETT (Leader of the Opposition): I read it that the hon. gentleman had been offered it, but had declined it.

VALUATION OF IMPORTS

PROTEST AGAINST IMPORTATION OF UNITED STATES BERRIES

On the orders of the day:

Mr. W. K. ESLING (West Kootenay): May I ask the Prime Minister if the Minister of National Revenue (Mr. Euler) has brought to the attention of the government the protest of the berry growers of the Creston valley in British Columbia against the importation of surplus United States berries during the present marketing season, and may the berry growers of the Creston valley and other portions of British Columbia look for any relief during the present season?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I regret that I am unable to inform my hon. friend as to anything that has taken place in council. The government's action in these matters will have to be made known as it is publicly disclosed.

DEPARTMENT OF INDIAN AFFAIRS—SUPPLIES

On the orders of the day:

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I have a reply to the statement made by the hon. leader of the opposition (Mr. Bennett) with respect to tenders in the Department of Indian Affairs, particularly with reference to Royal Crown Soap, and also with reference to restricted lists. May I say, without reading the whole of this statement, and in order to shorten the matter, that the list is added to from time to time when we receive requests from firms to give them the opportunity to tender. There is no restricted list, and may I add that the Royal Crown Soap Company were awarded contracts in 1925-26, and this year at 6 cents per pound.

Hon. R. B. BENNETT (Leader of the Opposition): Quite so, but they were not on the list, although they did make application. I have the letter which I will send across to my hon. friend. That is the better way.

Mr. STEWART (Edmonton): They did tender in 1926. They must have been on the list then.

Mr. BENNETT: No; that is exactly the point. They saw it by accident and tendered.

Mr. STEWART (Edmonton): Oh well, I have nothing further to say.

PENSION ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 289, to amend the Pension Act.

He said: I am pleased to report that the Senate have reconsidered sections 25 and 30, and I would suggest that the house concur in these amendments and in the bill as sent from the Senate.

Mr. GARDINER: Will the minister explain the nature of the amendments?

Mr. KING (Kootenay): Section 25 deals with the pension of widows who married after the appearance of disability or disease. The section as adopted by the Senate, I understand, is satisfactory to the committee of this house which dealt with the matter. Section 30 deals with the relationship of the appeal board to the department and is in line with the amendment adopted by the Senate.

Mr. ADSHEAD: Is there any change in section 21?

Mr. KING (Kootenay): I think so, but we concur in the change.

Motion agreed to; amendments read the second time and concurred in.

SUPPLY

DEPARTMENT OF IMMIGRATION AND COLONIZATION

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

The CHAIRMAN: Vote 55, page 22 of the estimates.

Mr. GARDINER: Before you proceed with this item, Mr. Chairman, I wish to call the attention of the committee to the fact that the item we were dealing with last night was not carried, notwithstanding that it appears in the votes and proceedings as carried.

Mr. MACKENZIE KING: I agree with my hon. friend. That is my understanding.

Mr. BENNETT: That is right.

The CHAIRMAN: When I came to the table this morning I did not think that item had been carried, but it was taken from the list. If it is the desire of the committee we will reconsider the item.

Mr. GARDINER: You will observe that on the last page of Hansard, I made this statement:

I notice it is twelve o'clock and probably we had better let it stand.

I have nothing further to say on this item, but probably some other members of the

committee may wish to discuss it. In any event I think it makes for the proper conduct of business to bring this to the attention of the committee.

Immigration and Colonization—salaries, $305,570; contingencies, $45,000.

Mr. SPOTTON: Mr. Chairman, I have a question to ask the minister (Mr. Forke) which is directly connected with this vote. In August last a young man in my constituency was given an appointment under the department of immigration; I think it had to do with the inspection of soldiers' farms. He comes from true blue Liberal stock and, so far as I know, will continue in the political faith of his people. The appointment was made one month before the by-election in North Huron, and the young man was promptly fired within a month or so afterwards. He left a good position to enter the department. He was appointed, I believe, on the recommendation of Hon. Duncan Marshall. I have spoken to Mr. Marshall and to the Minister of Immigration, but have been unable to get any satisfaction. I have also tried to get another minister, who is related to the family of the young man, to intercede, but without avail. I have been told that this young man was not competent. I do not believe it, for no member of that family would undertake to do any work which he was not competent to discharge. I was shown some expense accounts of his which were not supposed to be well made up, but the only fault I could find was that his expenses were too low. I am confident that if the young man had been taken in hand by an officer of the department and given a white man's chance he would have made good from the training he has had as a member of an old pioneer family. He thought he had been engaged permanently; if the department engaged him for a short period before and after the by-election he certainly did not think so. I plead with the minister in the future not to allow his department to be thus used during elections. On behalf of one of my constituents—it is nothing to me politically—I wish to enter a protest against any member of the administration coming into my county and using such sharp practices upon my people.

Mr. FORKE: I do not know anything about the facts of the case, Mr. Chairman, I will make inquiries of the chairman of the land settlement board.

Mr. SPOTTON: Mr. Minister, if you do not know, you should because you were one of the first men I called upon when I came here and I have been in touch with you continuously as well as with one of your colleagues in an attempt to have this young man reinstated.

Mr. ESLING: I wish to ask the minister if within the last few weeks he has had a report concerning the Doukhobors in the West Kootenay district.

Mr. FORKE: I have had no report beyond what the hon. member himself has told me.

Mr. ESLING: Then, Mr. Chairman, I wish to bring to the attention of the committee a very serious situation. In West Kootenay we have a rather large community of Doukhobors. During the past three weeks a fanatical faction, composed of about two hundred, have been on a rampage, marching through the adjoining municipalities, holding public meetings, chanting and speaking. No one objects so much to singing but their leaders are practising the worst kind of communism. They persist in standing on the street corners and openly defying the laws of the country. For instance, they declare that they will not send their children to school, that they will not register births, deaths and marriages, and that they will not pay taxes. It is only within the past three weeks that this has happened. There are 200 of them to-day marching through the country, and to emphasize their determination not to abide by the laws of the land some of them—not all of these 200, but anywhere from half a dozen to a dozen—make public exhibitions by marching down the street absolutely nude. It is only within three weeks that the farmers' institutes in convention in West Kootenay voiced a protest to the provincial government. They said, "If the provincial government cannot enforce the law, for Heaven's sake, who will? Will the Dominion government do so?" I realize that the enforcement of the law and the responsibility for that enforcement is up to the province, but I submit that this federal government must share to some extent the responsibility for the behaviour of these radical fanatics. It was this government that dumped them into Canada. They not only brought them but bonused them for coming. It was about 1903 that $32,000 was handed out to the Doukhobors as a bonus for their having come to this country.

I ask the Minister of Immigration, I ask the government itself, to amend our immigration laws so as to provide for the immediate deportation of such of these fanatics as

openly violate the law by going around the country absolutely naked. Is that impossible? You may say that it is up to the provincial government to prevent these exhibitions, but there cannot be a provincial policeman in front of every Doukhobor, and the community covers a wide area. At this convention of farmers, one man entered a protest against these exhibitions. He said, "I and my family occupy ten acres of land. I have my orchard, and everything I have is invested therein. Across the provincial highway from my orchard there is a family, man, wife and children, of Doukhobors going around absolutely stark naked, and I have to submit to that humiliation and mortification" Such a condition should not exist in Canada. I do not know what our relations are with Soviet Russia so far as deportation is concerned. Nevertheless this fact remains: We seem compelled to harbour these people, who to some extent are nothing more than human animals; they have no more sense of decency than human animals. We have paid them to come to the country; we have exempted them absolutely and unconditionally from military service; and we seem to be more concerned for their welfare than for the welfare of our own people. We seem, I say, compelled to keep them in the country with their open defiance and violation of the law; yet we are unable to retain our own Canadian citizens. The responsibility, so far as these fanatics are concerned, rests with the Dominion government and I ask that they take some steps to provide for the deportation of those who openly violate the law and express a determination so to do.

From this same community centre, where these farmers' institutes were in session last week, comes a letter stating that the rumour is strongly current there that it is the proposal of this government to bring into Canada 20,000 more of these Doukhobors and to place them in the Peace River country with a view to using them ultimately for railroad construction. I want to ask the minister whether that is so or not, and whether that rumour is well founded. Perhaps he will tell me whether there is any proposal to bring into Canada 20,000 or any number more of these Doukhobors and have them settle in the Peace River country?

Mr. FORKE: None whatsoever.

Mr. CAMPBELL: Is it not a fact that many of these Doukhobors were born in Canada and therefore are not subject to deportation?

Mr. ESLING: Some of them were born in Canada. I do not question for a moment the right of these people to remain here after a residence of five years. But even so, anyone will admit that there must be some means of dealing with these radicals who offend every sense of decency. There must be some ground for the rumour regarding the entry of additional Doukhobors; because in 1912 an order in council was passed forbidding the further entry of Doukhobors into Canada, and we included along with them the Hutterites and the Mennonites. In 1919 the ban was lifted against the Hutterites and the Mennonites but we continued to exclude the Doukhobors. But only last year, or in 1926, another order in council was passed admitting the Doukhobors, and that would seem to indicate at least that they have free entry to Canada under proper medical examination.

One question I want to ask the minister is this—and I think we are entitled to an answer: Will he not take steps for the deportation, where possible, of such of these fanatics as openly offend every sense of decency and not only mortify but embarrass and demoralize the local communities by their exhibitions?

Mr. FORKE: Where recently arrived immigrants, be they Doukhobors or others, are unsatisfactory and do not obey the laws of the country, I think the department is prepared to deport them at any time.

Mr. ESLING: But here we have a concrete case; it is not a case of "if" they violate the laws. I have told you, you have evidence of it in the newspapers out there; you have it from the provincial police there that this faction of fanatics is absolutely and openly violating the laws of the country. They are standing on the street corners preaching absolute defiance, saying "We do not propose to send our children to school; we will not register births or marriages; we will not pay taxes." And to this fanatical faction is attributable the fact that eight schools have been burned in British Columbia. They not only say what they will and will not do, but they emphasize it by open defiance.

Mr. ROSS (Kingston): The general subject of immigration was dealt with sufficiently yesterday, and now we are justified in considering under this item the work of the department as a whole. I am sure the minister felt a little elated yesterday when he was given a clean sheet, decorated,

and had medals pinned all over him and, as you might say, a garland of diamonds hung around his neck by the Prime Minister. Yet if we study the situation as we find it to-day there cannot be any gainsaying that we have some doubts as to the results obtained by the department under the minister's administration. It has been shown that we have lost millions of people, both by losing our own people and by losing those whom we have brought from other countries, and just here there is one point to which I would like to direct attention. During the years this government have been in power we have brought into Canada, according to the figures given by the government, some 573,000 people, but in that same period we have lost to the United States, including some few from Newfoundland the figures for which I could not get, about 591,000 people. In other words, we have lost to the United States more than the number of people we have legally brought to Canada from the old country at an expenditure of some $55,000,000. If that is a result from which the Prime Minister can derive any satisfaction I fail to see it.

The minister has admitted that the policies brought in by his department have failed, and it might be worth while to take them up in order. In all these years the three-thousand-family scheme has only produced some 2,600 families, and if that is the best we can do with ministers such as the present Minister of Finance, the present Minister of the Interior, the present Minister of Immigration and his predecessor, there is something wanting. Then there was a great scheme by which we were to bring to Canada retired officers from India, men with money; that has absolutely fallen through. Then we had schemes to bring out Scottish people, and hon. members will recall the way the minister spoke when this question was discussed in the house one evening. I put on the order paper some time ago, a question in this regard, and the minister informs me that most of those people are still on the land. That is not true, and the government know that very few of these Scottish people have remained here; the unfortunate part of it is that a number of them have returned to the old country. We heard yesterday and last evening that it was a great thing to bring an immigrant to Canada and satisfy him, then send him back to his own country as an advertising agent. Under that scheme we brought excellent people from Scotland, placed them in parts of this country for which they were unsuited and, as we prophesied at the time, they have returned to the old country dissatisfied. That is the sort of advertising we will get from them.

Then the Prime Minister said that this present minister possessed certain qualifications, and that we on this side of the house were dissatisfied with him because he had moved across to the other side. I do not know that we have any dissatisfaction with the minister because of that; he was more useful to us on this side because he had some criticisms to offer of the government then, while to-day his voice is absolutely silent with regard to the matters which he formerly criticized. Then it was said that he is an immigrant. I would like to know what blood is in any person in the country except old country blood; we are all descended from old country people. Then it was said that the minister had sympathy, but I would like to know where that sympathy can be found. He has driven away the parties who in past years have been the best immigration agencies for this country. He has fallen out with the Salvation Army and has absolutely destroyed their interest and enthusiasm in the settlement of this country. According to their own statement they have transferred their interest from Canada to Australia. The minister has fallen out also with the Anglican church. There was a meeting in Kingston some time ago at which it was said that the slogan of some parties in the old country was "Our trouble is not to get British settlers but to keep them out of Canada." For a long time that was disputed, but after a while the minister had to crawl down and admit that there was some truth in this charge. This church has been one of the best agencies for the settlement of this country, but the minister has done his best to alienate them. The minister has frozen out the Barnardo boy movement. Whether that was good or bad it brought some boys here, and if it brought some bad boys it also brought some good ones. So I can hardly see that the minister has that qualification of sympathy which was ascribed to him last night.

An hon. MEMBER: The McConachie case.

Mr. ROSS (Kingston): Yes; let us consider the McConachie case and try to find where his sympathy was then. The first question the minister will ask me is, "Well, are you in favour of bringing these mental defectives into the country?" I say I am not, but the minister is and has brought mental

defectives into Canada, and I have details of a few cases taken from his own reports. One of them is the case of a mental defective whose condition is said to be the result of eating tinned food in babyhood. When a medical department or some medical officer can put that over the minister certainly it shows a weakness. Then we have other cases here, to a few of which I would like to refer in order to show that the minister has transsgressed the laws and regulations of his own department. Here is a case known as J. P., described as constitutional psychopathic inferiority, but given a permit by the minister. Here are two cases of infantilism; they are pretty close to this mongolian type, aged 17 and 14, and both given permits to enter this country. Here is another person described as feeble-minded and illiterate, but the minister issued a permit because there is a doubt as to whether this is a case of mental deficiency or whether the condition is due to lack of educational opportunity. Can you imagine anything more ridiculous? Here is another case, known as H. A., classed as neurasthenic and illiterate, subject to the delusion of being afflicted with various ills. Here is another one, 13 years old, incorrigible in school but allowed to stay in the country because the father is here. Here is another one, 18 years of age, psychopathic inferiority—emotional instability. These are all mental deficiency cases, admittedly so, yet the minister shows his sympathy by permitting them to come into this country.

Now let us consider the McConachie case. As I said before, I am not going to say that these people should be admitted indiscriminately, but when the minister admits grown up people and then refuses to admit a baby I want to say that it shows a want of common sense. By the admission of that McConachie baby he would have admitted also six excellent Canadian citizens. The medical officers say that in this type of infant not 9 per cent reach twenty to twenty-five years of age. It is not an institutional class. The baby has not one chance in a hundred to live, because the condition is a heart one, along with other things, and the first little illness that strikes the child will rob it of its life. It is interesting to know if the minister has shown sympathy, this great qualification of sympathy? No definite cause can be ascribed to the condition. It is not hereditary, but one of the conditions is due to a mother having her children too rapidly. Another condition, as shown by the medical authorities, is due to some shock on the parents' side. This book by one of the latest authors says that certain of these cases have been found to be the children of soldiers who have gone through the experiences of the war. McConachie was a returned soldier. If there was any sympathy in the minister's make-up, would he issue permits to these grown-ups who could be restrained, and yet separate a baby from its mother? That is a type of cruelty this country cannot understand; it is an absolute want of sympathy. I have asked the minister if he would accept, as he has in many other cases, a bond from reliable people that this child would not be allowed to become a burden or a menace to this country, but I have had no answer from the minister. Under the laws of this country it is a crime for a mother to desert her child, and yet we can by regulations rob a mother of her child. If there was any possibility of a menace in this case, or the possibility of any liability being put upon us, I would say there was some reason in taking a little baby from its mother, but not in the case of a baby who has not got one chance in a hundred of reaching even twelve or fourteen years of age.

But the minister's appointment is not due to these qualificatios of sympathy and service. We all know that the minister was put in this office to fulfil and carry out what has been described as a morganatic alliance. You might say a marriage has been consummated although no pastor officiated. But there is a marriage, and we are told to-day that the union has not been a satisfactory one, and there are symptoms now of dissatisfaction in the household notwithstanding all the medals that have been pinned on him. In other words, Sarah has become old and is non-productive.

Mr. STEWART (Edmonton): Very funny, isn't it?

Mr. ROSS (Kingston): The result is there is a loss of immigrants; there has been an increase of about eight hundred but it is not an actual increase. This department is the most important one in this country at the present time. I have no fault to find with the subs department, as both the deputy minister and Mr. Fraser have been very reasonable with the two cases I took to them in connection with immigration. I would say that that is where the sympathy lies, in the officials, but on the part of the minister there is an absolute lack of sympathy in meeting these cases.

I really think the department must get back to the sympathy and coordination with

all cases which it had in the past. It is too bad if they have lost the interest and enthusiasm of such a body as the Salvation Army.

I have a little sympathy with what the member for Cartier (Mr. Jacobs) said yesterday. We cannot make this country attractive to immigrants if we only stick to one or two classes. We bring domestics out here and I know for a fact that a big majority of them stay only to complete their period in Canada and then they are off to the United States. This matter of getting British settlers here is a very important one, but we are not going to draw a great mass of settlers from Great Britain on an agricultural policy alone. Great Britain is becoming more industrial every day and the minute we adopt a policy which will make it possible for industries to be established in this country, we will have a flow of British settlers. They are there and they are ready to come. At present we have the handicap of seasonal employment. In the old days this Ottawa river was alive with men during the winter, as the lumbering business was there in all its ramifications. What has happened? It has gone, but we have the pulpwood industry, and if we had a proper pulpwood policy in this country to-day we would have all these mills on the Canadian side. Whenever you speak of interference with the movement of pulpwood to the United States, that great association known as the Pulp Wood Association is immediately on your trail and threatening all kinds of dire things. We are sending to the United States from eastern Ontario thousands and thousands of cords of pulpwood. For what purpose? Cross the border at a port like Kingston and you immediately see the big pulpwood factories near the town of Watertown. I would point out to the farmers of this country that when we send our natural resources out of the country we also send the best natural resource we have—the boys and girls. When our pulpwood goes over there to build up these mills the boys go over to obtain winter work, and they do not come back.

Mr. WARD: Does the hon. member know the percentage of pulpwood which is exported from Canada?

Mr. ROSS (Kingston): I cannot say, as I can only speak for my own locality. But if you go to British Columbia to-day you will find a movement of pulpwood from the coast, and not one stick of it is being taken away on Canadian boats. It is bought by the Americans and taken away on American bottoms; it goes into American mills and gives employment to Americans, and our Canadian boys must suffer.

Mr. KING (Kootenay): May I interrupt for a moment? My hon. friend is speaking of something he does not know.

Mr. ROSS (Kingston): I know what I am speaking about.

Mr. KING (Kootenay): The law of British Columbia does not permit the exportation of pulpwood or logs except by order in council, and the only grades of pulpwood or logs taken out of British Columbia to the United States market are third and fourth grade logs that cannot be sold locally.

Mr. ROSS (Kingston): I want to tell the minister I have gone up the coast and I know what the law is.

Mr. KING (Kootenay:): I know more about it than the hon. member does.

Mr. ROSS (Kingston): The law is there but they are being exported.

Mr. KING (Kootenay): Only the third and fourth grades.

Mr. ROSS (Kingston): We have stopped this exportation in Ontario, and what is the result? We are getting our factories and work for our own people.

Mr. BRADETTE: In northern Ontario if the settlers did not have the United States market and had to depend upon the local industry, they would starve to death. They have to export and they do export their pulpwood.

Mr. ROSS (Kingston): This is not the only matter in which the hon. member is out of touch with his constituency. He has his mills up there to-day owing to the fact that the exportation of pulpwood has been stopped. That and nothing else has placed the mills in the Abitibi district and elsewhere in new Ontario in the position in which they are to-day. We could have ten mills in this country, but they are at Watertown and other places in the United States. I am glad in any event that I have raised a little discussion on this subject. If the minister, much as I respect his good nature and so on, will come with me sometime along the coast of British Columbia, I will show him what I saw going on there in what I consider one of the richest provinces of the Dominion.

Mr. KING (Kootenay): Three great pulp plants.

Mr. ROSS (Kingston): The point is that the United States mills are being built up on Canadian pulpwood and the supply is being drawn from British Columbia.

Mr. KING (Kootenay): Not from British Columbia.

An hon. MEMBER: What is the percentage?

Mr. ROSS (Kingston): Never mind the percentage or anything else. There is the fact and you must face it. If the government and the minister would face it, he would find that he could draw from the British Isles today thousands of people whom he will not get.

Mr. WARD: Does the hon. member think he is fair to the committee when he gets up and makes a speech on the question of the export of pulpwood and does not give the committee the percentage of exportation that is taking place? The percentage last year was a little over ten per cent.

Mr. EDWARDS (Frontenac): That is ten per cent too much.

Mr. BRADETTE: There is a surplus production of pulpwood in northern Ontario which the local industries cannot absorb. Are the settlers going to destroy or burn that pulpwood, or are they going to be allowed to export it?

Mr. ROSS (Kingston): If the hon. member wants to know the percentage I am sorry I have not got it here; I have it upstairs in my room. He will be able to get it from the Bureau of Statistics. But in any event ten per cent of the pulpwood is a tremendous quantity of our natural resources going out of the country and there is no necessity for it to go out. There would not be a surplus or an excess if these mills were in Canada where they should be. These are our own natural resources.

Mr. WARD: Would the hon. member suggest that parliament should legislate where I shall sell the pulpwood off land I own myself?

The CHAIRMAN: I think I should point out that a discussion on the exportation of pulpwood is not relevant to the matter before the house.

Mr. ROSS (Kingston): It is absolutely relevant. One of the reasons that have been given for the decrease in immigration is the lack of seasonal employment. What is the use of making any criticism if you cannot give something constructive? I am pointing out how we might get over the disadvantage that we have in connection with seasonal employment. One thing I was mentioning was the possibility of building up winter employment in this country if we had our own mills and produced our own paper. The mere fact of the percentage has nothing to do with the matter. I am pointing out what we should do in order to keep more of our people at home, and this is quite relevant to the question of immigration. The Minister of Immigration has said that he has sympathy; that he gives service to his people. The production of commodities in our own country will be an evidence of sympathy and service. I have not by any means gone into the whole question, but I should like to close up the discussion with this summary. The minister's administration is marked not by sympathy but rather by a want of it. He has dissociated himself from those agencies which would provide immigration. He has now established a severe medical examination. I do not know that I would have any great fault with the severe examination; but if you make your examination such that common sense will not be used, then the absence of common sense in dealing with one intending immigrant will absolutely stop and debar hundreds from coming to this country and we will lose the sympathy and enthusiasm which we should have in the old country. Those Scottish people who came over here and were settled should have been placed where they would have been advertisements instead of being permitted to return home and say that they were dissatisfied with conditions in Canada.

Mr. ROBB: In the closing hours of the session it is apparent that at least those of us who remain within the chamber are going to be entertained with a sniping process directed against the Minister of Immigration.

Mr. BENNETT: That is unfair.

Mr. ROBB: I say those of us who remain within the chamber, because I am satisfied and I imagine most hon. members on both sides of the house are satisfied that the public have lost interest in the attack of the Tory party upon the immigration department and the immigration policy of the government. Early in the session, indeed before the session, the Tory press throughout the country—

Mr. ARTHURS: The Liberal press—the Globe.

Mr. ROBB: —carried weekly statements that there were irregularities within the Department of Immigration. In fact it was alleged that there was traffic in permits and the government promptly met that statement by giving the house a committee representative of all parties within the house. Hon. gentlemen named their own members of the committee. That committee was given a free hand to subpoena witnesses from wherever they believed they could get the information. The committee sat continuously throughout the session. They brought before them witnesses from all parts of Canada and they had before them officials of the department. Every opportunity was given to make good the charges that had been daily made against the Department of Immigration and what was the result? Yesterday we had presented to us a unanimous report. I am told—

Some hon. MEMBERS: No.

Mr. EDWARDS (Frontenac): We did not have anything of the kind.

Mr. ROBB: Let me finish my sentence. I am told that some hon. gentlemen made reservations, mental reservations, as to what was in the report.

Mr. EDWARDS (Frontenac): The minister is not going to get away with any statement which is not in accordance with the facts. The minister, although he is Minister of Finance, has no special privilege to get up in the house and put over what is not in accordance with the facts.

Mr. ROBB: When I was interrupted by my hon. friend I was just coming to the point that whatever differences of opinion there may have been, whatever mental reservations there may have been, they selected from among themselves a leader, an outstanding gentleman, a statesman from the opposite side who was very prominent in the Winnipeg convention, and demonstrated to the country that he had some following throughout Canada, and this gentleman presented an amendment which appears in Hansard, and in order to remind the house just what the hon. member did say about all this campaign that was carried on against the department I will read his words. He said:

> At the outset I desire to say that after examining some of the witnesses and listening attentively to the examination of others from the department and outside, I came to the clear conclusion that whatever the department may lack in efficiency as it is at present constituted, there can be no reflection upon the honour or honesty of the officials who are administering that department. I also came to the conclusion that the suspicion created throughout the country with regard to members of parliament trafficking in permits or letters of admission to immigrants from the continental countries of Europe is entirely without foundation so far as any evidence was brought before the committee, and so far as I was able to ascertain by personal investigation of some rumours which were brought to my notice.

Who started all these rumours throughout the country? The very gentlemen opposite who yesterday—

Mr. BENNETT: Name them.

Mr. ROBB: The press of the country carried their names.

Mr. BENNETT: The Toronto Globe—

Mr. ROBB: Does my hon. friend claim that the Toronto Globe is a supporter of this government?

Mr. BENNETT: It is the greatest Liberal newspaper in Canada.

Mr. ROBB: Yesterday hon. gentlemen opposite put up a gentleman from their front benches to say that there was nothing in this campaign that has been carried on. They did not divide the house on their amendment. The motion for the adoption of the committee's report was passed unanimously.

Some hon. MEMBERS: No.

Mr. ROBB: Well, some hon. gentlemen called "On division" but there was no one who had the courage to stand up and demand a vote. Having fallen down yesterday, they start afresh this morning with a sniping process against the Minister of Immigration, although in the words of my hon. friend who has just sat down (Mr. Ross) they have not much fault to find with my colleague except that he now sits on this side of the house instead of to your left, Mr. Chairman. My hon. friend admitted that when the present Minister of Immigration sat to the left of the Speaker he was a pretty good fellow, and was useful.

Is it not about time, now we are in the last days of the session, that we got down to business? If there is any one who has any real charge to make against the department, let him come out in the open and make his charges. But why this sniping process?

My hon. friend from Kingston emphasized largely that unfortunate McConachie case. No person knows better than my hon. friend, who is himself a medical practitioner, that the head of the department must be guided in such matters by the medical officers, and the medical officers who advise the minister

declared that this infant was not such as might be admitted to Canada under the laws of this country. This federal department has also some responsibility towards the provinces, because the provinces say to us: There are certain people you must not admit into this country, because eventually they may become a charge upon the provinces. I venture to say that the province of Ontario, represented by my hon. friend from Kingston, would be one of the first provinces to protest if the government allowed undesirables to come in who eventually might become a charge upon the province.

Mr. ROSS (Kingston): What about these other cases I quoted, cases of grown-ups who were admitted, yet the baby was refused. Explain that.

Mr. ROBB: They may have come in under a limited permit.

Some hon. MEMBERS: Oh, oh.

Mr. ROBB: My hon. friend in his sniping process against my colleague—

Mr. ROSS (Kingston): My sniping is done in the open, and the minister knows it. I made my statement openly, and I asked for an explanation. The minister is not going to use any such words as that to me. We had a ruling yesterday, Mr. Chairman, and it was a strong ruling. I am not sniping. I stand out in the open and make my statement openly, and any statement I make I back up with evidence.

Mr. ROBB: Just let us see that, right now. My hon. friend has charged that the Minister of Immigration of to-day has fallen out with the Salvation Army. I am the minister that fell out with the Salvation Army. That trouble started when I was Minister of Immigration. And why? Because we had complaints from some of the boys brought in by the Salvation Army that the army was taking funds from them contrary to the understanding they had with them. We sent for Commissioner Lamb. I was Minister of Immigration of that day, and I had an understanding with Commissioner Lamb. I pointed out to him the complaints that were coming in from some of these boys. We did not have any quarrel with Commissioner Lamb. We recognized the great work that he was doing, but we wanted to demonstrate to these gentlemen that it was the government of Canada that was carrying on the affairs of this country, and was responsible to the citizens brought into this country, and that if he proposed to continue bringing these immigrants, all he had to do was to observe the regulations laid down by the Department of Immigration. I submit that it is not the government that quarrelled with the army, but it is the army that tried to work this up with the government, and they fell down on it, and I think they themselves recognize that they made a mistake. Why should my hon. friend blame the present Minister of Immigration for my sins? If any person acting on behalf of the Salvation Army has any quarrel, do not take it up with the present Minister of Immigration, because I am the man who is to blame.

I am sorry I have detained the house so long. I simply rose to say that having considered the report of the immigration committee all day yesterday, a report which was unanimously adopted without anyone dividing the house, why should the business of the house be further delayed by attacks from here, there and the other part of the house—attacks which I regard as a Tory attempt to work up public opinion against the Department of Immigration, simply continuing the attack that failed during the session and in the committee. Let us now get down to business and vote supply, and go on with the business of the country.

Mr. BENNETT: I desire to say to the Minister of Finance that there will be no voting of supply if he continues to make speeches such as he has now made. I desire to say further to him that if he proposes to make inaccurate statements this house will not continue to vote supply. He said, as a minister of the crown, a few moments ago that there was an unanimous report adopted by the committee on immigration. Such was not the fact ,and it was stated here yesterday that such was not the fact. It is repeated here again to-day that such was not the fact. The minister knows it is not the fact, and he should not continue to make these observations. The Minister of Finance further stated a moment ago that this house unanimously adopted the report yesterday. He knows that it was carried on division, and was so stated. That indicated there were a number of members who did not agree with the report, but that the house did not vote upon it. He knows that is not a new custom. It was carried on by his own government, it was carried on when he was in opposition, and it will be carried on until the end of our parliamentary institutions. A vote was not taken in order to save time. But there will be votes taken before the conclusion of this session, if that is what the Minister of Finance wants. To-day or Saturday, whenever this

session ends, he will have votes on concurrence, on his supply bill. I assure him of that here and now. If that is what he wants, if it is what the Minister of Railways wants, they will both get it.

Mr. DUNNING: It is better than talk.

Mr. BENNETT: Three times the Minister of Finance used the word "sniping." What is sniping? It is shooting from ambush or behind cover. The member for Kingston (Mr. Ross) was not sniping.

An hon. MEMBER: He is always responsible for it, though.

The CHAIRMAN: Order.

Mr. BENNETT: No one in this house, whether minister or private member, can charge the hon. member for Kingston with sniping. Such a charge is absolutely devoid of truth. The member for Kingston charged the Minister of Immigration with dereliction of duty, and gave particulars. Then the Minister of Finance said the member was sniping. Does he think it is going to advance the business of this house to talk about sniping in connection with a charge that is frankly and openly made and that requires an answer, and to which an answer must be given by the head of the department, not by somebody else on his behalf. This capable minister, whose funeral oration was delivered last evening by the Prime Minister, cannot look to the Minister of Finance to make his defence. Let him make his own defence, and let him make his own replies with respect to questions that he is asked. He was asked a reasonable question on supply by a member of this house. Every member is entitled to a reasonable answer with respect to supply. That is the sniping that is charged against the member for Kingston. I say it is unworthy of the Minister of Finance to make such a charge in view of what took place. That is not going to carry estimates in this house.

Mr. DUNNING: Well, we can stay here as long as you can. There is no need to threaten.

Mr. BENNETT: We are not threatening.

Mr. DUNNING: Every word is a threat.

Mr. BENNETT: We are standing on our constitutional rights, and they are not going to be taken away from us by the Minister of Finance trying to block supply.

Mr. LAPOINTE: Temperamental.

Mr. BENNETT: Not a bit.

[Mr. Bennett.]

Mr. FORKE: Mr. Chairman, the leader of the opposition (Mr. Bennett) has favoured me with a few very complimentary sentences since this debate began, and I am going to reply to him in exactly the same tone. I say that both from experience and temperamentally he is not suited to be the leader of a great party. I tell the hon. member that what he has said is very cheap stuff. If I have made mistakes, if I am unable to conduct the business of this department, I want him to tell me in specific terms what are my failures. He has made general statements about a broad vision; great schemes; millions of dollars might be lost; there might be failures—all these general statements he made and then recited them over again. That is the kind of stuff that has been handed out to this house and lauded as broadness of vision, as big ideas that will amount to something. What have I got from that side of the house this session? I came in at the beginning of the session as Minister of Immigration and Colonization, anxious and willing to listen to any suggestion that might be constructive, that might help me to carry on the department to the best advantage of Canada as a whole. At the close of this session, Mr. Chairman, I am without one constructive idea; I have not one thought that will help me in any way to carry on the department to better advantage. But I have got sneers—

Mr. LAPOINTE: Abuse.

Mr. FORKE: Yes, and abuse; and I have been told that I am lacking in capacity and ability. I think if my hon. friend will go back to the province of Manitoba he will find that I have made a reputation in that province during the past forty years, that I have done something for the province. I want to say without egotism that I doubt if there is a man in Manitoba who has played so large a part in the public affairs of that province as I have during the last forty years. I am willing to leave it to the people who know me best, who have known me during the years of my maturity, to deal with the cheap sneers about my mentality, and about Sarah! I do not feel that my mental powers are less than they were, and I hope for long years to come to be able to carry on public business. It seems to me it does not lend dignity to the house to indulge in that sort of debate. I am willing to take all the blame for the mistakes I have made, but I think hon. members might at least have the decency to observe the amenities in speaking of a man's private life or his capacity.

Mr. DONNELLY: Mr. Chairman, a good deal has been said to-day and yesterday concerning the report brought in by the agriculture committee and the statement has been made that it was not unanimous. I sat on the committee and the sub committee and helped to draft the report. There was one portion of it which did not meet with general agreement, and it was carried on division. I want to lay that part before the house. We divided on the advisability of taking up the transportation question with respect to immigrants from the old country, and it was decided that we should recomend the granting of cheap fares to those immigrants up to the teen ages; but when we came to the question of extending the same right to our own people, the hon. member for Frontenac-Addington (Mr. Edwards) objected. This was the section upon which we divided, and I wish to place it before the house. It appears on page 8 of the report:

> The committee also recommends that measures be taken to ascertain whether the railways will restore the homeseekers' rates in effect prior to the war, making such rates effective eastbound as well as westbound.

In other words, we were to get in touch with the railways and see if we could get cheap rates for Canadians, because otherwise it seemed to us that they were discriminated against. For instance, a man living in Detroit can get a cheap rate to western Canada, but if he lives in Windsor he has to pay the full rate. We did not feel it was fair and square to treat Americans better than our own people, and we though we should get the same rate for Canadians who want to go west. That was the only thing on which we asked for a division.

Mr. EDWARDS (Frontenac): Mr. Chairman, with regard to the clause referred to by the hon. gentleman who has just taken his seat (Mr. Donnelly), he has not correctly represented my objections to that particular clause. He cannot be ignorant of the reasons I gave, for I not only gave them before the committee and the subcommittee, but in my remarks yesterday I stated very clearly my objection to including that clause in the agreement, or anything in the nature of that clause in the subamendment moved by the hon. member for St. Lawrence-St. George (Mr. Cahan). I stated that a reduction of rates to move Canadians from one province to another was not a matter of immigration but of internal business of the country, and that while it was proper for a member to propose it in the house and get the judgment of the house thereon, it should not be taken up by us in the committee as a matter of immigration. I believe I am absolutely logical in taking that ground. I do not think there is any use labouring that point further; I have stated my position on it. I am convinced that my own position is a logical one and if the hon. gentleman is inclined to differ from it, that is his privilege.

Mr. MILLAR: Was the hon. member for Willow Bunch correct in saying that that was the only clause to which dissent was taken in the report?

Mr. EDWARDS (Frontenac): Not exactly.

Mr. MILLAR: What other clause?

Mr. COOTE: I rise to a point of order. I think it is a well known rule in this house that proceedings in a committee, especially of a meeting which is held in camera, should not afterwards be discussed in this house; at least statements made in that committee should not be used in discussions in the house. I think that is a rule of this house; I ask whether that is correct. Hon. members in considering the matter should not refer, at least in detail, to discussions that took place in committee.

Mr. EDWARDS (Frontenac): I have not done so. I have referred directly to matters in the hands of every hon. member in the house, contained on page 8 of the report of the committee, and referred to in somewhat different language in the amendment proposed by the hon. member for St. Lawrence-St. George. I have not gone into details. I can go into details and give my reasons more extensively than I have done, but I have refrained from doing so. I do not see anything to be gained by labouring the point. I have stated my position, which I still believe is a logical one, and I allow others who differ from me to do so.

But I want to make a remark or two in regard to what has been said by the Minister of Finance about sniping. I should think that the Minister of Finance has been long enough a member of the House of Commons, and has had sufficient experience, to try out some new method whereby to have his own way in this house, rather than to use the old threadbare methods which he has used for so many years. It is a very common practice of the Minister of Finance when he wants to get his estimates through, or the estimates of some other minister, or when he wants to block or prevent as far as possible any criticism of the government, to refer, just as he has done to-day, to the sniping methods of the opposition. I believe he was sitting in the house this morning when the hon. member

for West Kootenay (Mr. Esling) brought to the attention of the Minister of Immigration as well as to that of the government a most shameful condition of affairs in his province. I sat here expecting that the Minister of Immigration would rise and give to that hon. gentleman some satisfaction as to what the government intended to do. But he did not do so. He sat there like a graven image. Not only did he sit there, but the Minister of Justice, the Minister of the Interior, the Prime Minister and these other ministers in the front row thought it was a matter of no concern at all. I presume that in the opinion of the Minister of Finance the information given by the hon. member for West Kootenay, to which he directed the attention of the department, is a species of sniping. We must not refer to anything of that kind because we are sniping, blocking the estimates. He must have included the references made by the hon. member for West Kootenay when he used the word "sniping". Could anything have happened in this house this morning which would justify to a greater extent any reference made to the inefficiency of the Immigration department, of the minister himself and of the government backing that minister, than the fact that what was brought to the attention of this house by the hon. member for West Kootenay was passed over by all the front row galaxy of notables and brilliant intellects of the cabinet?

Some hon. MEMBERS: Hear, hear.

Mr. EDWARDS (Frontenac): Thanks for the ironical cheers. Just think for one moment of what was brought to the attention of the government by the hon. member for West Kootenay—a most disgraceful state of affairs in this country; and not a word of explanation. It was passed over by all this front line of brilliancy and not a word said in explanation. The hon. member for West Kootenay brought to the attention of this government a matter of very great importance and asked what the government were prepared to do, or what they would do along that line. He hinted or intimated to the government that deportation proceedings should be undertaken and he also hinted that the law should be changed, if necessary, in order to give the government the necessary power to send out of the country, no mattter how long they had been here, people who conduct themselves in the manner he indicated. It was not hearsay; the hon. gentleman, as in the case of the hon. member for Kingston, brought the facts to the attention of the department. And when we bring the facts to the attention of the department, we are told by the Minister of Finance that we are blocking the business of the house; we are engaged in sniping, in calling attention to any deficiencies of the department and of the government. We can stay for the next six months—

Some hon. MEMBERS: So can we.

Mr. EDWARDS (Frontenac): Yes, for the next six months. The government have some of the qualities of the sponge: they can absorb all the bouquets and complimentary references to themselves, but you must not make criticism; otherwise in the opinion of the Minister of Finance, you are sniping the government. You must not do anything of that kind. "Hand us bouquets and we will cover ourselves with the flowers you send us; but don't offer criticism because you are blocking the estimates. You are being unfair to the poor Minister of Immigration if you offer criticism of his estimates".

Mr. FORKE: The Minister of Immigration can stand it.

Mr. EDWARDS (Frontenac): I do not believe the Minister of Immigration takes that position himself. I should be surprised if any man of the Scotch race, to which he belongs, would take that position. The Minister of Immigration did not get up this morning and accuse hon. members of sniping at him because we offered criticism of his department; that remained for the Minister of Finance, following out his usual tactics in this house when he wants his own way. He has been long enough a member to try to work out some new method instead of using the old threadbare methods he has used for some time to a disgusting degree.

Mr. STEWART (Edmonton): I want to say a word with respect to the complaint registered by my hon. friend from West Kootenay (Mr. Esling) and stated again by the hon. member for Frontenac-Addington. Surely both hon. gentlemen have been long enough in the house to know what the law is with respect to lawbreaking. My hon. friend made one statement that is hardly correct. When the direct question was asked by the hon. member for West Kootenay as to whether more Doukhobors would come in, the answer was given, No. With respect to the complaint regarding the conduct of these people in British Columbia, they are citizens of Canada. The Department of the Interior, my hon. friend knows full well, deport people when they are found to have committed any crime calling for deportation, and so recommended by local justices of the peace, when such persons have not been in the country five years.

Mr. BENNETT: The Department of Immigration.

Mr. STEWART (Edmonton): Yes; I mean Immigration. Surely that is well known; my hon. friend knows that full well.

Mr. EDWARDS (Frontenac): I know it.

Mr. STEWART (Edmonton): Then why the complaint that you are not receiving an answer? The situation is purely provincial; but if the individual has been in the country less than five years, in the event of any complaint, inquiries are made by the Department of Immigration and responsibility taken for his deportation.

I do not want to complain of the attitude of any individual of this house, nor do I wish to ward off criticism. Let us have it to the fullest extent; it is helpful. But as a minister in this government I do resent the constant reflections that are made upon the personal ability and mentality of members of the administration. I do resent that, and I want to say most emphatically but without any display of egotism that I think the members of the front row on this side will bear comparison with any member on the opposite side of the house. I have never refused to give an answer to any correct criticism, but I do resent very strongly being credited with not having sufficient mentality to size up any given subject with which I have to deal, and I know every other minister is in the same position. I want to say to hon. members opposite that that is a favorite pastime of theirs, but if they will couch their requests in parliamentary language I am sure they will always receive the most courteous treatment and replies from members on this side. May I plead, Mr. Chairman, that the decent amenities of the house receive some attention in that respect? Beyond that I have nothing to say; let us have reasonable and fair questions and they will receive courteous and decent answers.

Mr. EDWARDS (Frontenac): Personally I think the minister should welcome some reflections from this side of the house as to the wonderful mentality of hon. gentlemen opposite, if for no other reason than that a little difference of opinion might make hon. gentlemen opposite a little more humble. I want to ask the minister a question: He listened to the case presented by the hon. member for West Kootenay; the Minister of Immigration did not reply, and no one had anything to offer for him. There was hardly a word said.

Mr. DUNNING: The question relating to his department was answered by the minister.

Mr. EDWARDS (Frontenac): The one question of whether he was favourable to admitting more of these immigrants was answered, and he said he was not.

Mr. DUNNING: That was the question affecting his department.

Mr. EDWARDS (Frontenac): That was an afterthought. No reply was made by any member of the government to the matter of deportation, which was brought up by the hon. member for West Kootenay. Now I want to ask the Minister of the Interior this question: In view of the representation made by the hon. member for West Kootenay and in view of the disclosures he made this morning, does not the minister think some change should be made in our laws with regard to deportation which would enable the government of Canada to deal with cases such as that mentioned by the hon. member for West Kootenay even after the five year term has expired?

Mr. DUNNING: You must have a place to send them.

Mr. EDWARDS (Frontenac): I do not care where you send them.

Mr. FORKE: These people came here in 1903.

Mr. EDWARDS (Frontenac): Hon. members will remember that in the debate yesterday we were told that we were not giving these foreigners a fair show because we were imposing our ideas upon them. For God's sake let us impose some ideas upon people of that stamp, because the hon. member for West Kootenay is absolutely right. We should apologize to ordinary four-legged animals if we made any comparison as between them and those people to whom the hon. member especially referred. I say there is something wrong with our system of government if we have not the necessary machinery to put people of that class out of this country, even if they have been here for a longer period than five years.

Mr. STEWART (Edmonton): If my hon. friend will arrange for a domicile longer than five years he will find his question easily answered, but my hon. friend knows that if any individual residing in a province breaks the common law of the province, then the provincial authorities take control. That has happened with the Doukhobors previously; they were arrested for travelling about naked

in British Columbia, and they were restrained in the province of Saskatchewan. All these things are unfortunate, but these people are citizens of our country and must be amenable to our common law. If that common law is not sufficiently strong to deal with cases of this kind then let us amend it, but when the answer is made to the direct question and the statement made that no more of these people will be admitted, the Department of Immigration has gone the full length in that respect. These people are here and they are citizens of this country.

Mr. BENNETT: Are they naturalized?

Mr. STEWART (Edmonton): They have been here for a greater period than five years.

Mr. BENNETT: But are they naturalized?

Mr. STEWART (Edmonton): So far as I know many of them are naturalized. I am not aware whether or not these particular people under discussion are naturalized, but as a matter of fact my hon. friend knows very well that they cannot be deported to their own country after they have been here that length of time.

Mr. BENNETT: Yes they can, if they are not naturalized.

Mr. FORKE: The great majority of these people came here in 1903; they now have children twenty years of age who were born in Canada.

Mr. BENNETT: Yes, but I was trying to ask the minister if he knows whether or not these people are naturalized. I must confess that I do not know; at one time my information was that they declined to become naturalized.

Mr. DUNNING: Having had some association with that small minority of the Doukhobors in my own province which created some difficulty, may I say in fairness to the thousands of good citizens who are law-abiding Canadian citizens and who are also members of the universal brotherhood known as the Doukhobors, which is a religious body with very high principles, that to label them all with the sins committed by a few people in Saskatchewan some years ago or in British Columbia to-day would be distinctly unfair. I think my hon. friend the leader of the opposition knows something of the situation in that regard. The great bulk of the Doukhobor people have proven to be good law-abiding citizens; they have a community ownership of property and so on. In answer to my hon. friend I might say that a great number of them from time to time have gone out of the community and become what are known as independent Doukhobors. My own opinion would be that to-day in Saskatchewan there are probably more independent Doukhobors than community Doukhobors. I may be wrong as to that; there are a great number in any event, and perhaps my hon. friend from Mackenzie could speak with more authority.

Mr. CAMPBELL: I think probably four-fifths would be non-community Doukhobors.

Mr. DUNNING: And that means that they have reached that stage in their assimilation of our Canadian citizenship. The independent Doukhobor does apply for naturalization, and with respect to those people naturalization has been going on for years. As to the proportion naturalized I am not able to say.

Mr. BENNETT: Is it correct to say that the so-called fanatics, not using that word offensively at all, do not become naturalized? That was my information.

Mr. DUNNING: I think perhaps my hon. friend may be right with respect to that, but I remember that on a previous occasion I had reason to look into the matter of deportation, and of course immediately the question arose having regard to the changes which have taken place in the country from which they came. I do not believe that in the last few years we have succeeded in deportation proceedings with respect to people who came from that country a good many years ago, although they are not naturalized citizens of Canada. However, I really rose to speak in fairness to the great body of Doukhobors, because I know they are really assimilating Canadian citizenship; they are becoming good Canadian citizens and their children are attending the public schools. As far as the principles of their religion go, I believe they would compare favourably with any others.

Mr. EDWARDS (Frontenac): I should think they would remain nationals of their own country until they became naturalized citizens of Canada.

Mr. ESLING: I was very particular to confine my request as to deportation, or as to some other means of controlling these people, to the radical fanatics. I made no reference at all to the community as a whole except to say that there was a very extensive community of industrious Doukhobors. My references were to the religious fanatics who to-day are offending the public by exhibitions

of absolute nakedness. In order to bring this right home, I would like to know what the Prime Minister would think if he went into his garden in the morning to pick some pansies or violets and was confronted by six naked Doukhobors.

Mr. MACKENZIE KING: I would send for my hon. friends the leader of the opposition and the leader of the Progressive party.

Mr. BENNETT: There would be a riot if you overlooked your own supporters.

Mr. ESLING: You may treat this matter with all the humour you wish, but I want to say that the home and the sanctity of his surroundings are just as dear to the settler in West Kootenay as they are to the Prime Minister. You might just as well say that your wives and children are to be offended by the exhibition of Doukhobors on these Ottawa driveways. These factions to whom I have referred are just a fraction of the community, but they are in the habit of going on these rampages.

I do not want to be too persistent in bringing this matter to the attention of the Minister of Immigration, and perhaps I should address my remarks to the Minister of Justice or to the Prime Minister. I would ask them if the government will not take some means of controlling these fanatics who are offending the general public. Some of these people are naturalized, but not many of them, and I know just as well as the Minister of the Interior knows that the province is responsible for the enforcement of the law. But this government should share that responsibility, because they brought these people into the country under certain conditions, such as exempting them from military service. They not only brought them here but they bonused them to come here. We talk about undesirables being sent out of the country. Surely this fanatical faction would come in that category, when they stand on the street corners and openly defy the laws of Canada. You can look at any of our local papers issued during the last three weeks and you will see the situation which now exists. I ask the government if they will not take steps to remedy this situation. I do not say it should be by immediate deportation if the legality of such proceeding is questioned, but I would ask if the immigration laws could not be amended to provide for deportation or some other means of controlling this radical faction of Doukhobors who are offensive to everybody.

This is a serious matter, and I am not going to be shouted down. The people of West Kootenay want to know if this government is going to take any action to control these radical fanatics.

Mr. SPENCE: It has been said that a great deal of time has been lost in discussing this problem, but I think the government brought it upon itself when the hon. member for West Kootenay (Mr. Esling) asked the Minister of Immigration certain questions. He proceeded to explain how these Doukhobors went around naked and so on, and it was the duty of the Minister of Justice or even the Prime Minister to get up and give the hon. member for West Kootenay some assurance that some drastic measures would be taken to stop the whole thing. There is no use of the government benches blaming our party for this discussion, because they are the ones to blame when they were not frank enough with the hon. member when he asked certain questions.

Mr. KING (Kootenay): My hon. friend from West Kootenay has brought up a matter which has been of interest to the people of British Columbia for many years. My hon. friend did not inform the house that when Mr. McBride was Premier of British Columbia he had trouble with the Doukhobor settlement. He appointed Mr. Blackmore to examine into that colony, and if my hon. friend will read Mr. Blackmore's report he will find that it was not unfavourable to the Doukhobor settlement in West Kootenay. In addition to that there has been trouble over the burning of schoolhouses, but my hon. friend knows that the late Mr. Oliver, on a visit to Grand Forks, in the area where these so-called fanatics live, definitely stated to the Doukhobors that the laws of Canada would be enforced.

Mr. ESLING: Did I not make my statement clear enough to the minister to convey to him the fact that these are the conditions existing to-day and not three or four years ago?

Mr. KING (Kootenay): These conditions existed many years ago, but Mr. Oliver stated in the presence of some hundreds of these people that the laws of the province and of the Dominion would be enforced.

Mr. ESLING: But they are not being enforced to-day.

Mr. KING (Kootenay): The children from these colonies are going to school, and I think the government of British Columbia is effec-

tively dealing with the question. I know that the present premier, who comes from that district, is fully familiar with the situation, and he is endeavouring to bring these people within the laws of the province and the Dominion. It is said that the administration of the law is a provincial matter, but I think these people are being effectively dealt with as far as the provincial government is concerned.

Mr. WOODSWORTH: I am very glad that the member for West Kootenay (Mr. Esling) has definitely limited his statements; it would be too bad if the impression should go abroad that any large number of the Doukhobor people were of the extreme fanatic type which he has described. I think he must recognize that there are only a few score of these extreme fanatics, and they are separated from the main body of the community, and are living on the outskirts. It is probable that they were responsible for the burning of the schoolhouses. They have been practically excommunicated and are feared by the community Doukhobors themselves.

As the Minister of Soldiers' Civil Re-establishment (Mr. King) has just said, anyone who has read the report of Mr. Blackmore of a few years ago, will know that it is there conceded, notwithstanding some allegations that have been made by the merchants of Nelson against these people because they work on a cooperative plan that there is no crime and no poverty existing among them. The majority of them are not even members of the community organization, and are gradually fitting themselves into our life in every way.

I recall being present at a conference of young Doukhobor people held in central Saskatchewan just three years ago. They were meeting together to consider how they could best take their places in our Canadian life. The leader of that conference was a lawyer of Saskatoon, a Doukhobor and a graduate of Saskatchewan university. The thirty or forty young people who were present were all high school, normal school or university students. So far as I could see they were indistinguishable from any similar group of young Canadian people. One of the leaders at that conference was a gentleman from Philadelphia belonging to the Society of Friends, and the conversations and discussions were of the most earnest character. As I have said, I think it would be most unfortunate if the impression should go out that anything like a large proportion of these people were fanatics. In many ways they are among the very best people we have whether they live in Saskatchewan or Alberta, where a few of them are located, or out in British Columbia.

Mr. CAMPBELL: I wish to endorse what the hon. member for Winnipeg North Centre has said. Perhaps a word or two as to the origin of the Doukhobor sect and as to what they believe in might not be out of place at this time. The Doukhobors as they came to Canada were followers of Count Tolstoi. As most hon. members are aware, Tolstoi took Christ's teaching literally; he accepted literally and actually what Christ said, and he believed that it should be followed in a practical way not only on Sunday but in daily life. The result was the building up of a system or community which is referred to as Christian communism. They believe in non-resistance; they accept absolutely and literally the command "Thou shalt not kill". Some twenty-five years ago I had my first contact with this sect when I was shooting ducks on a slough in northern Saskatchewan. After I had been successful in bagging two or three ducks I heard a great deal of noise behind me and I found twenty or thirty husky Doukhobors with pitchforks in their hands racing down the hillside. They had left their farm-work and they were after me with righteous indignation because I had killed those ducks. I thought discretion was the better part of valour at that particular time and I got out of there as quickly as possible.

I have seen prairie chicken and wild game of various kinds feeding with domestic chicken in their yards in the villages, because those wild creatures very soon came to know that they were perfectly safe there. That was the basis of their belief. Under no circumstances would they touch meat. Under no circumstances would they drink intoxicating liquor or smoke tobacco. I have never seen anywhere in my life a better example of a really Christian community than I have seen in those Doukhobor villages. They were people of meticulously clean habits; they were moral to the extreme. Certainly they had some ideas to which we could not subscribe, but on the whole they were the very finest and best types of citizens and we never could find any fault with the Doukhobor communities.

Later on there came a stage where the communities started to break up and some of their young men were becoming Canadians. That is, they learned some of the habits of the Canadian boys, such as playing poker, drinking whisky and smoking tobacco. Some of them are quite Canadianized now. The

larger number, I would say about eighty per cent of those in Saskatchewan, have now left the community and they are out on their own farms. Most of them have taken out naturalization papers. The other small number left in the communities are still carrying on in very much the same way as they did twenty-five years ago. There was in Saskatchewan about twenty or twenty-five years ago a number of this fanatical section to which the hon. member for West Kootenay (Mr. Esling) refers, and I remember, and I presume a good many hon. members will recall the time, when we had to marshal almost all the mounted police who were then on duty in Saskatchewan to follow a number of these men and women who had gone on a trek looking for the Messiah and fore-warning the country. They were finally taken back. They were forced to wear their clothes and after serving a term in gaol they went back to their villages. After that there was no further trouble in Saskatchewan. As regards the older section, those who are still living in the communities object in many ways to our educational institutions, but those who have left the communities certainly have no such objection. They have no prejudice against our institutions or against our language. The children are to-day learning the English language in our schools and many of the young men and women are going to our universities. I say, with the hon. member for Winnipeg North Centre, it would be unfortunate if the impression went out that this condition was general.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. COOTE: I hesitate to take any time of the committee at this stage, but certainly during the debate things have been said to which I should like to refer and particularly the statement which has been made so often that the committee on agriculture and colonization were entirely unanimous in regard to the report. It is impossible to secure unanimity of opinion among forty members of the house on a matter such as immigration. I do not suppose there is any subject which comes before the house on which such a variety of opinion is held by members. The committee had to make a report to the house and the report which is made, I think, comes nearest to being something that could be passed by the committee. It is arrived at as a compromise amongst the different members of the committee. Many of us agreed to the passing of the report with several mental reservations. Speaking for myself, if I had had my way the committee would have reported against further assisted immigration of any kind, including assisted passages or free passages for boys, domestic servants or agricultural workers. My opinion is that the majority of the committee are in favour of largely cutting out assisted immigration, but this is not contained in the report and so I will not say anything further about it.

The attitude of the organized farmers in Canada will be found in the evidence of the committee. I am not going to read it here, but I will read just a few sentences from a letter which I have received from the secretary of the United Farmers of Saskatchewan. He writes:

> We are opposed to the idea of the bringing in of immigrants purely for the purpose of settling up our vacant lands in order to provide revenue for transportation companies and pay an exorbitant toll to eastern industries.

I am opposed to the committee embarking upon any more colonization schemes. Our experience in the soldier land settlement scheme should convince us of the wisdom of leaving those things very much alone. Personally I should not like to see another dollar put into them. If we could forget about immigration and endeavour to make conditions right in this country, make them such that our people would find it advantageous to stay here, it would not be very long until our chief concern regarding immigration would be to have a very efficient medical inspection system which would keep out the undesirables.

I should like to remind the committee of some remarks I made last week in regard to the insufficient salaries which we are paying to men engaged in research and scientific work in Canada. Since I made those remarks I have received from a friend in Ontario a letter telling me about meeting in Washington a man who was at one time in the government service of this country. That gentleman is now engaged in the United States civil service at double the salary he was earning here. He said to this friend of mine:

> Tell the people at home not to be crediting this country's progress so much to the immense amount of money it controls, but to the intelligence with which it is dealing with many of its problems.

I should like to take the opportunity of telling this to the people of Canada. If we would spend as much money on scientific agriculture and scientific research in many other lines as we spend on immigration, we would get much better results. The United States, which has received more immigration than any country we have any record of, at least in modern times, never spent one dollar on im-

migration propaganda. The only money it spends on immigration is for the examination of immigrants who come voluntarily. I should like to see in future this country lay the emphasis on quality rather than quantity. While I am on my feet I should like to suggest that the government, through the Department of Immigration, should be the sole agency for the issuing of propaganda and for the securing of immigrants who are brought to this country. I hope that cooperation with the provinces will be secured; that the provinces will place their requests for immigrants with the federal Department of Immigration, and that they shall be secured through the agency of that department alone. All grants to immigration aid societies should be absolutely discontinued.

I should like very briefly to bring to the attention of the committee the case of a family brought into Canada by the Scottish Immigrant Aid Society, a society which I believe is to receive a grant from the government this year. This man and his family were brought from some place in Ireland. They were, to use an expression which I have seen in the press, dumped off at Pincher Station, Alberta. The man was supposed to go to work for a farmer in that district but the farmer when communicated with said that he had agreed to take a hired man and not a man with seven children. This man and his family became a charge upon the community but following communication by the municipal authorities with the Scottish Immigrant Aid Society that organization have more or less cared for them. According to the statement of the society the family has already cost them $800. I am now advised by the rural municipality in that district that they have had to guarantee the doctor's bill, amounting to $62, and the funeral expenses amounting to $75 of this man's wife, who has unfortunately died since coming to this country. The man himself finally asked for deportation but the department would not agree to that. I think they have made a great mistake. Six out of seven of the children have been reported upon by the local doctors as being medically unfit and they are sooner or later going to become a charge upon somebody in that province. Somebody will have to be responsible for them. One child was in the hospital I think for two months. This may be an isolated case, but it is not the only one and cases like this should convince us of the wisdom of confining all immigration activities to our own department. If the department will take that attitude I will do anything I can to support them in that policy. I do not believe in granting money to the Scottish Immigrant Aid Society, the Salvation Army, or any other society engaged in immigration work. If these people want to continue their immigration activities I do not suppose we can stop them, but it is not a proper policy for the government to take money out of the public treasury and give it to these people to assist immigrants in whom they have some particular interest. I should like to see the government give the Salvation Army in Canada a grant, because they are doing splendid work amongst the destitute people of this country, but I do not think we should give them a grant to go out and bring to us more people many of whom, I am sure, will become to some extent a charge upon the country. I do not wish to take up any more of the time of the committee.

Mr. STEVENS: Hear, hear.

Mr. COOTE: I am glad to hear that "hear, hear", from hon. gentlemen who consumed a day and a half—

Mr. STEVENS: No; most of the talk was over there.

Mr. COOTE: I should like to quote to the committee the concluding portion of an address by Premier Stanley Baldwin which he delivered in London, England, shortly after he returned from his visit to Canada last year. He said:

> Canada has an enormous future and, if it be not impertinent to say so to Canadians, I would say: The future is with you; do not be in too much of a hurry. Your country is a country for virile races. Quality before quantity any day. Build up with the best. What does it matter if it is a hundred years or more before your country is full? Keep the stock you have, and the men and women you have, and see to it that the coming generations are in no whit inferior to them. I have often thought that it is a dangerous thing to the morale of a nation to get rich quickly, as it is to an individual. Time is on your side. Maintain the values; maintain the standards; and may the prayer of Canada always be the prayer of the Greek sailor, which has been preserved for us by Seneca: "God, you may save me if you will; you may sink me if you will; but whatever happens, I will always keep my rudder true."

I think our policy should be to make Canada a land which her own people will love and in which they may prosper. If we would lay that down as our policy and forget about the securing of immigrants I think we would be far more successful even in attracting the right kind of immigrants than is possible under the present policy of pumping in immigrants, regardless of the nature of the propaganda or the expense that is necessary to secure them.

Mr. JACOBS: I would remind my hon. friend that the only people in this country who are not immigrants or the descendants of immigrants are Indians.

Mr. COOTE: I agree with my hon. friend. I am not objecting to immigrants, but the people who came here and built up this country did not have their passage paid; they came here of their own free will.

Mr. BENNETT: Mr. Chairman, I listened with a great deal of pleasure to the observations of the Minister of Immigration and Colonization (Mr. Forke) this morning. Had he taken the trouble to recall my remarks he would realize that I spoke in the very highest terms of his character, of his integrity and of his worth. I could not, had I been his warmest friend, have spoken in any higher terms of praise. But I conceive it to be the right of those who are in parliament, as it had been the right for centuries in England, to discuss the qualifications of any minister for a particular post. I took the trouble during recess to peruse the observations made in the British House of Commons with respect to a certain judge of the high court in connection with the discharge of his duties. I find that the present Lord Buckmaster spoke of the learned judge as having been guilty of folly and referred to his qualifications to discharge his duties. I find also that Sir Henry Campbell-Bannerman dealt with the matter in much the same way. It would be a sorry day for this parliament if the great traditions and practice of the mother of parliaments to discuss the qualifications of ministers to discharge the duties of their office were no longer to be honoured by those who sit either to your right or your left, Mr. Chairman. Those who recall the language used by Lord Randolph Churchill in discussing so great a man as Mr. Gladstone are aware that on more than one occasion he employed some very strong terms.

Mr. DUNNING: But even by Churchill's friends his language was not generally considered to be creditable.

Mr. BENNETT: I am not referring to what he said on the hustings, but to the language he used in the House of Commons, language very much stronger than my criticism of the Minister of Immigration. I discussed—and as long as I have a seat in this house I propose to discuss—to the best of my ability what I conceived to be the fitness of the hon. minister to perform the duties of his office. If I am ever charged with ministerial responsibility I shall expect the same measure of criticism from my opponents; I shall ask for no different treatment in that regard than that which I myself give. It is surely certain that a man eminent for his abilities in a certain walk of life may find himself in a public position for which he is entirely unfitted. For example, a man may be a great surgeon, but it does not follow that he is thereby fitted to be a great home secretary; or he may be a very able lawyer and yet lacking the ability to become a great chancellor of the exchequer. His training, his environment, his attitude of mind—all these things may wholly unfit him to hold a portfolio, and it is the duty of members of the House of Commons to be free and frank in their criticism of such a minister. My hon. friend was wholly opposed to the long traditions and history of parliament when he said that the members of this house have no right to discuss in any terms they please the aptitude of a minister to discharge the duties of his office. If an imbecile were placed in a position of trust as a minister of the crown every member would have the right to discuss and criticize the appointment. If some man, wholly unfitted in every possible way for the discharge of ministerial duties, is given a portfolio of which he knows nothing, we have a perfect right to discuss that, although he may be a most desirable citizen and a man of eminent attainments. While the minister we have discussed is a man of the highest character, a man of unquestioned integrity, a man who has made a very great contribution to the life of western Canada, it does not follow that he is fitted to discharge the high duties of the head of the Immigration department, or to give it that lead which is necessary for it to succeed. His complaint of a lack of suggestions from this house but accentuates our contention that leadership should come from the head of the department, and not be forced upon him by the members of the house, who, as they sit to your right, sir, support all the measures of the government, and who, as they are members of the opposition, support those measures which they deem desirable, and frankly criticize other measures which in their opinion are not in the public interest.

That is the position I desire to make clear, Mr. Chairman. I am very certain that if the hon. gentleman will be good enough to refer to Hansard he will observe that no better or higher tribute to his sterling worth, to his qualities of heart, to his high sense of duty, to his known integrity and character, could have been paid him than my tribute yester-

day. But that will not deter me from fearlessly criticizing his fitness to discharge the duties which he undertook when he became the head of the Department of Immigration and Colonization.

Mr. LUCAS: Who is responsible for the newly arrived immigrant who becomes a public charge on the community?

Mr. FORKE: There is no other provision but deportation.

Mr. LUCAS: But before deportation who would be responsible?

Mr. FORKE: The local authorities. As reeve of a western municipality for twenty years I know all about that trouble.

Mr. LUCAS: Does the minister really think that is a fair burden to impose on the municipality? In my view that is one of the things that in western Canada creates public opinion against further immigration. A few days ago I received a letter from a gentleman at Killam, in which he says:

> I am writing to obtain a little information from you if it won't put you to too much trouble.
>
> I am secretary of the local colonization board formed by the C.P.R. to look after the immigrants arriving and to find them work with the farmers.

Then he gives the name of a newly arrived Scotchman and continues:

> He arrived here in April with very little money in his pocket, and engaged with a farmer. About ten days ago the man took sick with pneumonia and was brought to the local hospital for attention. He was in a delirious state and dangerously sick, and still is, his chief mental worry being that he had not the means to pay the expenses of the hospital and doctor. The doctor rang me up to ask who was responsible for this man's hospital bill. The farmer disclaimed responsibility, also the C.P.R. immigration department, and also the municipality.
>
> A few days later another immigrant, from Czechoslovakia came into the hospital sick with pneumonia and with no money. Their expenses will probably amount to $200 and $100 respectively.

This amount, Mr. Chairman, is saddled on the hospital in that instance. While someone might have to bear the expense I do not think it should rest on the hospitals in these various communities. Under the present system the municipalities are not responsible for the care of immigrants until they are three months resident in the district, and some provision should be made whereby the party which brings immigrants into the country should be responsible up to that time anyhow.

[Mr. Bennett.]

Mr. FORKE: I admit the hardship that is imposed on municipalities in cases of that kind. There is however, one aspect of the matter that might be taken into consideration. A great many of these immigrants add to the wealth and prosperity of the community, and that must be borne in mind. I admit at the same time that there is a hardship. This very morning I was discussing the problem with my deputy and wondering whether some scheme could not be devised to overcome such difficulties. I cannot exactly see daylight at the present time. Going back probably twenty-five or thirty years ago, I had a good deal to do with hospitals in the province of Manitoba, in Winnipeg particularly, where an effort was made to devise some method of financing, and I can well remember that this was one of the problems considered then. We do not yet seem to have solved it. I realize the difficulty, and if we can possibly find some way out we shall do so. We have discussed the question along the lines of boy immigration, wondering whether we could not adopt some method of the boys themselves paying into a fund and creating resources to take care of sickness and hospital treatment. I can assure my hon. friend that we will look into the matter with a view to finding some solution.

Mr. ADSHEAD: Should not some item, say $2,000, be placed in the estimates to take care of immigrants who become destitute after having been brought in by the federal government?

Mr. LUCAS: Surely the organization that brings immigrants in should bear some responsibility in the matter. The Canadian Pacific brings in people and throws them on the public, and in many cases they are saddled on the municipal hospitals. It is not fair.

Mr. FORKE: That is along the line of our discussion; we have been trying to see whether something cannot be done in that direction.

Mr. GARDINER: Take the case of an immigrant who goes to one of the provinces and becomes a charge on the hospital in the municipality. The doctor performs an operation and thereafter he is deported. In view of the fact that the provincial governments are not responsible and the municipality cannot be responsible for any immigrant until after three months' residence, who will take care of such a situation?

Mr. FORKE: The hospitals are subsidized by the government and by the municipalities, and of course such losses will occur. I know that these problems are difficult to solve, but it must be borne in mind that all hospitals are subsidized to a certain extent both by the municipalities and by the government.

Mr. ADSHEAD: Not by the federal government.

Mr. GARDINER: I have in mind a case that came to my attention recently. A small hospital in a small town was run by a certain doctor. It received a grant from the provincial government for every patient therein treated. That grant amounts to 50 cents per day, whereas the hospital charges, bed and so forth, amount to $3.50 per day. That does not take into account the doctor's bill for attendance on that particular patient. The minister can appreciate the situation. I should think that after thirty years, as he says, some policy should be found by the department of the federal government to take care of a situation of that description. Can the minister give us an assurance that the matter will be dealt with? In my judgment it should be dealt with immediately; we should not wait for another thirty years to elapse.

Mr. FORKE: I am afraid I am unable offhand to offer any real solution for the problem. I do not think however that the hospitals incur very extensive losses in this regard. I admit that hardships occur occasionally, and perhaps the difficulty is greater in the case of smaller hospitals where the income is small, and where a large bill is incurred. But it is not a serious thing. I admit it is unjust; it is not right; and I can only promise that we will do the best we can to solve the problem. I have no solution to offer at the present time.

Mr. GARDINER: The matter is more serious in connection with the small hospitals than the minister supposes. There is no question about that. What will be the position of immigrants brought into the country after undergoing a medical examination by the doctors of the department? After such an examination they contract say, appendicitis, something that could not be foreseen. Surely you would not expect the small hospitals and the doctors to do that work for nothing?

Mr. KING (Kootenay): They are doing it every day among our own people.

Mr. GARDINER: Because the federal government will not accept responsibility; that is why they do it.

Mr. KING (Kootenay): They do it every day among our own people.

Mr. GARDINER: I am thinking of the small hospitals; it takes them all their time to keep going. The condition in western Canada, in the rural districts, is different from what it is in eastern Canada. These hospitals cannot afford to handle cases for nothing, because they have not the means; therefore it is incumbent upon the department to devise ways and means to take care of that situation.

Mr. STEWART (Edmonton): My hon. friend is unduly alarmed about that aspect of the situation. Can the Department of Immigration be responsible for every immigrant who becomes a public charge? I trust there are not such a great number after all, although there will always be a certain percentage who through some unforunate circumstance will be taken ill and be unable to pay doctors' and hospital bills. But they do not become citizens until they have been five years in the country. My hon. friend will admit at once that the hospitalization and the care of the sick is a matter that is pretty well taken care of by provincial legislation. There is in our own province, from which both he and I come, an arrangement whereby if an individual moves from one municipality to another and is indigent his hospital and professional bills are charged to the municipality in which he resides. It is quite true that in the case of an immigrant who has not been long domiciled it is somewhat difficult to collect. But in that event, unless the man leaves the province, there is always recourse against him for the debt, and it can be collected. The federal government have no machinery of that character. I would suggest that the department give some attention to the case where a man moves out of the province and there can be no recourse against him; when he is cured and is able to earn a salary on which the province or the municipal authorities can collect, something should be done. There is merit in such a case. But after having given the matter some consideration I must confess that, as regards the others, it is pretty difficult to devise a scheme to take care of the situation through federal agency.

Mr. GARDINER: The only class of case to which I have reference is the case where a person has not been resident in the municipality three months. The Minister of the

Interior knows that in the province of Alberta the municipality is not responsible for the condition of immigrants until such time as they have resided three months. It is only in reference to immigrants who have not resided three months that I am speaking I am satisfied that $4,000 or $5,000 placed in the estimates would take care of all cases that might occur. It is not a great deal and it is exasperating that the small hospitals and doctors in small towns should have to suffer without any recourse.

Mr. STEWART (Edmonton): I am not denying the hardship, but I say it is a difficult problem for a federal department of immigration and I do see the merit of the suggestion in a case where the province or the municipality is unable to follow up and collect. But as the individual usually remains in the locality or in the province, these local authorities have the best means in the world to recover. In cases where the individual leaves the province I can see the difficulty, and I would be willing to admit it in the case of a man who had not been in the country for three months.

Mr. GARDINER: That is all I am contending.

Mr. ADSHEAD: I may tell the minister that I have a bill of some $700 for hospital treatment of Czechoslovakians, incurred in the Calgary civic hospital.

Mr. SPENCER: I would like to ask the minister one or two questions with regard to the medical inspection of intending immigrants in Great Britain. I think this inspection is a forward step, but there are a number of things being said with regard to these examinations. I would ask the minister to give the committee a short outline of the procedure followed.

Mr. FORKE: Perhaps the Minister of Health might better do that.

Mr. SPENCER: Would the Minister of Health give me that information?

Mr. KING (Kootenay): The medical men overseas are instructed under the Immigration Act to examine the physical and mental qualities of proposed immigrants to ascertain whether or not they are mentally and physically sound and to report. If it is found that the applicant is not of normal mentality, the examiner will so report, and then it is within the judgment of the immigration authorities whether such immigrant shall be admitted. If the applicant suffers from some physical defect the medical examiner will so report. I think that is all there is to it.

[Mr. Gardiner.]

Mr. SPENCER: Have the doctors any authority to catechize the would-be immigrant as to what he is going to do, to what place he is going, or what religion he may profess?

Mr. KING (Kootenay): No.

Mr. SPENCER: Would the minister be prepared to say that is not done?

Mr. KING (Kootenay): I would be quite satisfied to say that; we are only interested in their physical and mental condition.

Mr. SPENCER: Then if these questions were asked, the medical examiners would be hauled over the coals for so doing?

Mr. KING (Kootenay): Certainly. I do not know the particular case to which my hon. friend refers, but such an examination would be very much the same as that given any patient by a physician in his office, to ascertain whether he is sound. If the applicant were sound he would be so reported, and if not the report would be made accordingly. I do not quite see what my hon. friend has in mind.

Mr. GARDINER: Is there anything on any form which has to be signed by the applicant which asks him to state his religious belief?

Mr. KING (Kootenay): Not as far as the medical examination is concerned.

Mr. GARDINER: I have had some complaints that that was done by some of the medical examiners in the old country.

Mr. KING (Kootenay): I would be very much surprised if that is so, because there is no form of that kind.

Mr. QUINN: I want to say a word or two just following up the remarks made this morning by the hon. member for Kingston (Mr. Ross). I am not very much impressed by the wonderful tributes paid the Minister of Immigration and Colonization by the Prime Minister, by the Minister of the Interior, by the Minister of Railways and by other hon. gentlemen on the front benches. Notwithstanding what the Prime Minister or any other minister has said, the Minister of Immigration is held up to the judgment not only of the parliament of Canada but of the people of Canada because of his treatment of the McConachie child.

Some hon. MEMBERS: Oh, oh.

Mr. QUINN: Hon. members opposite do not like that. I am not going into the details; I am not going to review the McConachie case because it is well known, not

only in Canada but in other parts of the empire. However, I want to tell the Minister of Immigration that I will criticize him just so long as he ignores me as a member of parliament and so long as he ignores this parliament when we ask him for information with regard to the department under his control. Personally I have asked the minister on three different occasions to tell me what the department intended to do with the McConachie family, but parliament has been ignored by the minister, who has not yet made any statement. I hold in my hand a copy of the Halifax Chronicle, a Liberal paper, and I find the headline:

Government to Aid McConachie Family Re-union.

That is misleading from the very beginning, because the family are not being re-united, although it is true that the mother is being brought back to Canada. The department never had cause to deport her; she was here, but the child was deported and naturally the mother went back to Scotland with the child. I will just read a few lines from the article:

The federal Department of Immigration and Colonization, of which Hon. Robert Forke is the minister, has decided to give some assistance to Mrs. Patrick McConachie, now in Scotland, who leaves in a short time to join her husband and family, now in Glace Bay.

Then it goes on to tell about the child being refused admission to Canada, and proceeds:

The following is an extract from a letter received, this morning, by Mr. Currie, from Mr. Forke's secretary, regarding the department's view of the matter.

"With regard to the matter of the cost of transportation, whilst of course this department cannot accept responsibility for the conditions which resulted in the rejection and return to the British Isles of Mrs. McConachie and her child, yet we very fully appreciate the hardship and embarrassment which resulted from the rejection, and after consultation with the minister I am pleased to be able to inform you that this department, in view of all the circumstances, and without the action taken being considered as a precedent, is prepared to bear the cost of ocean transportation of Mrs. McConachie."

Another item with regard to this family appeared in the same paper under date of May 7, which states:

The letter from Mrs. McConachie stated that the child was much improved in health and pending arrangements for her admission she will remain in the care of an aunt while Mrs. McConachie will come to Glace Bay as soon as arrangements can be completed.

That was what I found fault with when I first brought this matter to the attention of the house. During the discussion with regard to this department in the committee on agriculture and colonization the deputy minister stated that some 3,060 special permits were granted to members of parliament and others for the admission of immigrants to this country. My name was not on the list.

Some hon. MEMBERS: Hurrah.

Mr. QUINN: I am not boasting about it; I applied for a permit but my request was not granted, and I claim that this was an instance where the good judgment of the minister could have been displayed. Stating the reasons by telegram and letter, I protested against the deportation of that child, and I still protest; I say the child should have been admitted to the country notwithstanding the regulations of the Department of Immigration, the Department of Health or any other department. McConachie is a British subject; he fought for his country and was here for eighteen months before this happened, and he is justly entitled to that consideration which should be given any British subject or any Canadian citizen. I asked for a special permit to admit the child at least temporarily, and if the department saw fit to deport it later on, well and good. The family would have been perfectly satisfied with that. But that did not happen.

My next complaint is that while we have asked for a statement from the minister, it has never been granted. But the minister, or his secretary, wrote a letter to the defeated candidate in South Cape Breton, a Mr. L. D. Currie, and gave him all the information with regard to the decision of the department. I protest against such treatment.

I do not wish to detain the committee any longer, but I want to take advantage of this vote again to register my protest in regard to the treatment accorded the McConachie family. I also protest against the treatment which members of parliament receive when they ask the Minister of Immigration for information.

Mr. FORKE: I do not wish to go over this McConachie case again and the circumstances connected with the deportation of the child. Suffice it to say that I could do nothing else on account of the ruling of the Department of Justice. This was not the same kind of permit that might have been granted under different circumstances had the mother applied only as a visitor to Canada. But she came as an immigrant, and the child also came as an immigrant, and, according to the Department of Justice, I had no power to do otherwise. The child automatically had to go back. I have been in communication with Mr. McConachie and he has no heat in regard to this matter, and does

not seem to feel hurt at myself or the Department of Immigration. He wrote me a very manly letter, and I replied expressing my sympathy for the hardship and trouble he has undergone. I am sorry that this case has been given such a tremendous amount of publicity. It has been no advantage to the family to have themselves held up before the empire as an example of the hardheartedness of the Immigration department. I would gladly have done anything that could be done to lighten the burden of sorrow that came to this family.

I can assure the hon. member that I have never intended to be discourteous to him, and I am sorry that he thinks I have been. In regard to the offer made to Mrs. McConachie, it was made only in a friendly way. In fact, if the department could not do it, I would be glad to pay her passage out of my own pocket.

Mr. QUINN: There are others who would be willing to do the same thing.

Mr. FORKE: Mr. Currie called upon the department as a friend of the family and discussed the whole matter. I hope it is true that the child is improving, but all the medical examinations we have had—I am no medical man and I can only take the findings of the medical officers—go to show that the child will not improve; I hope that will not be the case. I understand the child is to be left on the other side. This was stated to me by Mr. McConachie, and it was thought that the child could possibly be left over there and the mother come back and the family would be reunited. I am led to believe that the child will not suffer from the loss of its mother; it would not understand the difference and no hardship will be caused the child by the loss of its mother.

I am free to confess that this case has caused me a good deal of personal sorrow, because I do not think I am without sympathy, although some of the members on the other side of the house seem to think that is the case. I hope this will be the last of the McConachie case. The publicity it has received in Great Britain has done a good deal of harm, and at times the case has not been properly stated. Only the other day I read a statement by a gentleman from England who said that the child was returned simply because it was suffering from a cold. Some people say they are not afraid of a lie, but I am. It takes a long time to kill an untruth, and I have no doubt that this story has done considerable damage. I am sorry that this trouble should have occurred. The family has my sympathy. I hope Mr. McConachie and his little boys will become loyal Canadians and forget the trouble they have gone through during the last year.

Mr. GUTHRIE: While the minister is in a sympathetic humour I want to ask him about a case that has occurred in the city of Guelph. This is not the case of a Scotchman, but of a Welshman. This man lives in Wales, but his mother and children are in Canada, he being a widower. He has always made his own living and supported his own family, but when he wanted to come out here where his mother and children are the authorities say that he is a cripple and cannot come.

Mr. STEWART (Edmonton): Physical disability.

Mr. GUTHRIE: Yes. This man has always supported his family. Why not let him come out? I have forgotten his name for the moment, but I have had a lot of correspondence with the department, and I think in a case of this kind the rules might be relaxed.

Mr. FORKE: I am taking chances every day along the lines that you suggest.

Mr. GUTHRIE: Take another.

Mr. FORKE: I am taking the chance of some member on the other side of the house saying that I am acting contrary to regulations.

Mr. GUTHRIE: I will see there will be no criticism if you do it.

Mr. FORKE: If the case is as you say, we will see the man is admitted.

Item agreed to.

Immigration contingencies and general expenses, including grants to immigration societies, women's hostels, provinces, and loans for stock and equipment for Canadian boys, as may be authorized by the governor general in council, $1,300,000.

Mr. GARDINER: What grants were made last year to the immigration societies in connection with this vote?

Mr. FORKE: The only grants made last year were those to the women's hostels. The figures are as follows:

Halifax	$ 550
Montreal	5,500
Toronto	2,000
Winnipeg	750
Regina	1,000
Calgary	2,500
Vancouver	350

Mr. GARDINER: Does this vote contain any grants to immigration societies? I notice

that the next item also provides for grants to immigration societies. Is this government giving loans for stock and equipment under the British Empire settlement scheme?

Mr. FORKE: It is not likely any boys will qualify this year. This scheme is a joint one entered into by the Imperial government, the Dominion government, and the provincial governments, and we are making provision here for loans for stock and equipment in case they may be required this year. The Imperial government, under the scheme, is to loan $1,250, the Dominion government $1,000, and the provincial government, $250, and the boy is supposed to have saved $500 of his own, making a total of $3,000. The loan of $1,000 by the Dominion government will go towards the purchase of stock and equipment and in helping the boy to establish himself on the farm.

Mr. GARDINER: Is this a recent arrangement?

Mr. FORKE: It was entered into last year.

Mr. LUCAS: On page 7 of the details, there are grants to immigration and colonization societies amounting to $150,000. Would the minister give a statement showing how that money is distributed? It is included in item 56.

Mr. FORKE: This amount is to cover the cost of cooperating with the provincial governments in training schools for immigrants, and grants in connection with repatriation and colonization work. The provincial governments who have training centres get a grant of $10 for each boy training at their centres. The province of Ontario, the British Immigration Society in Montreal, and the Manitoba government, are all going into the scheme, for boys between the ages of fourteen and seventeen coming from Great Britain to go on the farm. This amount of $150,000 includes a grant of $50,000 to the Quebec government for repatriation purposes. I might say a few words in explanation of that.

For many years the Department of Immigration made grants to what was known as the repatriation fathers, priests in the province of Quebec who were engaged in the work of going over to the New England states and trying to bring back to this country Canadians who had gone there. Without entering into details, I may say that the department felt that we were not getting adequate returns for the money spent. During the Dominion-provincial conference, I discussed the whole matter with Premier Taschereau, and he was agreeable to undertaking the work of repatriation if the Dominion government would make a grant on a fifty-fifty basis for the purpose. The provincial government in Quebec has been carrying on this work for some time with very satisfactory results, as anyone who listened to that paragraph about returning Canadians coming to Sherbrooke will readily realize. I think the money is being well spent, and that we are getting adequate returns. Under the arrangement the province of Quebec is to make regular returns to the Department of Immigration, showing the results of their activities.

Mr. LUCAS: This is an increased amount over what you were giving to the repatriation fathers, is it not?

Mr. FORKE: It is a slight increase, but I expect that we shall get a great deal more for our money in the way of results. It does not necessarily follow that all this money will be spent. If the province of Quebec spends $50,000 we will spend a like amount; if they spend $40,000, we will spend $40,000, and the continuance of the arrangement will depend upon the results that are obtained.

Mr. LUCAS: Is the government spending any money on repatriation work generally, apart from this vote?

Mr. FORKE: We have made the same proposition to all the provinces. We will do the same for the province of Ontario, for instance. I think the province of New Brunswick has some idea of entering into this scheme and bringing back New Brunswickers. Nova Scotia is also considering it.

Mr. LUCAS: According to the figures in the last report of the department, that for the year 1927, in the year 1924-25, 43,775 Canadian citizens returned from the United States to Canada; in 1925-26, 47,221; 1926-27, 56,957. This was the result apparently without the spending of any money by this government to bring these people back, whereas in connection with the repatriation work of the repatriation fathers, we have paid on on average in the last four years $36,000 a year, and their report shows that in 1924 they brought back only 333 people; 1925, 383; 1926, 829; 1927, 926, or a total of 2,511 in four years. Yet we are paying them on an average $36,000 a year. It seems to me that we are paying an excessive amount for the work these people are doing.

Mr. FORKE: In regard to returning Canadians, we have a great many agencies at work other than the repatriation agency in Quebec. We have in the United States eighteen agencies that are engaged, not in repatriation work especially, but in the getting of immigrants, and of course as opportunity arises they will advise Canadians to return home. For the month of April, 3,000 Canadians returned to Canada, the largest in any month for a number of years.

Mr. LUCAS: My idea is that if this amount of money was spent on immigration efforts in the United States, in getting settlers of any kind, instead of confining our efforts to repatriation work, we would get better results. If I remember rightly, we have only seventeen agencies in the United States, and according to the report, between 40,000 and 50,000 Canadians returned to this country. Whether that is due to the efforts of those agencies or not, I cannot say, but if it is, we are getting much better results for the money spent than from this other agency. Is the province of Quebec the only province that is taking advantage of this new arrangement the minister speaks of?

Mr. FORKE: I would point out that the province of Quebec is in somewhat different circumstances from the other provinces. We are spending about $3,000,000 on immigration, and very little of the new immigration goes into the province of Quebec. They are not getting perhaps their fair share of the money expended. They are anxious to get back some of their own people who have left the province, and have gone to the New England states in considerable numbers. With very little encouragement many of these people would come back. We shall not spend the $150,000 unless a like amount is spent by the provinces, and we shall not continue the arrangement unless we get adequate returns from the expenditure. It is an experiment, replacing something that has been in existence for twenty-five years, but of which there was a great deal of criticism. We are simply changing the system in order to do away with the criticism, and we believe that we are giving a fair and square deal to Quebec.

Mr. LUCAS: The minister says that Quebec is not getting its fair share of the immigration coming to Canada, but I notice that on page 18 of the annual report of the department there is a table of immigration, via ocean ports, for the fiscal year 1926-27, showing occupation, month of arrival, and destination, and it shows that the maritime provinces are getting the least immigration. Nova Scotia in that year got 1,702; New Brunswick, 911; Prince Edward Island, 125; Quebec, 13,735; Alberta, 11,780; Ontario, 34,000; Manitoba, 35,000; Saskatchewan, 16,000; British Columbia, 8,000. Quebec got more than the province of Alberta. According to these figures Quebec is certainly getting her fair share of the new immigration.

Mr. FORKE: I do not think that is a fair inference. If you will look at the figures for Manitoba, for instance, you will find that Manitoba gets more immigrants than Quebec and Saskatchewan combined, but that is simply because large numbers of the immigrants going out to the west go to Winnipeg as the distributing centre, and Manitoba is therefore credited with a great number of immigrants who have no intention of staying in that province. It is the same with Quebec. Quebec is the landing port for a great many immigrants who do not stay in that province, but Quebec gets credited with that number according to the table just quoted by my hon. friend.

Mr. GARDINER: Where would be the landing place of the 34,000 who went to Ontario?

Mr. FORKE: Different points in Ontario.

Mr. GARDINER: Where would they land in the first place, at what Canadian port?

Mr. FORKE: My hon. friend from Camrose has been quoting from a statement of immigration by ocean ports. You cannot tell from that statement whether the immigrants stayed in any of these provinces. The chances are that those who were booked for Ontario points were going to Ontario, but it does not follow that those who landed in Quebec stayed in that province. It was their landing port.

Mr. LUCAS: It would seem from page 19 of the annual report, which gives a statement of immigration from the United States for the fiscal year 1926-27, that Quebec is getting her fair share. Quebec received 2,907; Ontario, 5,835; Manitoba, 1,290; Saskatchewan, 3,662; Alberta, 4,587. I want to make it plain that I am not objecting to the west getting immigration, but my point is that there has been a great deal of money spent for a certain purpose without getting much in the way of results.

Mr. MARCIL: I should like to congratulate the minister on the work he is carrying on in connection with the repatriation of

Canadians from the United States. This work was originally taken up under the government of Sir John A. Macdonald, carried on all through Sir Wilfrid Laurier's regime, and is being continued to-day by the minister. As the minister very properly said, Quebec is one of the provinces of the Dominion which benefits very little from the new immigration. I have had the honour of representing a constituency in eastern Quebec for thirty years, and I do not know of a single immigrant who has come into that county since I have been its representative. The whole of our immigration is tending towards Ontario and the west. We do not object to that, but there is an intensive feeling in Quebec, and it has existed for thirty years, that we should keep up the work of asking Canadians in the United States to come back to Quebec. The Canadian returning to his native land is already prepared to carry on his work, and to become a good, and perhaps a better citizen.

There is another point in connection with this work upon which I am sorry the committee on immigration did not dwell very extensively. There has been an extensive campaign carried on in the province of Quebec in the last six months, petitions have been signed all through the parishes, and the French-Canadian press have carried on an enthusiastic campaign, in favour of inducing French-Canadians to go to the west. When Sir George Cartier and Sir John A. Macdonald drafted the Manitoba constitution, their cry was then, Go west, young man. That was to stem the exodus to the United States away back in 1872. The only settlement of importance in western Canada at that time was the French-Canadian settlement on the banks of the Red river. The Manitoba constitution was made bilingual in the hope that a large surplus from the province of Quebec would follow the trails of the courreurs des bois, La Verendrye, the adventurer, the explorer and discoverer of the old days. Long before the Canadian Pacific railway was ever dreamed of the men of Quebec went into the western country, following the lakes, rivers and portages, and settled that land. They shared in the honours with the Scotch. The names of La Verendrye and Mackenzie will live forever in the history of the west.

Now, there is a feeling in the province of Quebec that if a man is leaving the province we should do everything possible to send him west, and the request that is now being made is that ample facilities should be given to the people of Quebec to go west rather than to the United States, and that to this end we should place them, if possible, on the same footing as a Britisher or other immigrant from Europe. I know there is a difficulty in transferring the population of Canada from one province to another. That question was discussed many years ago, when Clifford Sifton, the greatest of our Immigration ministers, took up immigration in earnest and opened the great campaign which brought a thousand immigrants a day into western Canada for years and years, a movement which reached its climax in 1913. In Quebec we are anxious to keep our people, but if we cannot retain them within the province we should like to keep them in Canada. We try to inculcate in them the idea that Canada is not confined within the boundaries of Quebec, but extends from the Atlantic to the Pacific.

Lately a new district has been opened up in Quebec along the line of the Transcontinental in the Abitibi region. That is but the beginning of a trek which will continue, and if the Minister of Immigration wishes to endear himself to the hearts of the people of Quebec, I hope he will find means not only for bringing people to Canada but to retain those who are already here. Quebec is at the head of the Dominion in increase of population; it is the only province which has a birth rate to boast of. Its government is setting an example in social and other legislation which is being followed in every other province. Our families are very numerous, in the rural parts there are from ten to twelve children in many families. The farms being small, and devolving to the eldest boy, the other boys have to go elsewhere, and if they cannot go to western Canada they pass over into the United States. Quebec is fast changing from an agricultural to an industrial province The development of our waterpowers north of the St. Lawrence and Ottawa river has transformed the position of affairs, and to-day Quebec is at the very pinnacle of its prosperity. It is the most prosperous province in the Dominion. If we cannot keep all our people at home, there should be a determined effort on our part to send them west. Those members from western Canada who know the French-Canadian settlers there will, I am sure, endorse every word I say. In the French-Canadian you will find no more law-abiding person, no more thoroughly British subject. French-Canadians have stood by British institutions which they regard as their salvation, and for which they will, given the occasion, shed the last drop of their blood, as was said so truly fifty years ago by Sir Etienne Taché, premier of Canada at the time of confederation.

I am endeavouring to impress upon the committee and upon the Minister of Immigration the great importance of trying to discontinue the trek of our people to the United States by giving them inducements to go west. I am told it costs about three or four times more now for a man to go from Montreal to western Canada than it does for an immigrant to come from Liverpool or other ports in Europe. This is a tremendous disadvantage. The French-Canadian press of Montreal, the pulpits and the agricultural societies throughout the province sincerely desire to keep our people within the borders of Quebec. If that is not possible we wish at least to keep them within Canada, and we believe by doing so we would render an invaluable service to this country, because the French-Canadian is the most typical of all Canadian types. He is a Canadian pure and simple; there is no other home country for him; his people's relations with France disappeared centuries ago and he would be as much a stranger in France to-day as a Frenchman from France would be a stranger in Canada. We go to France now and again, but we talk of things that happened three or four hundred years ago. The French-Canadian is rooted in this country, he grows up with it. He has always been loyal to this country, from the modest farmer to the statesman, and he has at all times rendered signal service in critical periods, and we all know to-day that the meteor flag of England flies from the summit of this building because of the action of French-Canadians in 1776—when there were few Britishers in this country—and in 1812. We desire to remain British, and we want to take our share in the work of developing western Canada. I know all parties in this house will agree with the distinguished leader of the opposition (Mr. Bennett) in his appreciation of French-Canadians and the value of their influence throughout the Dominion. In his western home he has seen the oldest settlements established by French Canadians, settlements which are progressing to-day and from their colleges are turning out professional men who are taking their part in the public life of the country. I heard him say that the first time he pleaded a case in a western court was before the late Mr. Justice Rouleau, a relative of His Eminence, Cardinal Rouleau. We think we should offer every inducement to our people to go west and thus stop the exodus to the United States. French-Canadians have played a distinguished part across the line. A French-Canadian was governor of the state of Rhode Island, and there are so many of our people over there that they control the vote in many towns and cities, while several have distinguished themselves by entrance to the local legislatures and the senate. But they belong to Canada. They wish to return to Canada, and if the present minister can do anything to assist them to return and go west he will render an invaluable service not only to Quebec but to the whole of Canada.

Mr. LUCAS: I quite agree with what the hon. member has said with regard to the French-Canadian people being good settlers, but I cannot agree that it would be a sound policy for the government to pay any money to move people from one province to another. I do not believe that is in any sense an immigration question.

Mr. MARCIL: We do not expect the government to do that. All we ask is that relatively the same rates be given to the people of the province of Quebec going to western Canada as are given to immigrants coming from beyond the seas.

Mr. LUCAS: I objected to that clause in the immigration report because I did not believe it to be sound. At the present day you will find in western Canada a number of men who went out there in the early days believing they were going to make a fortune in a very short time, but they have to work there just the same as anywhere else. There is no more free land, and many of those men have told me that if they could get back to Ontario or eastern Canada they would be very glad to do so. If you establish a low rate to the west there is just as good reason why you should establish a low rate to the east, for those who wish to return from the western provinces. This would result in our people transferring from one part of Canada to the other at the expense of the treasury, and I do not believe such a policy is sound. I wish to make it plain that I am not saying this in any way against the province of Quebec; I wish it to apply to all provinces.

Mr. SPEAKMAN: I believe it is under this item that assistance is given to immigration societies, and it is in regard to certain assistance given to an organization known as the Scottish Immigration Aid Society, operating in Alberta, that I wish to speak for a few moments. The question I wish to ask has reference to some property which this organization holds under lease. The minister will remember that some time ago I asked some questions on the point. In 1923 apparently they received a five-year lease at a nominal rate of $1 per annum for 1,100 acres of land with buildings, the conditions being that they should use these buildings and the farm as a distribution point and a training centre for

settlers, particularly Hebrideans. I understand from the reply given that the lease was renewed in 1926 for another five years, from 1928 to 1933, on the same terms. I have had a good many complaints in the last two years from people in that vicinity as to the use made of that farm and the buildings—or rather the use not made of them; the farm has not been used at all as a training centre and distribution point but has been operated for profit by the association. I was informed that, during the last two years at least, at no time have there been more than perhaps five or six men on the place, just sufficient to farm it; and as it is good land within a few miles of a railway a good profit is made. I was sorry I could not verify this personally, as I usually do in such cases, for the reason that during the past two years my ability to get around has been somewhat curtailed. I have however, received many complaints from the ratepayers of the district to the effect that no taxes have been paid by the society; and when you remove 1,100 acres of taxable land from the municipality and school district, you increase the burden on the rest of the people. I understand the minister made some investigation after the question I asked and the information I gave him. I should like him to tell me the result of his investigation and what action if any he contemplates taking.

Mr. FORKE: I was informed by the chairman of the land settlement board that the taxes had been paid on that farm.

Mr. SPEAKMAN: A few weeks ago I received from the secretary treasurer of the municipality and of the school districts duplicate receipts showing the taxes paid, and in six years taxes have been paid for one year, 1926. That was as far as they knew at that time, and that is only a few weeks ago. They sent the duplicates of the receipts. So far as they knew then certainly only one year's taxes had been paid.

Mr. FORKE: I do not think the farm has been a success. Only lately have the facts come under my consideration and I deemed it wise to advise that after a year's notice the agreement would be cancelled. Of course they will have to have the farm this year anyway. They may buy it and pay the price; otherwise the agreement will terminate.

Mr. SPEAKMAN: It is to the minister's credit that he took action as soon as the situation was evident. I am sorry I did not bring it to his attention earlier, but I was not in a position to go around my constituency during the last two years.

Mr. EVANS: I have always regarded immigration as the work of the government and the government alone. I do not believe in granting large sums of money to any society or organization, whether it be a business concern, a church or any other institution of that kind. We have been giving large sums of money in the past for this purpose, and so far as results go it has been a failure. We can look back now and say that the west has been colonized in a most successful manner, but that has been due practically to the richness of the soil and to free lands. These are no longer to be had, and immigration should be directed to a very careful manner, whatever way we go about it. I do not believe at present in allowing any business or religious concern to direct waves of humanity which too often are only exploited.

Not many years ago I was in Alberta when the Canadian Pacific Railway conceived the idea of partly equipping farms for settlers. I was in Sedgewick about the beginning of that period when they landed some very fine live stock at that point. These were being branded while I was there. The official brand was made in large letters on the side of the animal and underneath three other large letters, "C.P.R.," were branded. I asked the director the reason for this. I wanted to know why they should torture the animal to such an extent by putting these large letters on its side. I asked, "Why put C.P.R. at all? Would not the official brand do?" The answer was, "How should we know our stock when we came to make seizures in the fall?" I want to direct the attention of the committee to the seriousness of immigration work and its failure since 1911 particularly. I have the official figures under my hand. But let me for a moment return to the granting of sums of money to certain bodies. A great bitterness was engendered throughout the country last year through the circulation of an order for return showing that under the Roman Catholic Church some twenty-nine priests were in the work of immigration and repatriation, not all of them drawing salaries but most of them getting expenses. The salaries were not large, but why should this be done at all? This is the work of government. If any church wants to do it, let it. But the point I make is this—and I wish my Roman Catholic friends to understand that I have no prejudice at all against them: the method we are adopting is dividing our people, making clearcut lines throughout western Canada. I do not care very much from what country you bring immigrants if you will let them settle among others and not make any

clearcut line. Do not make western Canada a replica of the Balkan states. I have no doubt that if this plan is carried on extensively something of the same results will be experienced in this country as in southern Europe. So much for that.

I stated that immigration had been practically a failure. The last official figures I have are from the Bureau of Statistics over the signature of Mr. Coats. I find that in the census period between 1911 and 1921—the period practically of which I have been speaking—we lost 19,958 farmers from the land. That is a loss from Canada of almost 20,000 farmers during that census period. From the province of Ontario, where we are told there is a home market and for which we have sacrificed agriculture in order to build up the cities, I find that we lost 33,722 farmers, and I think this is an appalling figure especially when we are considering spending such large sums of money to gather up people from other parts of the world to occupy our vacant land. I find that Quebec lost 13,165 farmers, New Brunswick lost 3,181, Nova Scotia lost 4,623 and the little province of Prince Edward Island, the garden of Canada, lost 3,159 farmers.

There is a cause for all this, and I should like to impress upon this house that agriculture cannot stand any more burdens for the sake of any other industry. Yesterday the Minister of Railways made the statement that an immigrant coming to this country and expecting the government to do a great deal for him invited failure from the beginning, and I want to tell the house that we have had a real object lesson in that regard. Our urban industries have failed, after all we have sacrificed to build them up, for the simple reason that before an industry will open its doors in this country it must link up with the politicians.

I have dealt with five of the eastern provinces; let me give the figures for the western provinces, and we must remember that during 1911, 1912 and 1913 particularly we engaged in the work of immigration very vigorously. During that ten year period the number of farmers in Manitoba increased by 16,931; those in Saskatchewan increased by 14,260, in Alberta by 17,376 and in British Columbia by 8,527. I think these figures must be startling to the people of this country; in spite of the great effort we have made to people our vacant lands to-day we have 20,000 farmers less than we had in 1911. Surely there is a reason for this, and I want to say that if we only keep our people on the farms our country will go ahead much more quickly than is the case at present. We have not only brought agriculture to a precarious position but we have even destroyed the purchasing power which is needed by our industries in the urban centres. So I say, Mr. Chairman, that before we spend such large sums of money we should consider this business very seriously and we should consider the purpose for which we should bring in immigrants.

During a great part of every year we have to face a tremendous unemployment problem. I have read some of the immigration literature which is sent throughout the British Isles, which states that if a man is willing to work and to put his shoulder to the wheel he is sure to make a success in Canada. I want to inform this country that the time has come when there are no wheels to which he can put his shoulder; we have sacrificed agriculture in order to build up these industries and they have failed to do that which they were expected to do, as the hon. member for East Calgary said yesterday; they have failed to provide employment for the working men. So we are continually losing these men to the republic to the south.

I have very little more to say, Mr. Chairman, but I think this is one of the most serious problems facing Canada to-day. We must entirely alter our fiscal policy, because it is wrong, and let me impress upon hon. gentlemen that the industry of agriculture surely needs to be as well treated as any other industry. However, I want to say that the farmers of this country do not need protection now; in the main they are not asking for protection but they are asking to be relieved of the burden of all the other industries, which they have been carrying in the past.

Mr. BOULANGER: After listening to the last speaker and to the remarks of hon. gentlemen opposite, particularly the hon. member for Frontenac (Mr. Edwards) and the leader of the opposition (Mr. Bennett) I have been asking myself seriously if there is not a lot of insincerity in the remarks we hear from hon. gentlemen opposite with regard to the exodus of Canadian farmers to the United States. Last night the leader of the opposition said it was a pity to see so many thousands of young Canadian farmers leaving their farms to go to the United States; that it was alarming, and that something should be done to keep those young farmers in Canada. Yet when we come to this house or to the agricultural committee and propose some scheme for the purpose of keeping Canadians on the farms of Canada we are met by the opposition of our friends across the way, who tell us that this is not a question of immigration. Of course it is not; we agree

on that, but it certainly is a question of prevention—we should prevent the emigration of Canadians to the United States. It is also a matter of colonization, and I think if we could devise some means of keeping young Canadians in this country on the farms we would be doing well. So it seems to me that before we bring in a lot of immigrants at the expense of the country we should do something to keep the people we already have. It is true that many farmers leave the land in eastern Canada; the hon. member who just took his seat gave the figures for the different provinces, and our first duty is to devise ways and means of keeping these men on the farm.

We have advocated in this house that we should give these farmers the same advantages we give the immigrants we bring from other countries. If we are going to assist immigrants to come to Canada we should give the same measure of assistance by way of assisted transportation to our own young people. It was demonstrated in the committee on agriculture and colonization that the difficulty in increasing the population of Canada is one of transportation, and that is why the committee recommended that aid be given by way of assisted passages. We advocate that the same measure of assisted transportation should be given to our Canadians, and we claim that if it were, the farmers in the east would remain in Canada instead of going to the United States. Transportation has a lot to do with that exodus or migration from Canada. Distances are great in Canada; transportation is very costly, and instead of our people going to western Canada on to the millions of acres of vacant land within twenty miles of the railroad, of which the leader of the opposition spoke last night, they are going to the nearer cities of the United States to earn their living. If it is considered proper to subsidize the steamship companies; if it is considered right to pay the passages of young boys between the ages of fourteen and nineteen years to come from England to Canada, it seems to me that it should be right and proper to pay part of the transportation expenses of young Canadian farmers in order to prevent their going to the United States and enable them to establish themselves on these millions of acres of vacant land within twenty miles of the railroad. It seems to me, Mr. Chairman, that we will get into trouble through the action of this government in connection with assisting immigrants to come here to take the place of Canadian farmers who leave us. It seems to me that we will be called upon to give an explanation to our constituents of the recommendations made in the report of the committee with regard to further extending the facilities to enable people to come here at the expense of this country. Our farmers will ask us why they are called upon to pay taxes when they cannot themselves get any assistance to modernize their ways of farming, and to raise the level of agriculture in their section of the country. They will want to know why we are paying out such large sum of money to give free rides to strangers wh come to Canada to take the place of our farmers who have left through lack of assistance. When the farmers of eastern Canada are tired of paying taxes to give free rides to everybody, probably the government will give us a Duncan commission to find out what we are mad about.

Mr. EDWARDS (Frontenac): There are one or two matters I should like to call to the attention of the hon. gentleman who has just taken his seat (Mr. Boulanger.) I submit that very generous consideration has been given in regard to the repatriation of French-Canadians from the United States, dating back to 1889, under several governments and under the management of different departments. From 1889 down to the end of last year we expended a total of $558,530.61; in the last five years, 1922-27, we have expended $155,102 for that purpose. I submit that these figures do not indicate any lack of generosity on the part of the several governments which have held the reins of office since 1889. I should like to give some figures which were supplied by the deputy minister, Mr. Egan, at the request of the committee. From 1924 down to 1927, 2,511 French-Canadians were repatriated through the activities of this government. It strikes me as a little peculiar that those who have been repatriated in the last four years, and I think it will also apply back of that, have not been brought back to live in the province of Quebec. In 1924 none of those repatriated were placed in Quebec; in 1925, none were placed in Quebec; in 1926, only 20, and in 1927, only 22 were settled in their former native province of Quebec out of a total of 2,511. Apparently the object of the repatriation is not to resettle them in the old province of Quebec.

Mr. BOULANGER: Does not my hon. friend think that a citizen of Quebec is at home anywhere in Canada?

Mr. EDWARDS (Frontenac): I do not see where any words of mine would raise that question in the mind of the hon. gentleman. I fail to see why he should introduce or insinuate anything of the kind, as I said nothing to warrant it.

Mr. BOULANGER: Does not the hon. gentleman think that a citizen from Quebec is just as useful anywhere else in Canada?

Mr. EDWARDS (Frontenac): Certainly he is, and I have said nothing to the contrary, nor have my words indicated that I think anything to the contrary. I hope that is sufficiently clear to the hon. gentleman. I will say that the French-Canadian, whether repatriated or a native of the province of Quebec, will make a first-class citizen in any province.

Mr. BOULANGER: Why should they be repatriated only to Quebec?

Mr. EDWARDS (Frontenac): That is a question for my hon. friend to answer. Going back into the history of this thing, the various governments were approached by those interested in bringing back French-Canadians from the New England states, who said that they wanted to bring their children back to the home province. But that has not been followed, and it does strike me as somewhat peculiar that in this repatriation movement—I will refer in a moment to the other matter the hon. gentleman mentioned—these French-Canadians have been repatriated to every other province except the province of Quebec, and the figures would seem to bear that out. In addition to the money which has been generously spent I think by all the governments in repatriating French-Canadians, they come along now and ask that special facilities be given by way of reduced rates to permit the movement of French-Canadiaans to other provinces.

The provinces of Quebec and Ontario made a special arrangement with the railways in these two provinces for a two-cent home-seekers' rate. They did not ask for the assistance of the federal government in obtaining this rate, but went to the railway companies and negotiated for themselves. Manitoba, Saskatchewan and Alberta could just as easily negotiate for a special rate. So far as cheap rates are concerned, anyone in Ontario, Quebec, or the maritime provinces, who wants to size up the situation in the west can do so at a cost of $10 or $12 through the medium of the harvesters' excursions. They have the opportunity of sizing up that country at a very small outlay of money. They can go out there for a few months and get employment, and will probably be able to return with money in their pockets.

Mr. BOULANGER: Will the hon. gentleman admit that the reduction in railroad rates would help to prevent the exodus of Canadian farmers?

[Mr. J. W. Edwards.]

Mr. EDWARDS (Frontenac): It might, but why ask for that reduction especially to take them to the west in order to keep them from going to the United States? May I draw my hon. friend's attention to the fact that last night the hon. member for Pontiac (Mr. Cahill) in his few remarks said that in the part of Quebec from which he comes it was possible by the building of a short line to open for settlement thousands and tens of thousands of acres of first class land? I cannot look at the map on the wall and see represented there the big province of Quebec, the largest of the nine provinces, almost twice the size of any other province, and for one moment believe that all the tillable land, all the land fit for settlement in that province is contained within a narrow fringe on each side of the St. Lawrence river. That is not believable. There are just as good opportunities in other parts of Quebec as there are in northern Ontario. But apparently no effort has been made by the Quebec government to open up those lands for settlement and to place their own children in that portion of the province. They do not seem to care about that; otherwise why do they not go ahead and open up those lands to keep the young men of Quebec from going across to the United States? The hon. gentleman says, no; if you want to stop emigration from Quebec; if you want to keep our young men in Canada—

Mr. BOULANGER: Not only from Quebec, from all the provinces.

Mr. EDWARDS (Frontenac): The hon. gentleman naturally and very properly has in mind the people of his province and I do not blame him for that at all. It is mere camouflage for him, so far as his purpose is concerned, to throw in Ontario with Quebec. He spoke of lack of sincerity on this side of the house. Let him be frank himself.

Mr. BOULANGER: Let the hon. gentleman state the objection to citizens of Quebec crossing their own borders.

Mr. EDWARDS (Frontenac): I have not said anything of the kind, but it would not make any difference if I talked from now until this time next year, I could not convince the hon. gentleman that I had not some ulterior motive. I have stated very frankly my position and I declare that my position is the logical one. This is not an immigration matter.

Mr. BOULANGER: Is it not a colonization matter?

Mr. EDWARDS (Frontenac): It is, but not in the sense for which the Department of Immigration and Colonization was formed. That department was formed for the purpose of bringing immigrants into this country, thereby adding to our population, and colonizing our immigrants when they were brought here.

Mr. BOULANGER: Is it not a question of national importance to keep our people here in preference to bringing in strangers?

Mr. EDWARDS (Frontenac): Yes, and I outlined some methods which the government might adopt, if my hon. friend would support them, of keeping our people in this country instead of forcing them out of every province in Canada to seek employment across the line. Let the government change their policy in that regard. But if the hon. gentleman wants what is in the back of his mind expressed in plain words it is this. Back of the whole idea in regard to reduced rates for the movement of people from one province to another is the desire to get the Dominion government in some way to subsidize the planting of Canadians from the older provinces in the provinces of the west. That is not the business of the Department of Immigration and Colonization in any sense of the word. It is not their business to go to the young men of Quebec and to say: Do not go to the United States; we will get a reduced rate on the railways for you. You have that in Ontario and Quebec now, but we will get a further reduction in rates so that you can go to the west and settle out there. Supposing the young man said: Well, why not give me some encouragement to settle in my own province? Oh, no, you say, we are not bothering our heads about that at all. We want a reduction of rates in order to enable you to settle in any province of Canada except the province in which you were born. The hon. gentleman asks the Dominion government to endorse that sort of thing which I consider is absolutely illogical and unreasonable in every sense of the word, because if you appeal to a young man in Ontario or Quebec not to cross the line but to take advantage of a reduced rate and settle in Alberta and Saskatchewan where there are good opportunities to settle on the land, you might just as reasonably appeal to a young man out in Saskatchewan or Alberta who is talking of leaving Canada and say to him: Do not do that; we have a clay belt down in Ontario; we have some fertile lands in Quebec; we have special opportunities which we are offering for the settlement of overseas people in New Brunswick and Nova Scotia; do not go across the line; we will get a reduced rate for you to go back into Ontario or Quebec. After he stays there a little while, he says: I think there are good opportunities in the Peace river district. Well, we will get you a reduced rate; we will take you out there for practically nothing and you can try that out. If you are not satisfied with that after a while, we will get you a reduced rate and you can come back and try to settle either in New Brunswick or Nova Scotia or some other part of Canada. The whole thing is illogical and unjustifiable, and if my hon. friend were just as sincere as hon. members on this side of the house are who, he has intimated, were sincere in this matter, he would say that back of the whole idea that he has in his mind is asking the Dominion of Canada to subsidize the planting of colonies from the older provinces in the provinces of the west. That is something which we should not do. We want more population in the Dominion of Canada and above all we want to retain our own Canadian population. There is no reason, nor has my hon. friend attempted to advance any, why those who leave Quebec and go to the west could not be settled on land in Quebec. He has advanced no reason why a young man should be assisted to go out from Ontario to engage in farming in the west when he might engage in farming in Ontario. He has not met that point at all.

Mr. DONNELLY: The hon. member said that the province of Quebec had done nothing to induce its people to stay at home. Is it not a fact that it made an arrangement with the railways for a special two cent rate for any settlers who wanted to move from southern Quebec to the northern part?

Mr. EDWARDS (Frontenac): Yes, I said that a special two cent rate had been obtained in Ontario and Quebec and they did not come to this government to ask for federal intervention to get it. They managed that themselves. If they want a special rate to take people into any other part of the province, I have not the slightest doubt that if they go to either of the railway companies and say that they have a party of fifty, seventy-five or a hundred people who want to go west, they will get a special rate from either of those transportation companies to convey them to the west. But the point I am making with regard to Quebec is this. They have done something in obtaining the two cent rate, but what they have not done and what they expect the other provinces to do is to open up lands for settlement for

their surplus population, if you can properly use the word in that regard, while they themselves have not done anything to open up their own vast extent of territory and provide settlement for their young men within the bounds of their province.

Mr. BOULANGER: With the exception of voting for protection, what other means has the hon. gentleman to suggest to prevent the exodus of farmers to the United States?

Mr. EDWARDS (Frontenac): Does the hon. gentleman mean from the province of Quebec?

Mr. BOULANGER: From anywhere in Canada.

Mr. EDWARDS (Frontenac): Ontario, for instance, has done something in the way of opening up what is called new Ontario and areas are being opened up for settlement in that part of the province.

Mr. BOULANGER: The same thing has been done in Quebec.

Mr. EDWARDS (Frontenac): Very good. That seems to me to answer my hon. friend's question. My hon. friend cannot say that either Quebec or Ontario is crowded or congested at the present time. We have only to glance at the map. We know the size of Quebec and the size of Ontario, and there is any amount of land in either of those provinces to accommodate all the native sons of Canada in any province of Canada who want to settle on the land. That being the case, there being no congestion of population in the older provinces, I say that it is not the function of the Dominion government to go to the railway companies and importune them to give a special rate to move citizens from one province of this Dominion to another.

In regard to the Scottish immigration society, to which reference was made a few moments ago by one hon. member, that organization has been operating since April, 1922. According to a return supplied by the deputy minister, Mr. Egan, that organization has brought out and placed 1,315 people. That would cover the ones who were assisted; there would be some who did not come under the assisted passages scheme. Now what have we paid out in that connection? We have paid out $143,027.83. Part of that we will get back, namely, half of the unpaid passage loans loss, to be paid by the British government, or $26,539.93. But that still leaves a net cost of $116,487.90 paid out in assisting this particular immigration society in its operations, in the placing of some 1,315 individuals—640 adults and 675 children.

I want to say a word in regard to the leasing of this farm of 1,116 acres at $1 a year as a training centre for immigrants. That lease was to run for five years from March, 1923, to 1928. In 1926 the lease was extended. At that time the lease had still two years to run, but when representations were made to the then Minister of Immigration—or to the Minister of the Interior, but I presume the former—to have the lease extended for a further term of five years, and that application was granted, it would make the lease run until 1933, and really until 1934, because one year's notice had to be given of its termination. I want to ask the minister whether I caught him correctly a while ago when he intimated that he intended to give one year's notice of the termination of that lease. Can that lease be terminated before 1933? My understanding of the term of the lease was that it was for five years, and that it could not be revoked until the end of five years, that when it was renewed for a further term of five years, making it run to 1933, it could not be cancelled until 1934; that is, you had to give one year's notice in 1933. It does not occur to me just why this lease was extended for a further period of five years when it had still two years to run. The deputy minister, in the committee, in answer to a question of mine, said that this was the only society in the Dominion of Canada which was given that consideration, namely, the use of a block of land at merely a nominal rent. It was the only society in the Dominion that was getting that favour. I do not know whether the minister is prepared to explain why the lease was extended for a further term of five years in 1926, when it had still two years to run. It does not occur to me why the application was made at that time for an extension or why the application should have been granted at that time. I would ask, can the lease be cancelled at a year's notice from now, or must you wait until 1933 to give your notice of cancellation?

Mr. FORKE: I do not know much about the extension of the lease, but the ground I take is that that farm was given for a training centre, that they have not lived up to their contract, that they have not been using it for that purpose in the last two years, and therefore I have given notice that the lease will be cancelled at the end of this year.

Mr. EDWARDS (Frontenac): It can be cancelled on the ground that they have not complied with the terms of the lease?

Mr. FORKE: Yes, that is the ground I take.

Item agreed to.

Empire settlement scheme, including grants to immigration societies, women's hostels, etc., as may be authorized by the governor general in council, $1,000,000.

Mr. BARBER: I have just one matter to bring before the minister in connection with this item. Under this item we have the three thousand family scheme, which I consider best of all the immigration schemes of this government. It is the one that I had the greatest confidence in, and I had hopes that it would work out successfully, but apparently from the experience in my district, that is not proving to be the case. Some time ago fifteen Scotch families were brought out to the Fraser valley and located on what is known as the Amiens farm, a large district owned, I think, by the provincial government. This settlement did not work out satisfactorily, because I notice from the report of a meeting held about two weeks ago that thirteen out of the fifteen families had signed a demand for an inquiry, or as an alternative, their passage back to Scotland. Misrepresentation is alleged. There is a little story in connection with this, and to make it brief, I will quote from the press report of this particular meeting. It says:

Gifford, May 29.—The Scottish families domiciled on the Amiens farm under the imperial land settlement branch of the Dominion government held a public meeting in the Hygienic building on Friday evening to air their grievances.

These are several and some are very deep. The attitude of thirteen at least, of the fifteen settlers is that of strong resentment against misrepresentation, and similar settlers from Clayburn, Peardonville and Bradner joined them in complaint.

The farmers, before leaving Scotland, were given a "memo." describing the settlement. This stated that the farm had been "successfully operated." This they find is not true. The land was drained by ditches "maintained by the provincial government." They state that two-thirds of the land needs drainage and is flooded at certain times of the year, and that the ditches dug by the government are assessed against their lands. "Running water for domestic purposes" was mentioned. This applies, they discover, to one farm only in the fifteen.

They were promised two crops before repayment of loans was demanded; that is one full year from the October following their arrival. Some state that although their agreement stipulates these terms, their cheques have been assigned right from the commencement. The chief grievance, however, is in the amount and rate of repayment. They consider that the charges are higher than they should be. This complaint is shared by the settlers from the other districts who state their condition is one of "abject slavery." On this Amiens farm, the annual charges per acre, including municipal tax, dyking tax and repayment amount to $20 an acre. This, it is claimed, is a burden too great for farm land and cannot be met.

Their milk cheques are assigned to the land settlement branch and so great is the proportion deducted that they have not enough income to live upon. One man stated that for one month they took all his cheque and that the next month all but $3 was taken. Another settler said that for four months his total receipts amounted to $46. On this he had to keep a wife and three children. They have complained to the Imperial board in London and were referred to the Dominion board. This board, they affirm, ignores them and officials deny any personal responsibility. The settlers ask for an inquiry into these conditions or as an alternate, return passage to Scotland, "where they can get everything fair and above board and without any deceitful practices."

This request is signed by thirteen out of fifteen settlers. Now, Mr. Chairman, no doubt the department—

Mr. FORKE: If the hon. gentleman will excuse me? The chairman of the land settlement board will be here when his estimates are being passed. He has all the details in connection with these cases, and it would be more convenient if my hon. friend would deal with the matter then.

Mr. BARBER: I have placed the case before the minister, and I do not think there is any need to repeat it. But these settlers are holding indignation meetings and communicating with their friends in the old country, telling them of their woes, something which certainly will not be a powerful factor in encouraging British immigration. I take this opportunity of placing the information before the minister, and I trust an explanation will be given when the Soldier Settlement Board vote is before the committee.

Mr. FORKE: I make that promise, Mr. Chairman.

Mr. GARDINER: What progress is being made with the three-thousand-family scheme; is it completed?

Mr. FORKE: I do not know the exact figures, but I believe the scheme will be completed this summer.

Mr. GARDINER: What is the explanation of the increase in this vote?

Mr. FORKE: We expect a larger increase because we are giving assistance to double the number of boys. We are cooperating with the Imperial government on a fifty-fifty basis.

Item agreed to.

Chinese immigration—salaries and contingencies, $65,000.

Mr. MACKENZIE KING: Mr. Chairman, this is perhaps an appropriate moment to make reference to another phase of immigration from the orient, not Chinese immigration to which this particular item refers, but immigration from Japan. I am pleased to be able to inform the house that following conferences with the Japanese government, in which the Canadian government made clear the difficulties created in western Canada by the economic competition of Japanese immigrants, the Japanese Minister for Foreign Affairs has informed us through the Consul-General of Japan at Ottawa, that the government of Japan does not contemplate that the total number of emigrants to Canada, including agricultural labourers and domestic servants, and wives and children of Japanese emigrants resident in Canada, will exceed a total of 150 anually. We have further been informed that steps will be taken to terminate the practice of sending for so-called "picture brides". The administrative measures directed to this end will go into force on September 1.

The Canadian government has indicated to the government of Japan that hereafter in the case of immigration from Japan, as from other countries, the Immigration Act and procedure, including the provisions for viseing of passports and pre-investigation of applications will be administered by Canadian officials.

Item agreed to.

To provide for the replacement of trust funds held by the department, misappropriated by immigration officers at Halifax, N.S., and Coutts, Alberta, $1,632.08.

Mr. GARDINER: Will the minister explain this item?

Mr. FORKE: At the different seaports and ports of entry along the international boundary there are departmental trust accounts in which funds deposited by immigrants and other parties being given temporary admission to Canada and deposits required under the Immigration Act re deserters, et cetera, are held.

Last year when these trust accounts at Halifax, Nova Scotia, and Coutts, Alberta, were audited it was found that the accountant at Halifax had misapropriated $2,323.35, and the inspector in charge at Coutts the sum of $350.83. As the officer at Halifax was bonded for $1,000 this amount was paid the department by the bond company, which means a net shortage at that port of $1,323.35. In the case of the officer at Coutts, the department held $42.10 due him, leaving a net shortage of $308.73.

[Mr. Forke.]

As this shortage in these accounts will have to be repaid—in some cases bond will be forfeited to the government—to the parties making these deposits when the conditions under which they were made have been fulfilled, it is necessary to recoup the trust accounts. In the case at Coutts the money taken was that of a $350 bond deposited by Otto Lindquist and of 83 cents exchange on American currency. At Halifax most of the money taken was cash deposited by settlers under the family settlement scheme, the officer there using current receipts to make repayments for previous deposits. This, as soon as the current receipts dropped off left him in a position that he could not cover up what had previously been taken.

Mr. GARDINER: What happened to the officers?

Mr. FORKE: They were dismissed from the service. We are collecting the balance from them.

Mr. GARDINER: Were they appointed by the Civil Service Commission?

Mr. FORKE: The appointments are made by the Civil Service Commission now. I do not know how long those men had been in the service.

Mr. GARDINER: You are not in a position to say whether these delinquents were appointed by the Civil Service Commission?

Mr. FORKE: No, we have not that information.

Item agreed to.

Soldier land settlement—amount required for soldier land settlement advances and cost of administration of soldier settlement, $1,558,000.

Amount required for general land settlement advances and cost of administration of general land settlement, $1,557,000.

Mr. KENNEDY: I wish to bring to the attention of the minister a case of what appears to me to be great hardship and injustice under the Soldier Settlement Board. The name of the settler is Frank T. Chinn, who came from England in June, 1921, an ex-imperial soldier who had seen service in France. He is a settler under section 2, paragraph (s) iii, chapter 188 of the revised statutes, 1927. He told me he was directed to Canada by the policy of the Soldier Settlement Board as outlined in a pamphlet distributed by the board in England. I have discussed the matter with the minister and with the chairman of the board, but evidently they do not take the pamphlet as seriously as Mr. Chinn did or as I do.

This is the pamphlet issued by the Soldier Settlement Board of Canada:

Land settlement in Canada, agricultural training and farm loans for imperial ex-service men: published by authority Hon. Arthur Meighen (Minister of the Interior), minister in charge soldier land settlement, London, October 1, 1919.

There is a list of officials who may be seen or written to:

Officials whom you may see or write to.

These officials are in London, Liverpool, Birmingham, Exeter, York, Peterborough, Carlisle, Glasgow, Aberdeen, Dublin, Belfast. And Lieut.-Colonel K. C. Bedson, overseas representative, 7 Parliament Mansions, Orchard street, Victoria street, London, S.W. 1.

The policy of the Board in this case is stated to be:

(1) To settle on the land citizens whose best interests will be served by engaging in farming.
(2) To assist in settlement only on land of good value, well located, and of such fertility as to ensure profitable returns.
(3) To develop in close settlement in areas contiguous to existing or promoted railway lines.
(4) To secure for soldier settlers by means of special purchasing arrangements the best value obtainable in live stock, implements, building material and other necessary equipment.
(5) To guide and assist soldier settlers in the management of their farming activities, so that the best results may be secured.
(6) To provide such guidance and advice as may be most helpful to the settler's wife and family in the development of the home and its economic and social relations.

I would direct attention especially to sections 2 and 5. There are a number of very fine promises in this pamphlet and I wish to refer to just one or two. I quote from page 7:

Method of purchasing land:
The Soldier Settlement Board may purchase improved or unimproved lands in any province if required for soldier settlement.
To assist applicants in locating lands, offers of property for sale are classified by the board according to districts, and in compiling lists of suitable lands the assistance of public officials, local authorities and officers of the Great War Veterans' Association is invited.
The settler however is not restricted to such lists. He has full right to select land, subject in all cases to approval after inspection by the board.
When a parcel of land is selected by a soldier settler, an experienced land inspector is sent out to make an appraisal of the land, and to make sure that it is suitable and possesses the value that is placed upon it. If all conditions are right, it will be purchased by the board and sold to the applicant.
The Soldier Settlement Board deals with the owner direct; pays no commissions on transactions of this kind, and thus protects the settler.

Now this man came to Canada in 1921. In 1923, after a certain probationary period of training on one or two farms, part of the time in British Columbia and part in the districts surrounding Edmonton, he was taken out by a representative of the Soldier Settlement Board and a farm in the Westlock district was shown him. The section of the Soldier Settlement Act, chapter 188, the revised statutes, 1927, "An Act to assist Returned Soldiers in settling upon the land," which deals with this matter is section 25, subsection 4. I quote it:

No advance such as by subsection 1 of this section authorized shall be made unless the board is satisfied,
(a) that the value of the security, ascertained as in section 12 of this act directed with respect to lands to be acquired by the board, is sufficient to justify the making of the advance; and
(b) that the applicant has the ability to make from the land a fair living for himself and his dependents, if any, after paying interest and amortization charges and other necessary payments with respect to such advances and to the land and the cultivation thereof.

Mr. FORKE: What is my hon. friend reading from?

Mr. KENNEDY: I am reading from the Soldier Settlement Act, and I am making a speech I prepared about two months ago. I have been waiting all this time for this estimate to come up. I have quoted the section that bears upon the matter. It seems to me that although it is not directly stated, the primary intention of these two subsections is to protect the country, to see that money is not advanced on poor land or to a settler who has not the ability to make a living in addition to meeting his payments to the Board. In connection with this policy laid down in the pamphlet distributed in England by representatives of the Soldier Settlement Board, it must be taken that the soldier settler is guaranteed that the board will not locate him on land where he cannot make a good living if his farming methods are reasonably sound.

This gentleman had farming experience in England. It has been said that his experience was as an auctioneer and valuator. It is a well known fact that most auctioneers from the old land who go around valuing stock run farms on the side, and I understand that Mr. Chinn had seven years' experience managing a farm owned by his father. He bought this farm in 1923, which was Canada's banner year in wheat production. It was the year in which we had a very plentiful supply of

moisture and when crops on practically every kind of soil did fairly well. In that year Mr. Chinn was driven out by a representative of the Soldier Settlement Board and, in accordance with their policy of fair play, he was settled on the south west part of 34.59.26, west of the 4th meridian. Since that time his experience has not been very happy. In letters which he has written to the Soldier Settlement Board he has stated that in only one year was he able to produce a crop which would give him a living over and above his expenses, to say nothing of paying the amortization on the amount owing the board.

I am going to deal with this matter as briefly as I can, and it is my contention, that the chief reason and the only substantial reason which can be given for the failure of this man—because I do not think it will be necessary to argue that he has failed unless we take a letter written by the supervisor of the Soldier Settlement Board at Edmonton—was because he was settled on land unfit for cultivation. In every district, regardless of how good it is, there are lands which apparently are too poor for farming. They can be utilized in a way by linking them up with other land suitable for cultivation, but in themselves they cannot be regarded as farming propositions. In his efforts to make a success of agriculture this man endeavoured to secure a transfer to another farm, and he was offered such a transfer. That is the first reason I give as proof that he was settled on land unsuitable for agriculture, but lest there be any doubt about the matter he took up the question of the soil, its value and its suitability for farming with the soil culture department of the university of Alberta. I have here a letter written by Professor Wyatt, professor of soils of the university of Alberta at Edmonton under dated of December 14, 1927, as follows:

> With regard to your letter of December 1, 1927, we have not yet made any laboratory analysis of the soil from your farm since our visit there early in October; however, we did make certain tests in the field together with the examining of physical properties of the soil of your farm. We found, as I had suggested in a previous letter, that the greater part of your farm consists of podsol or wooded soils. Your great difficulty is that the extremely heavy subsoil is so close to the surface, that it is with great difficulty that these soils absorb water. Your farm is situated on the transition belt between the black soils to the south and the typical wooded soils to the north and west and some parts of this transition belt has very good soil whereas in other parts the soil is very poor. While we have not examined in any detail the soil of this transition belt, above referred to, we feel certain that your soil belongs to the poorest phase of the wooded soils.

In that letter there is a statement to which I wish to particularly direct the attention of the minister and the committee:

> . . . . the extremely heavy subsoil is so close to the surface that it is with great difficulty that these soils absorb water.

Last July I took the trouble to go over this farm with a shovel; the black soil seemed to be about an inch thick, and under it was soil which looked like chalk when it was worked up. Although all the black soil in that district was so wet that you could hardly walk over it without sinking to your ankles, as the professor says, this subsoil was quite impervious to moisture and the top layer of black soil was quite dry. Unless you flooded the field you could not hope to penetrate that subsoil, and the only possibility of securing a crop would be if the rains came so close together that the soil would be irrigated regularly. If a dry period of eight or ten days were encountered the crop would wither. I do not think it can be disputed that the Soldier Settlement Board undertook on one or two occasions to move this settler to another farm; there can be no doubt that Professor Wyatt stated that this was the poorest of wooded soil, and the crop records, which are not disputed, show that there never has been a crop sufficient to provide a living for this man in addition to the fixed charges which are against the farm. This settler has been dealt with in violation of the pledges and policies of the Soldier Settlement Board, as laid down in this pamphlet which has been distributed throughout the British isles.

It has been said that an effort was made to right the wrong done this man. In the statement of policy which I read there is a section which says that the Soldier Settlement Board will guide and assist soldier settlers in the management of their farming activities so that the best results may be obtained. On one or two occasions Mr. Chinn made an effort to get the soldier settler inspector to supervise his farming operations; he did not succeed in doing so in time for his spring work, so he put himself under the direction of one of his neighbours, Mr. John Edgson, a man whom I know very well, who has been farming there successfully for about twenty-five years.

Mr. STEWART (Edmonton): How far is this farm from Mr. Edgson's farm?

Mr. KENNEDY: About two miles to the south.

Mr. STEWART (Edmonton): I am just trying to get this farm located in my mind.

Mr. KENNEDY: It is two or three miles out of Westlock, and I would not like to say whether it was directly north or south. Here is a statement signed by a number of farmers in that district:

Westlock, Alberta,
January 30, 1927.

To whom it may concern:

We, a few of the farmers of the Westlock district desire to record our knowledge of the farm identified as the S.W. ¼. 34-59-26-W. 4th, which is now occupied by our neighbour F. T. Chinn in order to assist him to get transferred on to a better farm by the Soldier Settlement Board of Canada. Some of us have known this farm ever since it was first homesteaded, and many of us have worked on the place at some time in the usual custom of exchanging work, assisting during illness &c. &c., during spring, summer and harvest seasons. The shallowness of its soil is indisputable, and to the best of our knowledge, it has only grown one crop that would give a man a living (season 1923) ever since it was homesteaded. We have always considered it to be one of the poorest of the few really poor farms in this well known district of Alberta, and whose fertility is borne out by the U.S. Tariff Commission (1924) investigating the cost of production of wheat in the U.S.A. and Canada, in which it states "Westlock ranks lowest in cost and highest in yield of wheat, per bushel, per acre, of any place on the North American continent, viz. 33.2 bushels, cost 60 cents per bushel, cleaned and delivered at the elevators." The uniform richness of our soil serves to make a poor farm an outstanding landmark, and we have always resented the fact that this particular farm was chosen and purchased by the S.S.B. as a representative farm for this district for settlement, on the face of its well known characteristics by the farmers of this community. We contend that as such it is a libel on our reputation, and in our opinion ought never to have been purchased by them for this purpose, which contention has been borne out by its continual crop failures.

Name—Known farm in years—Worked on farm at—

Lorne Campbell, 10 years.
H. G. Curlett, 15 years.
G. E. Stanton, 12 years.
P. S. Beatt, 22 years.
Jas. I. Watt, 5 years.
M. M. Watt, 5 years, threshing.
G. Dieffenbaugh, 6 years, threshing.
W. M. Garrison, 23 years, rented once.
Lloyd Garrison, 23 years, threshing.
Jno. A. Edgson, 24 years, threshing.
L. H. Pettit, 20 years, threshing.
Wm. Watt, 5 years, threshing.

There is a large file of correspondence regarding the efforts of the soldier settlement board at Edmonton to move Mr. Chinn to another farm. He was offered one farm which, according to the statement made by the superintendent at Edmonton was the best of nineteen or twenty farms he had a chance to choose from.

Mr. STEWART (Edmonton): Could my hon. friend summarize it?

Mr. KENNEDY: This farm was located about forty miles west of Pibroch, near Mosside. It consisted of 240 acres, partly covered by the Paddle river. There was some high land which could be farmed, and there was a shack and stable. About half the farm was subject to periodical flooding by the river. If they put the drain low enough to drain the water off when the river was low, it would flood back at high water and make it impossible to cultivate. There was another low spot near the corner of the farm where there was a large slough. There appeared to be the possibility, if he was moved to this new farm with the liability from the old farm of $5,000 over his head, of his getting 40 acres of good agricultural land on which to make a living.

He was offered another farm consisting of a half-section, but there was no cultivated land on it, it being all bush land. He had a chance to move to that farm with his wife and two children, take his debt with him, and do the best he could to get established on that half-section inside of two years and make a living for himself; an impossible proposition.

When he took the question of this farm at Mosside to the superintendent of the soldier settlement board at Edmonton he was told that it was one of the best farms available on the list of the soldier settlement board. This man is carrying a debt of between $5,000 and $6,000.

Mr. STEWART (Edmonton): Does my hon. friend know anything about an offer to take him up to the Peace River district?

Mr. KENNEDY: They made an offer to give him cheap transportation to the Peace River country to examine lands which had come back on the hands of the soldier settlement board. He got some information regarding the lands north of the Spirit river to the effect that they were very much of the same type as the land at Westlock.

Just recently the superintendent of the soldier settlement board at Edmonton, Mr. Johnson, wrote to Mr. Chinn stating that so far as he was concerned the revaluation will mean nothing to him, because he cannot see any way in which he can make good. It is clear to me that what the soldier settlement board intends to do with this man is to force him off the farm, which would be a good thing because he is just wasting his time there. If we are going to bring these people out from the old land and settle them on land where they can make a good living over and above—

Mr. STEWART (Edmonton): Surely my hon. friend does not say there is a guarantee that a good living will be made? The individual plays a large part in it, whether there will be a success or failure.

Mr. KENNEDY: There is a guarantee that they will be settled on land where a farmer who conducts his farming operations properly will have reasonable hope of success. There is not a farmer in Canada who could make a living off that farm. It is absolutely worthless and should never be farmed; that is the whole point. The soldier settlement board is apparently willing to take this man's stock and farm and turn him loose.

Mr. STEWART (Edmonton): I know Mr. Johnson very well, and I feel sure that if the farm is as poor as my hon. friend indicates, there is a prospect for revaluation, and he would get his indebtedness cut down very materially.

Mr. KENNEDY: Even the Minister of the Interior could not make a living on that farm if he got both the farm and the equipment for nothing. That is the opinion of Mr. Edgson and the others who signed this document; it is soil that cannot be worked successfully. Is it fair to this man to say we are going to take everything and turn him out and let him shift the best he can? If there was any basis of compromise at all, I would advise Chinn to take it.

Mr. FORKE: How much has he put into the farm?

Mr. KENNEDY: He claims to have put in £125. He has spent five years trying to make a go of it, and every person in the district admits that both he and his wife are industrious and are trying their utmost to get along.

Mr. FORKE: Your statement does not agree with the statement we have here.

Mr. KENNEDY: It also does not agree with the statements made by the inspectors of the soldier settlement board regarding that land.

Mr. FORKE: You must admit that all a minister can do is to trust his inspectors.

Mr. KENNEDY: If the minister must trust his inspectors regarding the reports on the land in this case, then I submit the soldier settlement board is unsound from the ground up.

[Mr. Kennedy.]

Mr. FORKE: Do you know of any other method?

Mr. KENNEDY: If we cannot meet the settler half way in this matter, I submit the soldier settlement board is wrong from the ground up.

Mr. STEWART (Edmonton): The statement I have here would indicate that this man had put in $125.

Mr. KENNEDY: No, pounds.

Mr. STEWART (Edmonton): That is what is in the record. It may be wrong. I just want to draw my hon. friend's attention to it.

Mr. KENNEDY: No, in order to get established he invested £300 of his own money in addition to what was advanced by the soldier settlement board. This is the case of a farmer who cannot make it go. The soldier settlement board cannot make it go and nobody else can on that basis. In that case is there anything to be done except to tell the settler: In spite of all the promises that have been made, the only thing to be done is to let you go off the farm and settle anywhere you like?

Mr. BENNETT: Who chose the farm?

Mr. KENNEDY: The soldier settlement board bought the farm from some one some years ago.

Mr. BENNETT: Did they choose it?

Mr. KENNEDY: The soldier settlement board took over the farm some years ago. They put another settler on it and he failed.

Mr. FORKE: Tell the whole story; the hon. member has not finished the statement.

Mr. KENNEDY: The soldier settlement board took over this land in 1918 or 1919. They put another settler on it and he failed. They had had the farm under observation for two or three years with the same kind of record in regard to crops as we have had since 1923. They sold the farm to this man in 1923 and we have the record as I have given it to the committee. If there is anything else to be told in regard to the matter, I have no objection to the minister stating it.

Mr. STEWART (Edmonton): May I ask the hon. gentleman this question, because I am perfectly willing to assist in any case of hardship. Is it not a fact that Mr. Chinn, the soldier mentioned, tendered on this reverted land for $5,000; that his tender was accepted, and that he had been farming a year previously in the Edmonton district?

Mr. KENNEDY: I think that is correct; but does the Minister of the Interior mean to tell parliament that, if we bring a man out here from the old country with fine promises made by the soldier settlement board, claiming that they know land, and that they are expert appraisers; if after two years, we place him on a farm; if after five years' effort hopeless failure results, and it is demonstrated that the land is no good, we are going to say that the responsibility is on the settler and that the soldier settlement board, in spite of its protestations through its advertising in the old land as to the protection it is going to give to the settler, has no responsibility in the matter at all?

Mr. STEWART (Edmonton): I do not say that.

Mr. KENNEDY: No man who has been in Canada for only two years, not even if he has attended an agricultural college, can be an expert judge of land. We ought to meet this man and give him at least what he has put into the land, whether it is £25 or £125, and let the soldier settlement board take its reasonable loss as he must take the loss of five years' effort of himself and his wife.

Mr. FORKE: There are many contradictions between the statement I get from our supervisor and the superintendent at Edmonton and the statement made by the hon. member. Perhaps there is a misunderstanding. I am willing to make a full investigation into this case and if any hardship has been suffered by the returned soldier, and if anything can be done to help him, I am willing to do what I can. The record I have is not very good.

An hon. MEMBER: Read the record.

Mr. FORKE: There is a statement that the cows had not been milked for five days. No man can succeed under conditions of that kind.

Mr. KENNEDY: That is the flimsy kind of excuse that the board must resort to. Any man who has farmed on the prairies or in bush country knows that he will lose cattle and horses for five days or even three weeks in spite of his best care. That shows just the futility and poverty of the excuses they advance as to why this man has failed. Another statement was that there was scattered around his field some grain that he had not raked up by hand apparently and there were a few manure piles around the yard. There is not a farmer in the west who does not have that and they all know what it is to have one's neighbour's stock break through one's fences in the fall and scatter one's stooks around. Everyone has that experience every year. Those are the three excuses given by the soldier settlement board as reasons which I should believe why this man's failure is due to himself and not to the poverty of the farm on which he has been placed.

Mr. FORKE: I do not see what more we can do. I will endeavour to secure some other information; but Mr. Johnson, the superintendent at Edmonton, I have found to be a very reliable man and not liable to do anything rash.

Mr. KENNEDY: Mr. Johnson has been superintendent for only a short time.

Mr. FORKE: I am willing to make further investigations and if I find any injustice has been done, in fact if he has lost money, I am quite willing to assist him a little. There are limits beyond which it is not advisable to go, because sometimes it is really the kindest thing to tell a man who has got into an impossible position that the best thing for him is to give up the whole undertaking. I do not know what the situation is in this case and I am going to have an investigation made. My whole attitude towards the returned soldiers has been that of desiring to help them in every way, and especially in their farming operations. I have listened to the remarks made by the hon. member; I will take them into consideration, and I will try to get some outside information to help me to come to a conclusion in the matter.

Mr. KENNEDY: Will the minister be in Edmonton this coming summer?

Mr. FORKE: I hope so.

Mr. KENNEDY: I will show him around. I think it would be a kindness to Chinn to have this thing cleared up sooner or later. I think he ought to be willing to take out what money he has in the farm because he is just wasting his time where he is.

Mr. FORKE: We will take the matter into consideration if there is any chance of his succeeding at all.

Some hon. MEMBERS: Carried.

Mr. SPEAKMAN: No, the minister has already undertaken to give a statement, while this item is under consideration, as to the process of revaluation.

Mr. FORKE: Yes. I should like to make a reply to the hon. member for Fraser Valley (Mr. Barber). I know something about the troubles of which he speaks. There has been a good deal of correspondence and I am satisfied that it must be looked into. I advised the chairman of the land settlement board that the matter had to be investigated. We are sending out Major Ashton, one of the commissioners, immediately to investigate the whole matter, to meet those people, to find out what their troubles are and to make a report to me on the situation.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

GREAT LAKES AND ATLANTIC CANAL AND POWER COMPANY, LIMITED

On the order:

The house resumed, from May 11, consideration of the motion of Mr. Denis (Joliette) for the second reading of Bill No. 152, respecting the Great Lakes and Atlantic Canal and Power Company, Limited.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals). Mr. Speaker, the last time this bill was before the house it was quite apparent that it was contentious. In fact, some members were opposing the second reading. I usually adopt the attitude in connection with bills destined for the railway committee that they are entitled to go there in order that the promoters may be there in person and be heard, but in view of the fact that this bill, even if it got to the committee, could not possibly receive adequate consideration during this session, I would suggest to the sponsor of the bill that it might as well be allowed to stand. No advantage can be gained by proceeding further with it, and it would only take up the time of the house to continue the debate on the second reading.

Mr. J. J. DENIS (Joliette): In view of the request now made by the Minister of Railways and Canals (Mr. Dunning), I would ask that this bill be allowed to stand.

Bill stands.

[Mr. Speakman.]

BELL TELEPHONE COMPANY OF CANADA

The house resumed from May 18, consideration of the proposed motion of Mr. Edwards (Ottawa) for the third reading of Bill No. 43, respecting the Bell Telephone Company of Canada.

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I gave notice some days ago of an amendment to this bill, and hon. members may have noticed that I have changed my notice of motion somewhat as it appears on yesterday's votes and proceedings. I shall not dwell at all on the first notice of motion. While I have no desire to take up the time of the house, I think perhaps it is due to myself that I should give some explanation of the motion that I propose to move. I move, Mr. Speaker, seconded by the hon. member for West Elgin (Mr. Hepburn) to add the following as clause 3 of this bill:

> 3. The Board of Railway Commissioners for Canada may make such inquiry into the costs, prices and profits of the Northern Electric Company, Limited, and all other subsidiaries of the Bell Telephone Company, in connection with goods sold and services rendered to the Bell Telephone Company of Canada as the board may deem necessary for the purpose of approval or revision of telephone tolls to be charged by the Bell Telephone Company of Canada.

Briefly, Mr. Speaker, the effect of the change is simply this, that to make it broader I have not only included the Northern Electric Company, Limited, which seems to be the bone of contention in connection with the Bell Telephone Company so far as the public is concerned, but as an additional safeguard I have added all the other subsidiaries of the Bell Telephone Company.

Mr. T. L. CHURCH (Toronto Northwest): I rise to a point of order, Mr. Speaker. I would point out that the amendment is out of order; you cannot anticipate by a motion a question that is already before parliament and already on the order paper by four previous motions. That view is supported by all the authorities. Those authorities are quoted in a debate that we had in this house on June 14, 1922, when I raised and was sustained on a similar point of order and will be found at page 2973 of Hansard of that year 1922. The authorities discussed this point at page 248 of May and at page 320 of Bourinot: May at page 248 says:

> A motion must not anticipate a matter already appointed for consideration by the house whether it be a bill or an adjourned debate upon a motion. A motion is equally out of order, if it anticipates a notice of motion for

leave to bring in a bill that includes the subject proposed to be dealt with by the motion. A matter already appointed for consideration by the house cannot be anticipated by an amendment, while a notice of motion as long as it remains upon the paper, whether for a specified day or not, prevents its subject-matter being discussed by means of an amendment to a motion.

Bourinot at page 320 says:

An amendment cannot anticipate a notice of motion on the order paper.

I would point out that there are four motions on the order paper dealing with this question. The first is that of the hon. member for South Toronto (Mr. Geary), dealing with subsidiary company legislation:

March 9—Second reading of Bill No. 63, an act to amend the Railway Act (investigation of subsidiary of telephone or telegraph companies).—Mr. Geary.

Secondly there is my own resolution of May 16:

Mr. Church, on the third reading of Bill No. 43, "an act respecting the Bell Telephone Company of Canada," will move that the following clause be added to the bill:—

"3. That notwithstanding any law, statute, usage or custom to the contrary the Board of Railway Commissioners for Canada shall have power to investigate and regulate all tolls and charges of the Northern Electric Co., Limited, or any other subsidiary company in which the Bell Telephone Company of Canada has any interest whatsoever."

Then there is the resolution of the hon. member for Camrose (Mr. Lucas) of May 27:

Mr. Lucas, on the third reading of Bill No. 43, "an act respecting the Bell Telephone Company of Canada," will move that the following be added to the bill:—

That notwithstanding any law, statute, usage or custom to the contrary the Board of Railway Commissioners for Canada shall have power to investigate and regulate all tolls and charges of the Northern Electric Co., Limited, or any other subsidiary company in which the Bell Telephone Company of Canada has any interest whatsoever.

And the resolution of the hon. member for South Perth (Mr. Sanderson) of May 28.

Mr. Sanderson, on the third reading of Bill No. 43, "an act respecting the Bell Telephone Company of Canada," will move to add the following as clause 3:—

3. The Board of Railway Commissioners for Canada may make such inquiry into the costs, prices and profits of the Northern Electric Company, Limited, in connection with goods sold and services rendered to the Bell Telephone Company of Canada as the board may deem necessary for the purpose of approval or revision of telephone tolls to be charged by the Bell Telephone Company of Canada.

These four motions are substantially the same and are already on the order paper, some of them appearing weeks ago on the order paper, and some months ago. The rule is clear that you cannot anticipate the action of parliament on a notice of motion, undisposed of, and parliament having failed to take any action on these previous notices of motion, I submit that the motion of the hon. member for South Perth is distinctly out of order. Bourinot so states. He goes further than May, and the British Speaker has recently ruled on the same point on similar lines.

In connection with bill No. 93, to amend the criminal code, which was before the house on June 14, 1922, Mr. Good desired to move an amendment, but it was ruled out of order because there was already a notice of motion on the order paper dealing substantially with the same matter treated in the proposed amendment of Mr. Good. I would ask for your ruling, Mr. Speaker, as the amendment is the same as my own amendment of three weeks previously and three others undisposed of.

Mr. RENE MORIN (St. Hyacinthe- Rouville): If I understand aright the point of order raised by my hon. friend, it is that notices of amendments having been given previous to that of the hon. member for South Perth (Mr. Sanderson), and approximately in the same words, his motion is out of order, but, Mr. Speaker, if you will study these notices of amendment you will find that they differ in some very material respects. The notices of motion previously presented by hon. members seek to give power to the Board of Railway Commissioners to investigate and regulate the tolls of the Northern Electric Company in a general way, while the amendment of the hon. member for South Perth refers to the Northern Electric Company only so far as its business is connected with the business of the Bell Telephone Company. I doubt whether the previous notices of motion are in order, because I do not believe it would be proper for this house, without any notice to the Northern Electric Company, to empower the Board of Railway Commissioners to inquire into its prices and costs of carpet sweepers, broadcasting equipment, radios, and millions of other articles which are made by that company, and which have no connection at all with the business of the Bell Telephone Company. But the motion of the hon. member for South Perth, on the contrary, appears to me to be in order, because it refers to the Northern Electric Company only so far

as its business is connected with that of the Bell Telephone Company. I submit that the motion of the hon. member for South Perth should be accepted.

Mr. SPEAKER: Does any other member desire to speak on the point of order?

Mr. COOTE: Mr. Speaker, we have not yet found out what the point of order is; we could not hear anything that the hon. member said.

Mr. SPEAKER: The point of order may be briefly stated thus: that the amendment moved by the hon. member for South Perth anticipates a question which is already on the order paper. If no other hon. gentleman desires to speak,—

Mr. G. R. GEARY (South Toronto): Mr. Speaker, on the point of order, I judge that what the hon. member for Toronto Northwest (Mr. Church) has referred to is the well-known rule that you cannot by a motion anticipate a matter that is already on the order paper and should be dealt with in its turn. There is also a rule that there is no objection to two bills being on the order paper referring to the same matter; or rather, it is not a rule but a dictum of one of the authorities on procedure. But even if two bills be on the order paper dealing with the same subject, one may not be heard in anticipation of the other which has a prior right to be discussed, having been on the order paper for a longer time. The well-known rule against anticipation I urge upon you, Mr. Speaker, as being fatal to the amendment of my hon. friend from South Perth being discussed at the moment.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, there appeared in the votes and proceedings of May 22 a notice of motion by the hon. member for Camrose (Mr. Lucas). It is in the form of an amendment to the bill which we are now considering, and is almost identical in its terms with the amendment which has been moved by the hon. member for South Perth. In view of the fact that this notice of motion should take precedence of the amendment, and in view of the further fact that Bourinot at page 301 of the fourth edition lays down this rule:

> A motion must not anticipate a matter already appointed for consideration by the house—

I submit that the amendment of the hon. member for Camrose should take precedence over that which has been moved by the hon. member for South Perth.

Mr. CASGRAIN: It has not been moved yet.

[Mr. Morin.]

Mr. SPEAKER: As regards the priority of amendments, we have no rule in this house as to what amendment the Speaker should take cognizance of when there are several. Naturally the practice is that the first in order should be taken. In the British House of Commons it is different; the powers of the Speaker are almost autocratic in matters of private legislation. May—it is not under my hand at the moment—states that when a private bill is called and there are several amendments, the Speaker may choose according to his own judgment the amendments and put them to the house. That is one point.

The second point has to do with anticipation. I have read the amendment moved by the member for South Perth, I have also read the other amendment moved by the member for South York (Mr. McGregor), and finally I have read the bill which has been on the order paper since the beginning of the session, called the Geary bill. Now, if we were, say, at the beginning of the month of May, or even at the 15th, I would be inclined to bar the amendments which deal with nearly the same question as the one raised by the Geary bill. But mark well that the rule governing anticipation is not as stated a moment ago by the hon. member for Toronto Northwest. He quoted May. This is what May says about anticipation:

> A motion, (other than a motion for leave to bring in a bill), is equally out of order, if it anticipates a notice of motion for leave to bring in a bill that includes the subject proposed to be dealt with by the motion. A matter already appointed for consideration by the house cannot be anticipated by an amendment, while a notice of motion, as long as it remains upon the paper, whether for a specified day or not, prevents its subject-matter being discussed by means of an amendment to a motion or of a motion for the adjournment of the house, including a motion under standing order No. 10.

I wish hon. members to listen to this:

> In determining however, whether a discussion is out of order on the ground of anticipation, the Speaker must have regard to the probability of the matter anticipated being brought before the house within a reasonable time.

I pray members again to listen particularly to that sentence:

> In determining, however, whether a discussion is out of order on the ground of anticipation—

Exactly the point raised at this moment.

> —the Speaker must have regard to the probability of the matter anticipated being brought before the house within a reasonable time.

Well, to state the question is almost to resolve it. If we were in the month of May, if there was not almost a certainty of pro-

rogation within a few hours, or a day, I should be inclined to say that the Speaker must sustain the view expressed a moment ago by the member for Toronto Northwest. But we have almost reached prorogation, and there is certainly no chance whatsoever for the Geary bill to come before the house. This bill will be found at page 7 of the orders of the day as No. 43, in these words:

Second reading of bill No. 63, an act to amend the Railway Act (investigation of subsidiary of telephone or telegraph companies).

There is no probability, in fact there is a certainty, that the bill cannot be reached; in view of this shall I debar the moving of the amendment which covers almost the same principle as that invoked by the bill?

Mr. CHURCH: Mr. Speaker, will you be good enough to read—

Mr. SPEAKER: I am giving my ruling. Basing myself on May I am therefore perfectly justified in stating that there is no anticipation, because the Geary bill which deals with the same subject, cannot be reached, the house being within a few hours of prorogation.

Mr. GARDINER: Mr. Speaker, you have given a ruling on one point of order. I desire to raise a second point.

Mr. SPEAKER: Certainly.

Mr. GARDINER: In the votes and proceedings of May 22 the hon. member for Camrose gives notice of an amendment. The amendment therein proposed is almost in identical terms the amendment proposed by the hon. member for South Perth. I submit to Your Honour that the hon. member for Camrose should first have an opportunity of moving his amendment before you accept the second.

Mr. SPENCE: I wish to say a word or two in connection with private bills.

Some hon. MEMBERS: Order.

Mr. SPENCE: A number of members are determined to talk out every private bill introduced this year and it is absolutely unfair to members of the house. Every member of the house understands exactly what the Bell Telephone bill is, and it is absurd to think that one or two gentlemen in this house can talk out everything all the time. We should have the point of view of all the members of the house and it should be decided by the vote of the house, instead of continually talking out these private bills.

Mr. GEARY: I rise to a question of privilege in reference to the remarks of the last speaker. I presume he is referring to hon. gentlemen opposite who talked out the Edmonton and Dunvegan bill on two or three occasions.

Mr. SPENCE: I am referring to the hon. gentleman who is speaking, and to others as well who talked out the Edmonton and Dunvegan bill. There has been nothing but obstruction in the house this whole year.

Mr. GEARY: I want to call the attention of the hon. member for Parkdale (Mr. Spence) to the fact that if he is referring to me I have spoken exactly fifteen minutes on this bill in the house. Bills have to be discussed, however much we may be anxious to get home.

Mr. SPENCE: This bill has been discussed on several occasions and talked out. There is not an hon. gentleman who does not understand all about it. We should take the point of view of the members of this house and get an expression of opinion as to whether or not it should be adopted. So far as I am concerned I do not give a twopenny whistle whether it carries or not, but I object to this procedure.

Mr. DUNNING: Before you rule on the point of order, Mr. Speaker, I would merely request that you read the two amendments under discussion in order to determine whether they are to the same effect. That, I believe, is the point of order raised by my hon. friend. My understanding is that the effect of one is entirely different from the effect of the other; a very important difference in principle exists between the two.

Mr. GARLAND (Bow River): On the point of order, I am not certain that the Minister of Railways (Mr. Dunning) has got the point correctly. It is not a question whether there is any similarity between the two amendments; it is a question of priority in respect of the motion itself. There is no question whatever that the amendment moved by the hon. member for Camrose on May 22 last will have priority over the amendment of the hon. member for Perth. I agree with the hon. member for Acadia (Mr. Gardiner) that it should be put to the house first.

Mr. SPEAKER: The point raised by the hon. member for Acadia is that the Speaker should put the amendments in order of precedence.

An hon. MEMBER: No.

Mr. SPEAKER: Order; that is the point raised by the hon. member for Acadia. Incidentally I would request silence; there is only an hour for private bills, and I should

like all hon. members to hear the ruling, which I intend to give to the best of my ability. May, thirteenth edition, says at page 283:

A member who has given notice of an amendment is not entitled to precedence on that account or to be heard before a member who rises to speak to the question.

That is precisely the situation under review.

According to the rules of debate, the member who first rises and is called by the Speaker, being in possession of the house, is entitled to conclude with any motion which may properly be made at that time. Nor, though a contrary practice prevails in proceedings on a bill, if a series of amendments are proposed to a motion, can members claim, unless they rise to speak, to be called in the order in which their notices stand upon the notice paper.

I rule accordingly that the question now before the house is on the amendment proposed by the hon. member for South Perth.

Miss AGNES MACPHAIL (Southeast Grey): This bill has aroused widespread interest in the province of Ontario. The Bell telephone is the only telephone of any consequence in the province. Whether this is so in Quebec I do not know; I am not familiar with conditions there. But it is true in Ontario. The Bell Telephone Company serves the public; it is operated by a private concern but is really a public utility. The telephone has become a necessity in this age. We could hardly think of living without it. It has done very much to save time for all of us, to save life indeed, to make business run smoothly; and it has been a great factor in binding people together in scattered communities. It is therefore of great social significance. The Bell Telephone is a subject which interests possibly more people than almost any other one thing in the province of Ontario. It is not then to be wondered at that the people of that province are watching eagerly the fate of the two bills that have been presented to this house, the Bell Telephone bill and the bill to safeguard the people's interests, moved by the hon. member for South Toronto (Mr. Geary).

The Bell Telephone Company has been operating in Canada since 1880 and it is only since 1909 or 1910 that the company has become subject to the jurisdiction and authority of the Board of Railway Commissioners. Since that has been true the Bell Telephone Company has been most generously treated by the Board of Railway Commissioners and by the people of Ontario and Quebec. In 1919 it was permitted to make a flat increase of 10 per cent and in 1921 of 12 per cent; and a few months ago another increase was allowed, the disposal of the profits of which is now causing the company concern and in all probability is the reason for the bill which is now before the house. The raise in rates was allowed on the principle:

[Mr. Speaker.]

That non-discriminatory rates should be established by the company sufficient to produce revenue to cover its operating expenses; a proper amount for depreciation and amortization; its taxes, including income tax, interest, dividends upon its stock and a reasonable surplus.

The Globe in an editorial on May 23, 1928, has this to say:

A dividend rate of 8 per cent is maintained, and the board has accepted the estimated requirements of the company for depreciation, with one small exception. There are few corporations in the country but would welcome a guarantee of solvency and earnings such as the Bell company obtains.

All this is paid for by the telephone users. In justice to these, should should not the board be authorized to make certain that the revenues of the company are devoted to the company's business exclusively?

In the mind of anyone who has looked closely at this matter there is the suspicion that a close relationship exists between the Northern Electric Company and the Bell Telephone Company, and that in all probability the Bell Telephone Company has used the Northern Electric Company to conceal its profits. At least it is true that the Northern Electric Company is controlled by the Bell Telephone Company, and in the year 1926 the Bell Telephone Company was a customer of the Northern Electric Company to the extent of 57.8 per cent of its total business. In 1925, according to Mr. R. A. Reid, barrister, who was counsel for the Ontario government at the last hearing before the Board of Railway Commissioners and also at the appeal from that hearing before the cabinet, $12,000,000 of apparatus, supplies and equipment were sold by the Northern Electric Company to the Bell Telephone Company, and at the end of that year the Northern Electric Company had total reserves and surplus amounting to $8,409,070, with property and plant valued at $9,882,053. For the years from 1920 to 1925 the depreciation reserve ranged from 100 per cent to 129 per cent; that is what was set aside yearly for depreciation of plant and equipment. Surely this is a satisfactory financial condition, yet the Bell Telephone Company, which owns 52 per cent of the stock of the Northern Electric Company, does not show any share in its profits. They would rather receive their profits through an increased rate granted by the Board of Railway Commissioners, which is levelled on the people of Ontario and Quebec. Under the statute as it is at present, the Board of Railway Commissioners cannot investigate the Northern

Electric Company, and it seems quite clear that the right to investigate the subsidiaries of the Bell Telephone Company, among them the Northern Electric Company, should be granted by parliament to the Board of Railway Commissioners. If we, as a parliament, do not grant the Board of Railway Commissioners the right and power to investigate the subsidiary companies of the Bell Telephone Company, surely we cannot be said to be safeguarding the interests of the people. The Geary bill, which has not come up for consideration, was designed to do that very thing.

Mr. MORIN (Bagot): What about the Sanderson amendment?

Miss MACPHAIL: That amendment was moved only to-night, and although it seems similar to the Geary bill I cannot say whether or not it serves the same purpose. As a matter of fact I think it would be a very good thing in this case if this public bill could be given some sort of right in this chamber, because it has been moved by this member in order to safeguard the interests of the public. We have 245 members in this chamber who have openly, eloquently and solemnly promised at election times to work very hard in the interests of the public and to do what they could to safeguard the common people against attack from any source whatever. This is a fine opportunity to make good that promise. Undoubtedly the members of this house, by defeating the Bell Telephone bill as it stands at present, have an opportunity to serve the people in Ontario and Quebec, and indeed the people of all Canada.

One would hesitate to say that a Liberal government is more interested in a bill which proposes to increase the capital of the Bell Telephone Company from $75,000,000 to $150,000,000 than in safeguarding the people by passing with that bill an amendment which will make it possible to have the affairs of the subsidiary companies investigated when the Bell Telephone Company comes before the Board of Railway Commissioners to ask for an increase in rates, or by adopting the Geary bill, which will do the same thing. I think there is no doubt that at some future date the Bell Telephone Company will again appear before the Board of Railway Commissioners asking for a guarantee of dividends on their increased capital, should this bill pass. If it were true, as we hope it is not, that the predominant element within a Liberal government stands for that principle of looking after special privilege before looking after the interests of the masses of the people, one might well ask if that is a good Liberal principle or doctrine.

The thing which makes the Bell Telephone Company bill look suspicious is this: If there is to be no milking of profits from the Bell Telephone Company by the Northern Electric Company why should not the Bell Telephone Company welcome a full and free investigation into the affairs of the Northern Electric Company and its other subsidiaries? Some friends of the bill claim that the company wants more capital with which to extend its business. If that is true, why did not the friends of the bill support the Garland amendment in this house, which to me seemed the easiest and most sensible course to adopt if an increase in capital were desired, since it provided for the sale of stock in the open market. The house defeated that amendment; and from that we can only conclude that the amendment was defeated by the friends of the Bell Telephone Company, which leads us to be exceedingly suspicious of the reason for this doubling of capital. I think the Globe of Monday, May 28, 1928, makes it very clear when it says, in a short editorial on the first page of the second section:

> Why—if everything is straightforward, clean-cut and aboveboard—does not the Bell Telephone corporation welcome the Geary bill, which would effectively establish its bona fides?
>
> Why—if everything is straightforward, clean-cut and aboveboard—does not the Bell Telephone corporation welcome the proposal to offer this new stock to the public at the market price, which would effectively dispose of any suspicion that the public service monopoly plans to "cut a melon" among its privileged shareholders, as was done the other day by the American Telephone and Telegraph Company?

One of the chief reasons given by the Bell Telephone Company for the increase requested when they last appeared before the Board of Railway Commissioners was that they needed the increase to enable them to pay dividends on their stock. Now they want to double the amount of that stock, and I suppose the next step would be to go back to the Board of Railway Commissioners and ask for increased rates in order to guarantee an 8 per cent dividend on the increased capitalization. Again, that will result in swollen profits with which they will have to do something, and if they take the same step again they will increase their capital and then go back to the Board of Railway Commissioners and have their rates raised sufficiently high to enable them to pay dividends on the increased capital; that will go on endlessly.

I was much interested this morning in reading the long and detailed brief submitted by Mr. Reid when, as counsel for the provincial government he made an appeal to the cabinet against the ruling of the board. The very close connection between three or four companies is made very clear by him. The American Telephone and Telegraph Company owns 98 per cent of the stock of the Western Electric Company; the Western Electric Company owns 48 per cent of the stock of the Northern Electric Company, and the Bell Telephone Company owns 52 per cent of the stock of the Northern Electric Company. It will be seen that there is a direct connection between the higher rates the people of Ontario and Quebec pay and the swollen profits of the American Telephone and Telegraph Company. I am surprised that such a good Canadian as the member for Parkdale (Mr. Spence) who so violently protested against the talking out of this bill, is anxious to have the money of his very patriotic city go to swell the profits of the millionaires of New York. If one goes through all the material submitted by Mr. Reid, who would seem to be the greatest authority on this subject—

Mr. SPENCE: He thinks he is, that is all.

Miss MACPHAIL: —the connection between the high rates paid by our people and the profits of all these other companies cannot fail to be noticed. This milking process has now been going on for some time. The Bell Telephone Company has been successful in hiding from the people who pay the rates the amount of their profits. Some they have hidden in depreciation much greater than they use, as I will show in a moment, and some they have hidden in the Northern Electric Company.

The depreciation set aside by the Bell Telephone Company has been hiding enormous profits in the past. I am now quoting from page 15 of the petition in appeal:

> From the year 1912 down to the year 1920, it has taken out of the telephone users and subscribers of Ontario and Quebec, under the guise or mark of a depreciation charge, the sum of over $39,000,000, and has only used or spent out of that money for the purpose of depreciation for which it was extracted from the telephone users, the sum of about $13,000,000, leaving a sum of over $26,000,000, taken out of the pockets of the said telephone users of Ontario and Quebec in extortionate, high and excess telephone rates during that period of time, and which will never be spent for the express specific purpose for which it was squeezed out of the said telephone users, and is still being added to and piled up at the rate of over $1,500,000.

[Miss Macphail.]

That would seem to show that the Bell Telephone Company is hiding what is really profit under the name of depreciation.

When we consider the way they have of dealing with the income tax, we find that they keep the public from knowing just how much they are making out of the rates charged. On page 11 of this same petition in appeal we find the following:

> The question of income tax was not properly dealt with by the railway commission, and no definite finding, judgment, or decision was arrived at, thus leaving in the air an item of over $400,000, which your petitioners contend should not be allowed at all as an operating expense of the company, as has been done, but should be deducted from the company's net earnings and paid by the company and its shareholders, and not by the subscribers and telephone users, nor shifted by the company in such a way as to have to be paid by the telephone users; nor is the company entitled to, by rate increases or otherwise, sufficiently high rates to meet the payment of such income tax payment. It must be paid by the company direct as an entity or person out of and from surplus and net profits. It is not an operating expense.

Mr. Reid goes on to show that the method used by the Bell Telephone Company in the paying of their income tax is contrary to the statute under which the income tax branch of the Department of National Revenue operates, and he quotes as follows:

> It is under and by virtue of section 3, subsection 8, of 13 and 14 George V. chapter 52, statutes for 1923, that the department acts, and that is the authority under which an item of this kind, put in as an operating expense, is disallowed as such.

And further on:

> The application of the Bell Telephone Company for an increase of rates was based upon the operations for the year 1925, and the company showed a nominal paper bookkeeping deficit of $8,712 for that year. But it improperly charged its income tax payment, amounting to $320,000, as an operating expense. If this had not been done, and had the income tax payment been dealt with in a proper manner as hereinbefore explained, there would have been a surplus of over $300,000 in 1925, instead of a deficit, and the application of the company should have been dismissed.

And then, to my mind, he clinches the matter in the last three lines on page 12 by saying:

> The Bell Telephone Company should stand in no more favourable position than the wage earner, or the salaried individual, who must pay his income tax out of his net earnings.

The Bell Telephone Company have been doing very nicely for themselves by passing their income tax on down and charging it to the telephone users in higher rates. Added to that, they have been sinking very large sums of money in depreciation reserves that

have never been used for that purpose. It would seem to me that the members of this house, who represent after all, if they are guided by their professions, the telephone users rather than the Bell Telephone Company, should take such steps as will prevent the Bell Telephone Company on the one hand, from hiding its profits, and on the other, from passing its income tax on down to the people on the ground floor. When we think of anyone, no matter where he lives or what his job is, who has a telephone, he pays not only his own income tax but a share of the income tax of this wealthy Bell Telephone Company of Canada and its subsidiary companies. Surely that is not fair. If people pay their own income tax that should be enough without asking them to pay the other fellow's as well.

As I am a representative of a constituency which is almost wholly agricultural, I think it would be well to consider the position of the farmer in regard to the increased rates, and in regard to the income tax which is passed on down. There are many people besides the Bell Telephone Company who are in the position of passing their increased cost of living and their income tax on down the line until it reaches the place where it can be passed no farther, and that fellow must pay up. In this case that fellow is the farmer. The farmer in Ontario or Quebec who uses a telephone and indeed, whether he uses it or not, pays for the increased telephone rates of many people. He pays it not only for himself but also for the increased rates of the telephone that his doctor uses, the increased rates of the telephones used by his dentist, by the merchant from whom he buys his supplies, by the minister whom he hears preach on Sundays. He pays for the increased rates of the telephones used by the implement agent, the man who runs the gasoline station, the blacksmith who shoes his horses, the editors of the newspapers, both daily and weekly, that he reads. Indeed he pays the increased telephone rate of the dealer to whom he sells his farm products, if he has not yet developed intelligence enough to know that he should sell his own products in cooperation with his fellows. Last, but certainly not least, he pays the increased telephone charges of the undertaker, or at least his estate does. The farmer is on the ground floor. He cannot pass his increased costs of living due to the rates on to somebody else. I have heard a great deal in the house about the farmer not paying an income tax. Hon. members now know the reason. He is so busy paying other people's he has not anything left to pay his own. It is not any wonder at all that the agriculturists are getting out from under the load.

In conclusion, if the government care for the people, indeed, if they care only for themselves and wish to maintain themselves in the position which they now happily occupy—I mean happily for them—it would be very well for them to do everything in their power to ditch the Bell Telephone bill as it is at present constituted. If by the Sanderson amendment it is as well safeguarded as it would be by the Geary bill—and I am not in a position to say whether it is or not—it would put the matter in a different light; but the Bell Telephone bill should be safeguarded in such a way that the people of Ontario and Quebec will not again be forced to pay higher rates which will enable the Bell Telephone Company to pay dividends on its increased capitalization.

Hon. J. W. EDWARDS (Frontenac-Addington): I had intended to present certain statistics to the house and my estimate of those statistics for the consideration of my fellow members, but the figures which I intended to give have been presented by the hon. member for Southeast Grey (Miss Macphail) and I will not burden the record or take up any time by repeating the figures which she has placed on Hansard. Hitherto I have registered no opinion in regard to the Bell Telephone bill, but I want to place myself on record just to this extent. This is a bill which involves an extra capitalization of $75,000,000. That is a large amount of money. The company is already capitalized at $75,000,000 and it wants to double that capitalization. The company is a very large one, one of the biggest concerns in the Dominion of Canada, and it has obtained from the people of the Dominion the money to become a big concern. Therefore it seems to me that in a matter of such proportions as this is, with practically all the people of Canada interested on the one side and the company on the other, a bill involving so much money and of such far-reaching effect is one which could very well wait for further consideration at the next session of parliament. That is the view that I take in regard to the matter, and if those who are sponsoring in parliament the bill of the Bell Telephone Company have confidence in the merits of their case and in the request of that company for an increased capitalization, they can well afford to wait until all classes of the people—because practically all the people of Canada are interested in this matter—have had an opportunity thoroughly to study and digest the question from every angle.

Mr. G. R. GEARY (South Toronto): If there were one ground upon which Your Honour's ruling was right, if I may say so with all deference, it is that the amendment before the house does not cover the same matter as does the bill to which Your Honour refers. The amendment before the house has not harm in it. The difficulty with it is that it is perfectly innocuous; it will get us nowhere and any lawyer in the house who is acquainted with the practice of the courts and of the Board of Railway Commissioners will tell the house readily that it is not of the slightest use at all. It does not bring, for the purpose of investigation, the Northern Electric Company under the jurisdiction of the board, and it is a very serious question whether, under the terms of the amendment of my hon. friend, the Board of Railway Commissioners would have any power whatever to act under those sections of the Railway Act which give them their powers and set out their procedure. The danger I see in my hon. friend's amendment is this and it is one I am sure he did not quite see himself because I believe, as was evidenced by his vote the other night, my hon. friend is opposed to the increase of capitalization at this time. If anyone suggested this change to my hon. friend, what was in the mind of the one who suggested it to him—

Mr. SANDERSON: I resent the insinuation therein implied.

Mr. GEARY: I am asking if there was any suggestion made of that.

Mr. SANDERSON: Then the hon. member has gone too far.

Mr. GEARY: I will withdraw anything my hon. friend objects to.

Mr. SANDERSON: The inference.

Mr. GEARY: What is the inference?

Mr. SANDERSON: My hon. friend knows.

Mr. GEARY: I am quite at a loss. I am saying that my hon. friend by his vote the other day evinced his desire to prevent the capitalization from being carried out in the way it is suggested.

Mr. SANDERSON: My hon. friend went further than that. He endeavoured, I take it, to leave the impression on the house and on the country that there was some influence behind my action in regard to the amendment.

Mr. GEARY: No.

[Mr. J. W. Edwards.]

Mr. SANDERSON: I am sorry if I misunderstood my hon. friend.

Mr. GEARY: Then the matter is settled. I had no idea there was any influence on my hon. friend.

Mr. SPEAKER: I rather gathered that from the remarks of the hon. member.

Mr. GEARY: No. I said quite distinctly that my hon. friend had no such idea in his mind, but that if anyone cooperated with him in drawing up the amendment or if anyone else was concerned in that drawing-up unknown to my hon. friend, that person had it well in mind that this might serve as a sort of grease, as was said by an hon. member to my left, to carry through the capitalization of the Bell Telephone Company. Shall I adjourn the debate?

Mr. SPEAKER: I think it is too late.

Mr. MACKENZIE KING: If I might be permitted to say just a word, there are still on the order paper two private bills which have been discussed.

Mr. GEARY: Will the right hon. gentleman permit me? Was the debate adjourned on my motion?

Mr. SPEAKER: It is past nine o'clock.

Mr. MACKENZIE KING: I was not speaking in reference to the measure referred to by my hon. friend. There are still two private bills on the order paper. They have been discussed at considerable length and I am advised, whether rightly or wrongly I cannot say, that the house would be prepared without further discussion, to vote upon them. If that should be the case, it might accommodate all parties if those bills could by agreement be called at the present time, with the understanding, of course, that if there is an objection to either of them being voted upon, that would prevent its being taken up at this time, and if there is no objection to the measures being voted upon the house would pass upon them finally.

Mr. CAMPBELL: I may inform the Prime Minister that there is objection to them.

Mr. MACKENZIE KING: That settles the matter.

Mr. SPEAKER: The hour for private bills being exhausted the house will revert to committee of supply.

SUPPLY

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

DEPARTMENT OF IMMIGRATION AND COLONIZATION

Soldier land settlement—amount required for soldier land settlement advances and cost of administration of soldier settlement, $1,558,000.

Amount required for general land settlement advances and cost of administration of general land settlement, $1,557,000.

Mr. GARDINER: I would like to inquire if the minister has come to any decision with regard to the disposal of soldier settlement lands that have no agricultural value.

Mr. FORKE: I cannot definitely state that we have reached any conclusion. I did not suppose that there were any soldier settlement lands that could be classed as having no agricultural value. They may have very little agricultural value in some cases, but I do not really think that any of them could be regarded as of no agricultural value. We have some very poor lands up in the inter-lake district in Manitoba, some of which have been selected as soldier settler lands, and I am inclined to believe that a good many of these lands are not suitable, and that no family could make a living upon them. If they cannot be sold at a reasonable figure, and taxes are accruing upon them, my idea would be—I am not making this as a definite statement—to let the municipalities handle them themselves, if they can collect the taxes on some of these very, very poor lands. That is the only solution I can see so far as the taxes on these lands are concerned. I would be prepared to sell them to the neighbouring farmers for what they would bring; I am referring to the very poor lands that we have up in the inter-lake district in Manitoba. I repeat, however, that I do not think there is any land that you could class as useless for agricultural purposes, because it should be fit for grazing purposes at all events.

Mr. GARDINER: In using the term "of no agricultural value," I was using the term which the minister himself applied to these poor lands last year. That is the very expression he used. He told this committee a year ago that there were something like 5,000 abandoned farms, 3,000 of them fairly good agricultural land, and 2,000 of no agricultural value, so if I made a mistake in describing the lands, the minister is responsible. The point I want to get at is this. Taxes are accruing on these lands, and the municipalities and school districts are tied up because of these taxes being unpaid. I merely suggest to the minister at this time that he should try to do something with regard to these lands; get rid of them so that they will be taxable at as early a date as possible.

Mr. LUCAS: Can the minister tell the committee what is the situation with regard to the revaluation of soldier settlement lands?

Mr. FORKE: I have a short memorandum on this subject here which I will read first:

The question of revaluation is one that is creating considerable interest, and it is worth while explaining what is being done.

The act was passed a year ago, becoming effective on the 1st June. The condition of the act was that a settler had up to the 1st October, 1927, to apply for revaluation. As there were a number who had not applied at that time, an order in council was passed lengthening the time to the 30th November, 1927, with a proviso that if special conditions arose in which a settler was unable to make application, and these conditions were submitted to the board under oath, the board might accept his application for revaluation.

It was quite evident that before revaluation could be systematically and economically carried out, it would be necessary to wait until the greater number of applications had been received, so that a district could be plotted out and revaluation undertaken without the loss of too much time and too great expense.

It was first decided that no revaluation would be started until all the applications were in, but as the applications came in more rapidly than was expected, it was decided that revaluation should start during July, 1927, and be proceeded with until winter conditions made it impossible to make a proper revaluation.

The method of revaluation is that the land inspector making the revaluation proceeded to the settler's place, and, in conference with the settler, agreed to the identity of the land, the state of cultivation in which the land was when it was bought for him, and the condition of the buildings when bought. This having been agreed to, the inspector proceeded to measure up the acreages that were under cultivation and those which were cultivable, and also to make other appraisements on the land and put a valuation on the buildings, as they were at that time. Having done this, the inspector then placed a valuation on the farm as it was when purchased, according to present day values in that particular district.

The act also provided that if a settler had, by good farming methods, brought his land into a better state of cultivation than it was when he got it, then he received an allowance in appreciation, but if it was discovered that the land was in a fair to good state of cultivation when he got it but by neglect and poor farming it had gone back, then he was charged up with a certain amount of depreciation.

If buildings had been removed, the settler was charged up with the price of the buildings, or if buildings had been burned he was charged up with the amount of insurance that he had received, or, in other words, if a piece of land

was worth $3,000 with the buildings on it, the land without the buildings was appraised at $2,220, and if these buildings had been moved off or burned, the price of the buildings, or the amount of insurance received, was added on to the $2,200.

The number of settlers eligible to apply for revaluation is 10,682. Of these 7,886 applied, and during the mid-summer and fall of 1927 1,515 of these revaluations were made. Of this number 1,003 have been received at head office.

I should also like to quote a few figures from a statistical summary as of May 23:

The number of settlers eligible to apply was 10,682. Out of this number, 7,886 applications were received. During last summer and fall, before it got too late to make revaluations, 1,515 appraisals were completed by the supervisors. Of this number 1,314 were forwarded by the district offices to head office, but as head office found certain oversights as to documentation which necessitated their return for correction, the final number that were approved by head office as at May 23rd was 831.

The 831 that have been approved were sold to the settlers at $3,008,602, and the final total reduction on revaluation was $609,275, or an average total reduction of 20.3 per cent.

That is the situation as far as the revaluation has gone. I am informed that the bill dealing with soldier land settlement passed the Senate yesterday, but it will not become law until it has received the royal assent. Until then no steps can be taken for revaluation, but arrangements will be made for this purpose. Any further information I shall be pleased to supply.

Mr. NEILL: Of the 831 cases which the minister says have been finally approved, have the men got their title, or have the cases simply been approved in the office?

Mr. FORKE: They are completed, but I am informed that some of the men are not satisfied and there may be an appeal.

Mr. NEILL: They are not completed?

Mr. FORKE: They are completed as far as the Soldier Settlement Board appraisers are concerned.

Mr. NEILL: It does not seem to me to be very swift progress when only 10 per cent have been valued, but not finally approved except by the department. I would not consider that a claim was finally approved until the man was satisfied or the courts told him he would have to be satisfied. Has the minister any record of how many of these applications have come from British Columbia and how many of them have been dealt with finally?

Mr. FORKE: From Vancouver there were 621 applications; 560 appraisals made; cases received at head office, 162; finally approved, 162. From Vernon, 465 applications; 37 appraisals made; cases received at head office, 37; finally approved, 4. About 200 cases altogether have been received at head office.

Mr. NEILL: And finally settled?

Mr. FORKE: Finally settled as far as the Soldier Settlement Board appraisals are concerned.

Mr. NEILL: But I repeat what I said before; that is not a final settlement. I would only call those finally settled where the soldiers and the department have mutually agreed on the price. I want to know how many have been finally settled. Apparently very few indeed.

Mr. FORKE: I am informed that about 85 per cent of the revaluations have been approved and accepted by the soldier settlers.

Mr. FANSHER (Lambton): What is the percentage by provinces of applications for revaluation?

Mr. FORKE: I shall have to figure that up.

Mr. NEILL: Has any arrangement been made by the Exchequer Court of Canada to facilitate the hearing of these cases at points comparatively accessible to the settlers? I presume the settlers will not be expected to come here.

Mr. FORKE: The exchequer court have given out no statement as to what procedure shall be adopted.

Mr. NEILL: I thought they had made some regulations.

Mr. FORKE: But these are the regulations in regard to appeals to the exchequer court:

1. The appellant shall, within thirty days from the day of filing his notice of appeal addressed to the registrar of the court, in compliance with Rule 6 of the board, file with the registrar a statement in writing setting forth his grounds of appeal, and serve a copy of the same upon the board.

2. The crown may, within thirty days from the service of the appellant's statement of the grounds of his appeal upon the board, file with the registrar of the court any statement of objections it may desire to urge against the allowance of the said appeal and serve the same upon the appellant. Thereupon either party will be at liberty to make an application to a judge of the Exchequer court to fix the time and place of the hearing of such appeal.

3. In the event of the appellant failing to file and serve his statement of grounds of appeal or the crown failing to file and serve any objections to the allowance of the appeal within the time prescribed, or such further time as a judge may allow upon application

made therefor, the appeal may be set down for hearing by order of a judge upon the application of either party.

4. All proceedings in the appeal shall be governed by the right and justice of the case as may appeal to the judge and shall not be required to conform to the technical rules of procedure of the court.

5. Upon the hearing the judge may allow or dismiss the appeal or make such order as he may deem proper in the circumstances of the case.

I think the judges of the exchequer court have been communicated with, but no statement has yet been handed out as to where the cases will be heard.

Mr. FANSHER (Lambton): Did I understand the minister to say that he had the number of applications by provinces?

Mr. FORKE: By districts.

Mr. FANSHER (Lambton): Has revaluation proceeded at relatively the same rate in the different provinces, or is it further advanced in some provinces than in others?

Mr. FORKE: Yes, looking at the list I think they are pretty much the same.

Mr. GARDINER: Will the minister distinguish between the two items which make up the whole? I notice the second item is:

Amount required for general land settlement advances and cost of administration of general land settlement.

Is that in connection with the returned men or has it to do with settlers apart from returned men?

Mr. FORKE: The first item relates to the Soldier Settlement Board and the second to general land settlement. The Soldier Settlement Board is acting as the land settlement board for the Department of Immigration.

Mr. GARDINER: Under the second item is it proposed to make advances for the purchase of land?

Mr. FORKE: The board's general land settlement activities may be summarized as follows:

1. 3,000 British family settlement scheme.
2. 500 New Brunswick British family settlement scheme.
3. British farm labour placements and aftercare services under the aftercare agreement with the British government—
(a) British families under the above two schemes.
(b) British farm labourers recruited by the department overseas.
(c) British farm labourers nominated in Canada.
(d) British migrants under the "Hoadley Scheme" province of Alberta.
(e) British farm labourers brought to Canada by the Canadian National Railways and Canadian Pacific Railway.

This amount is required to take care of general settlement. Was the hon. member asking about administrative work?

Mr. GARDINER: I want to know whether it is proposed under this particular item to make advances for the general land settlement scheme?

Mr. FORKE: The advances in connection with the British family scheme and other land schemes are made by the department on a fifty-fifty basis with the British Empire settlement committee. The Department of Immigration makes the payment in the first place and is afterwards recouped by the British government on a fifty-fifty basis. That is what the million is for.

Mr. GARDINER: It is not the intention of the government to buy more farms?

Mr. FORKE: No.

Mr. NEILL: I want to bespeak the clemency of the minister in behalf of a man in the district I represent. I need not go into the details as his deputy has the full particulars, but I want to mention this aspect of it. The government four years ago assessed his land and the then appraiser said this:

About the centre of the property where the land is lower, and on about eight acres the soil is a shallow loam, about two inches on clay. This particular part of the farm will require further drainage.

Further on he says that the farm has been cropped thirty years and the soil is run out. This part of the farm has been assessed recently for revaluation purposes at $100 an acre. I do not blame the minister, but as a practical farmer does he think that $100 an acre is a reasonable price for land described as shallow loam, two inches deep on clay which requires drainage? I put that to the minister as a practical man. I know what his answer will be and I believe he will promise to look into the matter.

Mr. FORKE: I can only say I want justice done in every case, and if the balance tips I want it to tip in favour of the soldier.

Item agreed to.

DEPARTMENT OF RAILWAYS AND CANALS

Loans to Canadian National Railway Company

Amount not exceeding $39,000,000 to meet expenditures made or indebtedness incurred (where amounts available from net operating income or investments may be insufficient) by

or on behalf of the Canadian National Railway Company, herein called "The Company," or any company specified or referred to in chapter 172 of the Revised Statutes of Canada, 1927, and chapter 13 of the statutes of 1920 or now or hereafter comprised in the Canadian National Railways or by the company in respect of any railways, properties and works entrusted to it from time to time under the provisions of section 19 of chapter 172 of the revised statutes of Canada, 1927, or any one or more of such companies, on any or all of the following accounts, such expenditures or indebtedness being herein called authorized expenditures:—

(a) Interest on securities, notes and other obligations; rentals for lease of lines;

(b) Equipment principal payments; sinking funds; miscellaneous maturing or matured notes and other obligations secured or unsecured;

(c) Operating income deficit, whenever incurred or ascertained;

(d) Construction and betterments, including coordinations; acquisition of real or personal property.

The amount herein authorized may be applied from time to time to meet authorized expenditures, in the discretion of the governor in council:—

(a) In respect of railways, properties and works entrusted to the company as aforesaid;

(b) In respect of railways, properties and works not so entrusted by way of loans in cash, or by way of guarantee, or partly one way and partly the other, subject, however, as follows:—

If by way of loans from His Majesty, the amount or amounts advanced to any one or more of the said companies shall be repayable on demand, with interest payable half-yearly at the rate fixed from time to time by the governor in council, secured if and when directed by the governor in council by mortgage or mortgages upon such properties, in such form and containing such terms and conditions, not inconsistent herewith, as the governor in council may approve.

If by way of loans from persons other than His Majesty (without the guarantee of His Majesty) the amounts, terms and conditions of such loans shall be such as the governor in council may from time to time approve.

If by way of guarantee, any such guarantee may be either a general guarantee covering the total amount of the issue, or by a separate guarantee endorsed on each obligation, and may be of the principal, interest and sinking funds (if any) of the notes, obligations or securities of one or more of the said companies specified by the governor in council, which notes, obligations or securities the companies so specified are hereby authorized to make and issue, and such guarantee may be signed by the Minister of Finance, or such other person as the governor in council may authorize, on behalf of His Majesty, in such form and on such terms and conditions as the governor in council may determine to be appropriate and applicable thereto. Any guarantee so signed shall be conclusive evidence for all purposes that the provisions of this enactment have been complied with.

Should temporary loans be made or negotiated before the lapse of this appropriation either from His Majesty or other persons, guaranteed notes, obligations or securities may subsequently be issued under the provisions of the preceding paragraph of this enactment to renew, refund or adjust such loans, or any part thereof.

Each company herein mentioned or referred to is hereby authorized to aid and assist, in any manner any other or others of the said companies, and, without limiting the generality of the foregoing, may for its own requirements and also for the requirements of any or all such other companies from time to time:—

(a) Issue notes, obligations or other securities, joint or several, at discretion, for the purpose of any guarantee made or to be made under the provisions of this enactment;

(b) Apply the proceeds of any such guaranteed issue, or the amount of loans received by virtue of this enactment, in meeting authorized expenditures on its own account or on account of any or all of such other companies;

(c) Make advances for the purpose of meeting authorized expenditures to any or all of such other companies, upon or without any security, at discretion.

No purchaser of such guaranteed notes, securities or obligations shall be under any obligation to inquire into the application of the proceeds of any guaranteed issue, $39,000,000.

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): The discussion of this vote commenced the other evening.

Mr. GARDINER: There is a large increase required this year and perhaps the minister will give us an outline of the reasons for it.

Mr. KENNEDY: This is the estimate in connection with which we decided to discuss the Peace River situation?

Mr. DUNNING: My hon. friend decided it; I did not.

Mr. KENNEDY: The minister said he would as soon discuss the question here as under any other item. I wish to direct the attention of the committee to the need for a railway in the Peace River country, and I bring the matter up in order to give the minister an opportunity to make a statement on behalf of the government in view of his own statement last year. The committee will remember that last session both the house and the committee on railways and canals gave considerable attention to the subject. When the question came before the house, on the report of the railway committee and the amendment thereto, the Minister of Railways made the following statement, as reported at page 2409 of Hansard, April, 13, 1927:

I intimated while the hon. member was speaking that the government was prepared to accede to that request if the amendment now before the house were withdrawn; and indeed, whether it is withdrawn or not—my hon. friend can press it to a vote if he desires—the government does intend in any event to secure further detailed engineering information in order to be able to say to the people of the

Peace river country and to the people of British Columbia, who are vitally affected, "When a western outlet is built, this in our opinion is the pass through which that line of railway should be constructed. .. .. .." We are prepared to do that in any case. . . . . We are prepared to ask the Canadian National Railways to determine definitely as early as possible which pass should be used when a railway is to be constructed. . . . That is as far as we are ready to go at present.

In view of that statement I want the minister to tell us what has been done in the way of carrying it into effect. I know that a start was made in connection with the matter during last season and that Mr. Hill, one of the engineers of the Canadian National Railways, was up looking over a part of the railway which would be required, running west from Whitelaw towards the Peace river canyon at Hudson Hope. I believe his report was laid on the table of the house early in the session and it illustrates very well the urgent need for carrying out the program which was laid down last year in the amendment, in so far as surveys of the Peace and Mountain pass are concerned. The amendment mentioned the Pine pass as well, but I believe there is fairly complete information available with regard to that pass.

It has been said for years that the Peace river pass is the best route. That may or may not be so, but the late Premier Oliver of British Columbia advocated a line through the Peace pass to Prince George as the best method solving the Peace River Railway problem. His words can be found at page 46 of the evidence of the committee on railways of 1927, The Minister of the Interior was also of that opinion and his words touching the matter are reported at page 270 of Hansard of last year, when he said:

I agree with the hon. member for Cariboo (Mr. Fraser) that the only feasible route, irrespective of what it costs, is by the Peace river pass. No one can deny that who knows the topography of the country and the direction in which the rivers run.

The report of the joint board of engineers of the Canadian National Railways and the Canadian Pacific Railway on various proposed railway routes for a western outlet to the Pacific from the Peace river district contains the following on page 7:

In considering a western outlet from Peace River district (to avoid back-haul) two branches will be required; one starting at Spirit river and running westward 165 miles to Rocky Mountain canyon when it and the branch from Berwyn 200 miles long form a junction on south side of Peace river, this being the only practical crossing of Peace river.

The gradient of new line along the Peace river need not exceed 0.4 per cent excepting the branch on south side from Spirit river to junction at Rocky Mountain canyon, which will require 1.00 per cent gradient.

The line for about 150 miles west of Berwyn on north side of Peace river is through country that in time would become agricultural, and the same can be said for the first 125 miles west of Spirit river excepting the part through forest reserve.

No extraordinary difficulties would be encountered in construction of line along Peace river; the work would be classed as heavy if compare with average prairie line, and light if compared with average mountain lines.

From Rocky Mountain canyon to Prince George (257 miles) the line will closely parallel the Peace river to Mount Selwyn, thence up the Parsnip, the Pack and Crooked rivers to Summit lake, thence down the slope of Fraser river to Prince George, 35 miles.

From Prince George the traffic can be carried over several routes.

Mr. Hill, who was one of the engineers who signed that report, found that matters were not quite as stated in the report, although I must say his findings are not very conclusive. In paragraph 4 of his report he has this to say:

Range 15 to Rocky Mountain canyon (southerly route). The best and largest area of agricultural land in the Peace river block, north of the river, is known as the St. John country and is in elevation 1,000 feet, or more above the Peace river. To the east of it the Beatton river runs south into the Peace river and its valley is 600 to 1,000 feet deep. To cross it with a direct line gradients up to 2.0 per cent would be required.

The last report stated one per cent. I do not know that I need take up any more of the time of the committee at present with this report, but while the statements with regard to Peace pass and the other passes were made in good faith, we find that the more they are investigated the more new facts come out, which neither the engineers nor anyone else thoroughly grasped previously. It should be pointed out that Mr. Hill's report of last year is mainly concerned with the railway running between Whitelaw, the present end of the Central Canada Railway, to Hudson Hope on the north side of the Peace river. It does not cover the Peace pass, which begins at Hudson Hope. Mr. Hill states that to construct a line coming close to the Peace river on the north side would require gradients of 2 per cent, but that a longer route swinging north would require gradients of only one per cent. However, his report does not state the extra cost which would be involved or the extra mileage which the longer route would necessitate, and in view of that fact the last statement of his report is very much in point. It says:

The Obed route, from information available, is unquestionably the best Pacific outlet for the

Peace River country as a whole. It is, however, unpopular with certain sections of the country. Actual surveys have been made over this route and also the Pine pass route. In order that a correct comparison may be made—

That is the point.

—between all routes, surveys must be made over the other two, the Monkman pass and Peace pass routes.

Notwithstanding the fact that the engineer gives certain conclusions and says that this route is not as good as the other, he admits that he has not complete and correct information, and that the information cannot be correct until it is complete. I would like to see complete surveys made of the Peace pass and Monkman pass routes. With all due respect to the engineers and without questioning their good faith I submit that we cannot make a comparison between these various routes until we have a similar or practically similar survey of the Peace pass and Monkman pass routes. I think the experience this country has had as a result of duplication of railways and wrong locations of railways in the past, leading to permanently increased costs of operation and fixed charges, should indicate that it is a wise policy to make sure of the proper location of an outlet such as this.

There is one result which I think is obvious from the survey work already done. I think it was shown in the report of the committee last year that the Peace river country could be railroaded in such a way as to provide about 6,000 economic acres of land to every mile of railway as against about 5,000 acres or a little more in the three prairie provinces. That will mean a great deal in connection with the operation and the revenues of the railway in the future. A survey of these passes may cost several thousand dollars, but the wrong location of railways—because when a railway is once put down it cannot be moved —or the construction of excessive gradients where lower gradients might be obtained at a reasonable cost, soon add millions of dollars which must be paid by the people of the country in freight rates. So I submit that while it may cost a little more to survey these passes, and while we might save a few thousand dollars by not making these surveys, it would be much better to spend that money and get a correct location which will give us the cheapest possible cost of operation in the future. If that policy had been followed in laying out the railways throughout the three prairie provinces as well as throughout the rest of Canada; if a comprehensive study such as will be made if these surveys in the Peace river country are completed had been made in the three prairie provinces, it would have meant a great saving in connection with our Canadian National railways. So I submit that it is good policy for Canada and good policy for the Canadian National Railways or any other railway company to have that information, and since in the last analysis the cost of mistakes in railway construction and operation will come directly or indirectly, out of the pockets of the people of Canada, I think it would be a wise and ultimately economic thing for the minister to carry out at the earliest possible moment the promise he made last year.

In his report Mr. Hill has stated that outside business is still agitating for an outlet, while the settler is well satisfied with the grain rates. The settlers are fairly well pleased with the present freight rate; they are reasonable enough to know that the present rates in the Peace River country are very good considering the mileage over which the traffic must be hauled. However, they are also aware of the fact that a coast outlet would place them in a position as advantageous with respect to shipping their grain to the Pacific coast as that occupied by Edmonton to-day, and the saving in the cost of moving grain to the Pacific coast as against the cost from Edmonton would be approximately 6 cents per bushel. This year, in view of the bill which has just passed this house and the Senate, the Alberta government will construct about 40 miles of railway. I think it is unfortunate that surveys were not completed before these lines were laid down, but the need for this work was so great that the money was voted at the last session of the legislature. They are now constructing one branch of the railway and they will start on the other one, I understand, just as soon as they possibly can. In view of the statement of the Minister of Railways last year, I should like him to assure the house this service will be completed as soon as possible, and this season if it can be done. I know the Minister of Railways is anxious to do this, and I trust he can assure the house that he sees his way clear to get the thing done as soon as possible.

Mr. DUNNING: I trust my hon. friend will not regard me as discourteous if I reply somewhat briefly. At this stage of the session I do not think the house would desire to have a very lengthy discussion on the various possible routes from the Peace River country to the Pacific coast.

As the hon. member has indicated, I made a statement last session. My hon. friend says

I made a promise. I wish he had not said that, because I try to avoid making promises. I made the statement a year ago of my intention to do something which was then within my power to arrange to have done. It did not constitute a promise to do something in the future.

My hon. friend has discussed the report of the engineer who went through the Peace pass in order to determine its comparative value as a western outlet for the Peace River railways. My hon. friend now desires assurance that similar work will be done immediately on other passes. I cannot at the moment intimate with the same clearness I did a year ago that the work will be proceeded with this year along the lines indicated. I have no positive assurance as to the men and facilities being available to go on with the work. But I would say this to my hon. friend I apprehend that when parliament is asked to vote money for the construction of any line westward from the Peace River country through northern British Columbia, the first thing this house will want to know is what the Canadian National Railways management recommend with respect to the location, the construction and everything connected with it. I deprecate our dragging this matter into the realm of what might be called a discussion by laymen, such as my hon. friend and myself, because it is, after all, a question of railroad construction and operating economics when the decision to spend public moneys finally comes before parliament for approval. I feel sure when that time comes that parliament will desire rather to pay heed to men who make a life work of determining these questions on an engineering and economic basis than to take my view, or even the view of my hon. friend, interested though he may be as a resident of the district.

The information which I have tabled respecting the work done last year indicates that the Canadian National management at the present time believe that they have sufficient information to justify them in saying which would be the most economical route from the Peace River country to the British Columbia ports. I cannot say that I am personally satisfied that sufficient investigation has been made, and I intend to endeavour to get the Canadian National management to see the matter in that light and make a further and more detailed investigation before any definite and decisive recommendation is made as to the route. I can give my hon. friend that undertaking, but at the present time I am not in position to say that such and such work will be done this year on the height of land between Alberta and British Columbia.

Mr. FRASER: As another member of this house who is more or less interested in the development of the Peace River country, I would like to say a very few words in regard to this question. I might say at the outset that I am rather disappointed in the statement of the Minister of Railways. Last year the Minister of Railways made a statement in the house, which I might as well read, as he has somewhat limited the application of it to-night. I am reading from Hansard, 1927, page 2409, when the Minister of Railways was speaking on this question and replying, I think, to the member for Peace River (Mr. Kennedy).

Mr. DUNNING: My hon. friend (Mr. Kennedy) has just quoted it; there is no question about it.

Mr. FRASER: This is what appears in Hansard:

> I intimated while the hon. member was speaking that the government was prepared to accede to that request if the amendment now before the house were withdrawn; and, indeed, whether it is withdrawn or not—my hon. friend can press it to a vote if he desires—the government does intend in any event to secure further detailed engineering information in order to be able to say to the people of the Peace river country and to the people of British Columbia, who are vitally affected, "When a western outlet is built, this in our opinion is the pass through which that line of railway should be constructed." We are prepared to do that in any case.

Just by way of introduction I would like to say this; let the house remember in the first place that we are dealing with a very large question. The Peace River drainage basin comprises 117,000 square miles of land, which is equal to about 75,000,000 acres. In my opinion, with this land it is possible to double the present output of wheat in the Dominion of Canada. Anything that will do that is surely an important question and one that requires the very earnest attention of every person in the Dominion of Canada. It would indicate that by the development of the Peace River country it is possible almost to double the population of the Dominion of Canada.

Let me point out this further fact. The Peace River country is roughly a thousand miles from the Pacific Ocean and three thousand miles from the Atlantic seaboard. That would surely indicate that the best route to haul the products of that country is to the west. At once another question comes in, and that is the Panama canal. The Panama canal is having a wonderful effect all over the Pacific coast. At the present time we

are actually transporting goods from Toronto and Hamilton to the city of Vancouver without breaking bulk. I know of an agricultural implement agency who are distributing a good part of their products all over British Columbia, and I contend that that will be the route over which these products will pass to the Peace River country, as soon as the proper line of railway is constructed. The Panama canal will act as an equalizer and regulating agency so far as rates into the Peace River country are concerned.

So far as I am concerned the proper route to be taken is via the Peace River valley. This route would provide the lowest grades through the Rocky mountains. The elevation through this pass would be 2,350 feet, and the elevation of the Canadian National railways through the Rocky mountains at the present time is 3,750, while the Canadian Pacific railway has an elevation of 5,350. This is one of the factors which must be taken into consideration. The grade will not exceed the grade of the Canadian National railways, and they have the best grade for a transcontinental railway on the American continent.

Mr. DUNNING: I know my hon. friend does not wish to labour under a misapprehension. Has he read the engineers' report made this year on the Peace River pass?

Mr. FRASER: That is not on the Peace River pass at all. I beg to differ with the Minister of Railways on that point. Anyone who will attempt to make parliament or the people of the Dominion of Canada believe that that report has any relation at all to the Peace River country's western outlet is not putting the matter in a proper light. I might as well take up that question now. The Peace River country, to be properly served, must have a main line from the coast to Hudson Hope. From Hudson Hope there must be two lines, one on the north side of the river and one on the south side. The work that was done by your engineer this year did not touch the Peace River pass at all. It went as far as Hudson Hope and it went from there east to Peace River crossing or somewhere near there. It linked up those two points. That is only branch line construction and it will be so for all time in the Peace River country. Exactly the same thing pertains to the south side of the river. There will be one mainline running from the Pacific coast to Hudson Hope and from that point we must have a branch line on each side of the river. That will be branch line construction and operation for all time.

[Mr. Fraser.]

Mr. DUNNING: Then how are the Peace River people going to get mainline service?

Mr. FRASER: The mainline from the Peace River is from the coast to Hudson Hope. From that point you must have two lines. Let me say this also in connection with the Peace River. That is the only route into the Peace River country that will not entail a back haul. On any other route you take, for instance, the Obed route, the Monkman route, or any of the southern routes, you will have to haul the freight on the north side of the river either to Berwyn on the east or to Hudson Hope on the west. If the country is going to develop—and the hon. member for Peace River (Mr. Kennedy) quoted from the report that the best part of the Peace River country was on the north side—it is a shorter distance to the coast to haul freight from Fort St. John to Hudson Hope. In any other case you have to haul it east and then west again. The Peace river country can never be developed without a main line from the Pacific coast to Hudson Hope. From Hudson Hope, which is the only crossing on the Peace River for two hundred and fifty miles, it is impossible to get a crossing at all, and you have on both sides of the river immense areas of first class agricultural land. The minister's engineer of course states that the areas on the north side are splendid agricultural land and the report we had last year stated that the areas on the south side were equally valuable. It is impossible to suppose that either of those areas will remain undeveloped. Consequently the development of the Peace River country in my opinion must be through the Peace River pass, because that is the only route which will not entail a back haul and of course add distance to the haul and add to the expense of the haul. The Peace River route will provide that haul from any part of that country connecting at Hudson Hope and from there proceeding along the main line to whatever outlet you may take on the Pacific coast.

That is the fault, the Chairman, I find with the statement made by the Minister of Railways last year and the actual work that has been accomplished. I took it from the statement he made that he was going to make a serious effort to get information in regard to the development of the Peace River country. I say here, and I say it advisedly that the work that was done this year had no relation at all to the ultimate outlet of the Peace River country. We have not only, as I have stated, the lowest summits, the best grades, but, it must be remembered, immense

water powers in that country. It is possible on the Peace river to develop all kinds of water powers; in fact the late Premier Oliver in his statement here said there was sufficient water power along the route to operate by electricity the whole of the route. We have tributary to those water powers all kinds of minerals and timber awaiting development in that country. Put all these things together and I think it will be found that this is a question that deserves the very serious consideration of the government:

In addition to the statement made by the Minister of Railways last year we have ample evidence in the records which were gathered before the railway committee last year to justify a serious attempt at least to get all the information available about the Peace River route. My contention is that as regards the actual route there is at present no available information, because Premier Oliver when he was before the railway committee stated that the Obed route would be a positive danger to British Columbia. He favoured the Peace River route. In making a statement before the parliamentary committee he laid this down:

> Great care should be taken to see that railway construction is so located that it will form part of a permanent transportation system having in view the maximum development of the country.

I might refer to what is called the maximum development of the country. The information laid before the railway committee last year in regard to the maximum development of that country estimated that only 1,860,000 tons of freight were available in that territory. But remember this, that the area they were speaking of was only a very limited area of the Peace River country, and, as I have pointed out, the possible freight to be developed in that country is not 1,860,000 tons but ten or twelve million tons. Railroading a country for 1,860,000 tons is an altogether different proposition from railroading it for ten or twelve million tons. I think the evidence which has been produced before the committee and which is before the government at the present time does not take into consideration the large-sized development of that whole area. Before the matter is definitely decided, this information must be gathered from some reliable source.

We have Premier Brownlee agreeing absolutely with the late Premier Oliver that the Obed route is not a proper settlement of the Peace River question. In fact he says that he is opposed to the Obed route and that the best that can be said about it is that it is a temporary expedient, a proposition that will only provide railway service for a very limited area in the Peace River country. We also have the Minister of the Interior, who claimed to have considerable knowledge of the Peace River country, coming out frankly last year in the debate and stating that he was then and had always been of the opinion that the proper way to develop the route was via the Peace River itself. Let me point out some of the conditions that existed in the Peace River country during last winter. They produced somewhere in the neighbourhood of eight or ten millions bushels of grain and they were engaged in hauling that grain all winter—and I am talking now more particularly of the British Columbia end of the district—to the end of steel, a distance of some sixty or seventy miles, some four or five hundred four-horse teams. They were hauling this grain all winter and they were not able even then to move all the grain. In fact I had a letter from a man telling me that if he had teams working from the time that sleighing was in shape to haul the grain and would keep at it until the sleighing was finished, he would have two or three thousand bushels of grain that it would be impossible for him to haul during that year. It takes a whole week to make the trip and they have great difficulties to contend with. They have no proper accommodation on the way and they have to carry their feed with them. All this makes it a slow proposition to haul the grain of that country to the railway terminal which is at Spirit river. These men are paying thirty cents a bushel for hauling this grain to the railway. I was told of one instance where they came to a river. There had been a chinook wind a day or two before, and the water was running over the ice. The man had to haul his load of grain over the ice, and the water on top of the ice was so deep that it flooded his sleigh and wet his grain, and when he got to Spirit river, the elevator would not accept his grain because it was wet. These are some of the difficulties these people are experiencing, and that is on the south side of the river. On the north side, they cannot deliver their wheat until the spring. Then they load it on the boat, and it is hauled to Peace River Crossing, where they connect with the railway.

I do not wish to take up any more time at this stage of the session, but I would like to impress upon the minister that in my judgment the work that was done this year in regard to obtaining information about the Peace river was only in regard to branch lines. In fact, when the Minister of Railways was up in that country last year I understand he made the statement that what

that country needed was not main lines at all, but more branch lines. Now who ever heard of opening up a country by providing branch lines first, and then the main line afterwards. That was the statement of the minister as reported in the Edmonton paper, and I think that is putting the cart before the horse with a vengeance indeed. It seems to me that the first thing we should provide in connection with a big development of that kind is the main line, and then afterwards provide your branch lines. How in the world are you going to provide your branch lines in their proper location and in proper juxtaposition to the main line until you have your main line laid down definitely, and you know what you are building to and where you are building to?

I submit that the request made by the hon. member for Peace River is a most moderate one. Not only that, but I submit that this matter should be handled in pretty much the same manner as the minister handled the Hudson Bay railway question. I think an eminent engineer should be required to make a survey of the whole country and of all the conditions that have to be taken into consideration, an eminent engineer who is not connected with either of the two railways, but who will be absolutely impartial and will present a report that will be accepted by all the railway engineers in the country as definite and final. With all due respect to what the Minister of Railways has said, I submit that the Peace River railway question will never be settled until something of that kind is done. It is absolutely necessary for the full development of the Peace River country that a comprehensive survey of the whole situation from every angle be made by an eminent engineer who is not in any way interested in either of the two great railways.

I take the strongest possible exception to what is taking place in that country at the present time. You are asking the Canadian Pacific railway and the Canadian National railways to combine their forces and present a report, or to provide a solution to the problem of developing the Peace River country. I submit that that is absolutely improper. I say that it is not fair to this country, it is not fair to the Canadian National railways and it is not fair to the Canadian Pacific railway. The Minister of Railways must remember that the Canadian Pacific Railway is not interested at the present time in that northern country. They have not a mile of railway north of Edmonton.

[Mr. Fraser.]

Mr. DUNNING: Does my hon. friend state that I am asking the two railways to join forces?

Mr. FRASER: That is what is going on with the minister's consent.

Mr. DUNNING: My hon. friend is quite wrong; I am not asking them to do any such thing.

Mr. FRASER: Surely the Minister of Railways knows that combined offers have been made by the Canadian National Railways and the Canadian Pacific Railway—

Mr. DUNNING: Of course I know it.

Mr. FRASER: —for the development of the Peace River country, and for the purchase of the Edmonton and Dunvegan Railway, which must enter into the question.

Mr. DUNNING: That is very different from stating that the minister is asking them to do it. The minister has not asked them to do anything of the kind.

Mr. FRASER: It is being done with the minister's consent; he is allowing it to go on. I say that that is not a proper thing to be done. That territory will provide profitable traffic for any railway which develops it. The Canadian National railway is operating at a deficit which the taxpayers of this country have to pay, and if that is a profitable country for a railway to operate in, is it not a good place to help wipe off the deficit on the Canadian National? Then why not turn whatever profit there is in that country to the benefit of the Canadian National Railway? The Canadian Pacific Railway at the present time has ample opportunities of developing its own territory in the southern part of the province. We know perfectly well that when it selected the lands, it selected them contiguous to its own road. Let them develop those lands. We heard in the railway committee last year that there were numbers of places in the southern part of Alberta and Saskatchewan that were crying for railways. That is Canadian Pacific territory. Let them provide the required facilities there before they extend themselves into the northern territory. Let them provide proper transportation facilities for the people who are settled in these southern parts where their own lands are. That seems to me a reasonable proposition. They have sufficient work there to look after, or the people would not be crying out for railways. If that is so, let the Canadian National have the benefit of open-

ing up this new country and getting the whole profit, instead of splitting the profit with the Canadian Pacific.

The minister disclaimed any responsibility for the combined offer. If he is not in favour of it, surely it is easy for him to stop it and to get to work in a comprehensive way and give the Canadian National a chance to develop that country, and give it an opportunity to wipe out the deficits which it is incurring, and which the taxpayers have to pay at the present time. I submit that if that proposition is gone about in a proper and comprehensive way, the development of that Peace river country will absolutely wipe out all deficits on the Canadian National Railways. I submit that I am not asking too much when I ask the minister to have a comprehensive survey made of all the conditions by an eminent engineer who will bring in a definite and final report that will enable the people of Canada to know exactly what should be done in order to open up that country.

Mr. BRADY: I shall not follow in any way the lines that have been taken by the two hon. gentlemen who have just spoken. But I wish to place before the house, in the five minutes I intend to take, a question involving the responsibility that is absolutely on the shoulders of this government, and that is to implement what they themselves commenced. The Prime Minister himself, in words that certainly conveyed only one meaning, placed himself definitely behind this outlet to the Pacific coast for the Peace river country. The Minister of Railways last year, also in words as emphatic as a man could use, pledged himself to do what his words were intended to convey. They are in Hansard; shall I read them?

Some hon. MEMBERS: Dispense.

Mr. BRADY: I am glad the house knows exactly what the Minister of Railways said. In the short time at my disposal I will use the logic which the champions of the Hudson bay railway used to get that road completed to the stage in which it is in to-day. I went to the trouble of reading their speeches, and here are the arguments they advanced for the completion of the Hudson Bay railway, and if these arguments are not tenfold stronger for an outlet to the Pacific coast for the Peace river country, then our logic is at fault and our arguments are vain. Here are the arguments which the champions of the Hudson Bay railway used:

1. That a huge sum had already been expended, and that to abandon the railway would be a great waste of public money.

Now here is the first parallel. It was this Dominion government that placed thousands of settlers in the Peace river valley. They are still coming in and will settle there permanently. It is the duty of the government to implement what they promised. Now, number two:

That large areas in Saskatchewan and Manitoba were set aside and the proceeds from their sale were earmarked for this special enterprise.

In regard to this we already have large sums expended on the reconnaissance and survey of the Obed, Pine and Monkman passes. The Peace River pass has yet to be surveyed in accordance with the people's views. We have spent money there already. Are we going to stop now, when for the last three months we have been dealing with the biggest problem that confronts the Canadian people —immigration? It is part and parcel of that very scheme. The duty of the government is to decide for all time to come where that outlet is to be and so set the minds of the people at rest. I am not advocating one outlet or the other, but I demand that the minister define the outlet. When that is done you can put in your subsidiary lines wherever necessary. The third argument advanced for the Hudson Bay railway was this:

That the route was feasible on the ground of safety of navigation and shortening of transportation.

Now I appeal to the committee, is not that argument conclusive to-day regarding the Peace River outlet? There is a big drawback by the Edmonton and Dunvegan line to Edmonton. To get that route to the Pacific coast is just as important for the farmers of Alberta and British Columbia as is the Hudson Bay line for the farmers of Saskatchewan and Manitoba. We were told that if the Hudson Bay railway were connected up at Port Nelson—since Fort Churchill—the terminal would be the same distance from Liverpool as Montreal is, namely, three thousand miles. If that be true, and if that was the main argument for the completion of the Hudson Bay railway, I say unhesitatingly that that argument is tenfold stronger when we advance it to get the shortest and most economical route from the Peace river country to the Pacific coast.

Another argument brought forward was found in the wonderful history of the Temiskaming and Northern Ontario railway, and it was said that the Hudson Bay line would equal it because of the great mineral territory through which it would run. Will any hon. gentleman dare deny that the mineral wealth

of the Peace river country, particularly towards the west, is beyond imagination? We have the wealth. You dare bring nothing against any of the arguments laid down for the Hudson Bay railway as those same arguments are applicable to this project.

I say, Mr. Chairman, that the people demand from the government the fulfilment of its pledge. I do not want the government now to go into millions of dollars of expenditure, but I submit it is the duty of the government to take that survey and decide once for all where the outlet to the coast is to be. If it is Stewart, well and good; if Rupert, well and good; but let us know. I think this house would be lacking in the exercise of its authority if it permitted the government now to sit back, as the Minister of Railways is practically doing, and abandon the pledge that he gave in this house on April 13 of last year. On that occasion he said:

> When a western outlet is built this, in our opinion, is the pass through which that line of railway should be constructed. This we are prepared to do in any case.

Now, sir, it is simply a question of principle. The hon. minister is bound by all the arguments of logic and honour to make a proper survey this year and let the people of Peace river and the Pacific coast province know where that outlet is to be. I think if the hon. minister did that he would be doing all we are asking.

Mr. MALONEY: I should like to call the attention of the Minister of Railways to the fact that the Peace river country is not the only section of Canada that lacks railway facilities.

Mr. DUNNING: I wonder if my hon. friend would be kind enough to let me deal with the Peace River matter before he proceeds? I desire to thank the member for Skeena (Mr. Brady) for the very temperate character of his remarks, except in so far as they implied a lack of good faith on my part. I regret I cannot extend the same thanks to the member for Cariboo (Mr. Fraser). As to the latter's remarks, a question of principle arises immediately which this house must always keep before it in connection with our great experiment of public ownership of railways. My hon. friend insists that the minister shall say to the management: Do this; do not do that, in connection with what is a practical matter of railway economics as to which this house has vested responsibility in the management, and properly so, free from political interference by the minister. If we are to maintain the experiment in public ownership which we are carrying on, and make it a success, we must always be very careful to draw a line between what the management as a matter of practical railway economics may wish to do and what the political head of the railway department for the time being may insist upon their doing.

Now, with respect to this matter, I intimated a few minutes ago that when this house eventually votes the money for the construction of this railway enterprise—and that day probably is closer than some of us now think —I am satisfied that the house will not desire to be guided by the engineering and economic advice of my hon. friends from Cariboo, Skeena and Peace River, nor by my advice. This house will demand of me, and properly so, that the management of the Canadian National Railway system, having under the law to do with these matters, shall state what is the sound thing to do from the point of view of railway economics, and will be guided by that expression of opinion rather than by the opinions of any hon. members who have spoken.

May I say to my hon. friend from Cariboo, the same thing applies with reference to the negotiations which have been proceeding for the acquisition of the Edmonton, Dunvegan and British Columbia railway, now owned by the province of Alberta. The same procedure was followed by this government in that case as was followed by the government in connection with all other provincial lines which were under discussion at the Dominion-provincial conference a few months ago. The management of the Canadian National Railways, the practical railway men of our publicly owned system, were authorized to negotiate with the parties at present owning the lines, with a view to reaching an agreement as to what on the one hand, would be satisfactory to the provincial government, and as to what, on the other hand, the railway management could conscientiously recommend to this government. That was done, and that only, in connection with the Edmonton, Dunvegan and British Columbia Railway Company.

I do not desire to embarrass the negotiations, about the present status of which I am not sure. But I do know that the Canadian National management did make, to the present owners of the line, a tentative offer, subject to the condition I have just related. They made an offer which was not satisfactory to those owners. Subsequently, due to circumstances which I will not take the time to go into, but the responsibility for which cannot be laid at my door or the door

of this government, joint negotiations were entered upon between the Canadian Pacific Railway and the Canadian National, on the one hand, and the owners of the road on the other. My hon. friend condemns that. Very well; but I say to him again that when we come finally to deal with that question this house will want to know, not what his opinion is, not even what my opinion is as Minister of Railways, but what are the reasons of the management of our publicly owned enterprise for the recommendations they may make to the minister. So much for that.

Now with reference to the engineering aspect of the question, what was done last year? I thought, when I gave the information to the house by way of a return in detail, that this would be sufficient at any rate to demonstrate that the Canadian National, as requested by me in accordance with the undertaking given to the house last year, had made a substantial start upon the work then contemplated. And in that connection I would ask the hon. member for Skeena (Mr. Brady) to be fair enough—I know he wants to be fair—to bear in mind that the Canadian National management, from the very commencement, have had their own views as to what constituted the soundest economic solution of this problem. We are asking them to undertake work which, in the judgment of the management, is not necessary on economic grounds but is necessary only because of the many divergent views held by the people who are affected in the circumstances. What was done? My hon. friend from Cariboo this evening cast aside all the work done by engineer Hill, as well as engineer Hill's report, and propounded what appeared to me to be an entirely new aspect of the problem. Apparently, for him, the main line ends, coming from the west, at Hudson Hope. There is not to be a main line from there through to where the grain is produced in the Peace river valley in Alberta. He is thinking, and properly, in terms of his own constituency in British Columbia, while all the time the real problem —so we are told—is a short outlet to the Pacific coast. That means a main line outlet, if it means anything, from the present producing country in Peace river, Alberta.

It is true my hon. friend is correct when he says that the engineer did not go through the Peace pass last year. Why? Because the exact information regarding the Peace pass was already in the possession of the Canadian National Railways. What the engineer strove to do was to collect accurate information regarding the country which lies between the producing area in the Peace river in Alberta and Hudson Hope. And the report is before the house. I do not propose to discuss it except to say this: I must of necessity attach more importance to the engineering opinion of that engineer than I do to the opinion of my hon. friend. I must of necessity do that.

Mr. BRADY: The minister says that he places more reliance—naturally—upon the engineer's report. But last year I read to him one report regarding the Obed route, wherein the engineers absolutely stated that that was the best outlet for the Peace River. Since then different opinions have been advanced, and I may be wrong. If so, I want to be corrected.

Mr. DUNNING: I have before me that expression of opinion and my hon. friend forgets one qualification in it. It is signed by Mr. Hill, the reconnaissance engineer. He states:

> The Obed route, from information available, is unquestionably the best route.

Mr. BRADY: That is the one.

Mr. DUNNING: Yes; but I point out the qualification, "from information available". Now there was one constructive suggestion from my hon. friend from Cariboo.

Mr. KENNEDY: The minister should notice the rest of that paragraph—that he does not claim to have complete information.

Mr. DUNNING: That is right, and that is why I stress the words "from information available". There was, I say, one constructive suggestion from my hon. friend; because, after all, while the principle of what I have been outlining with respect to the National Railways is undoubtedly sound, we must nevertheless reckon with the fact that this House of Commons finally votes the money for any project such as this. The constructive suggestion made by my hon. friend was that I should follow, in connection with this problem, the same procedure as with respect to the terminal port for the Hudson Bay railway, and secure the services of some eminent engineer from outside the range of the present Canadian National Railway Company, obtaining in that way an entirely independent report on the whole problem. If I gathered the tenor of my hon. friend's remarks, I doubt very much whether he would accept the opinion of the most eminent engineer in the world unless it coincided exactly with what he considers the situation to be.

Mr. FRASER: That is not a fair remark. I made the suggestion to the Minister of Railways that he get an eminent enginer to survey

the whole situation. But certainly I am not an engineer and do not pretend to be. I am speaking from information I have gathered on personal visits to the Peace River, and from people who have been in and out of the Peace River, as well as from information available to every member of the house. And I say most positively that you would get an eminent engineer to make that survey. But certainly I have no engineering opinion to offer.

Mr. DUNNING: I do not want to give offence to my hon. friend, and I thought he would admit at once that he had strong opinions on the subject. I thought he would be rather like the Scotchman who said that he was always open to conviction but that he would like to see the man who could convince him. That, I gathered, was my hon. friend's attitude when he was speaking.

Mr. CANTLEY: It was an Irishman who said that.

Mr. DUNNING: Well, it may be a libel on both races. At any rate, the constructive suggestion was that an outside engineer be secured to report on the whole problem. That is worth considering, not because I have a lack of faith in the engineers who have been working on the problem up to now, but because the government must recognize public opinion in relation to the problem. And certainly there are many diverse opinions about it in the Peace river country, as my hon. friend from Peace River is in the best position to know. I shall be glad to give consideration to that suggestion. In connection with it I might point out that it might be necessary to go outside Canada, as it was in the case of Churchill, to secure a man who would be completely free from any association with either of our great railway systems.

In conclusion may I say this. The government does appreciate the importance of developing our new regions and especially the Peace River area. The transportation problem there is a difficult one. Upon its right solution may depend the future sound development of a very large area, not an area of 175,000 square miles, as my hon. friend said—

Mr. FRASER: 117,000.

Mr. DUNNING: Or even 117,000 square miles, because he took in the whole watershed right up to the summit of the mountains to get that area. It does not matter, however; it is a large and rich area which certainly merits development, and which is developing now in spite of the handicaps under which it labours. The Canadian government is not unaware of the importance of it, nor is the management of the Canadian National Railways. That is best demonstrated by the efforts the Canadian National has made to secure control of the railway at present running from Edmonton into that country. I do not desire to be more definite than that, but I think my hon. friend has contributed something by way of a suggestion which may prove of value, not because we lack faith in our own engineers but because of the great diversity of opinion among those most closely affected it may be desirable to consider such a course, and I shall be glad to do so.

Mr. GARLAND (Bow River): I have just one question to ask. The minister has enunciated to the house an excellent principle with regard to the safe way by which we can ensure reasonable success to our nationally owned enterprise, that principle being no political interference. I am quite in accord with that, but I carry in mind the promise since the minister does not like the word "pledge," of last year that a survey of the various routes would be undertaken. Now the minister tells the house that last year he was in a position to carry out that promise.

Mr. DUNNING: So far as the year's work was concerned. I am only discussing the year's work.

Mr. GARLAND (Bow River): But he says this year he is not in a position to do so. The question in which I am interested is as to the difference; what has happened in the meantime to make it impossible for him to implement the promise made last year? What situation has arisen? I do not believe the minister has explained that at all.

Mr. DUNNING: I may say to my hon. friend quite frankly that on a couple of occasions I have discussed with Sir Henry Thornton what we should do this year and how it could be done having regard to the other work of the Canadian National Railways from one end of the country to the other, and Sir Henry Thornton has not yet advised me what he can do this year with respect to this problem. That does not mean that nothing will be done; I did not intend to convey that impression. I was merely endeavouring to be careful not to put something on Hansard which would be quoted to me next year from three or four different sources as has happened to-night. I hold that during the past year the government did implement, as fully as was possible under the

circumstances, the undertakings made by me on behalf of the government last year. The undertaking made on that occasion still remains good, but when my hon. friends press me to say what will be done this year I am not in a position to answer because Sir Henry Thornton has not yet indicated to me what it will be possible to do. The policy is exactly the same; there is no difference.

Mr. POULIOT: I have just one question to ask the minister, a question which is often asked by the man on the street who is not well versed in economics and high finance. How is it that the management of the Canadian National Railways claim to have surpluses and yet to-night we are asked to vote an amount of $39,000,000? If these surpluses exist why must we vote money for the use of the Canadian National Railways this year?

Mr. DUNNING: The answer to that question is very simple. When the term "surplus" is used in connection with railway operation it means a surplus of revenue over the expenses of operation. There still remains to be paid the interest on the capital obligations of the railway, and the deficit in connection with the Canadian National Railway arises because of the fact that, until the present, it has not earned enough over and above its operating expenses to pay the interest upon all its bonded indebtedness. In recent times it has generally succeeded in earning sufficient to pay the interest upon that portion of its obligations held by the public.

Mr. BENNETT: Only in one year.

Mr. DUNNING: I am making a general statement; if we combine the last two years it has practically carried itself as far as interest due the public is concerned, but I am ready to let my hon. friend have his own view in that regard. In general, having regard to the size of the figures involved, it may be said that the Canadian National Railway is now earning sufficient to pay interest on the obligations held by the public.

Mr. POULIOT: And if a member wants some information about the affairs of the Canadian National Railways would it be possible for him to get that information, even in a confidential way?

Mr. DUNNING: That is a very difficult question to answer without knowing what kind of information is desired.

Mr. POULIOT: Any kind of information, because we are voting money and we should know where it goes.

Mr. MALONEY: When I made way for the minister about an hour ago I was about to direct his attention to the fact that the Canadian National Railway system is not giving an adequate service to the people of the district which I represent. We are called upon to-night to vote the sum of $39,000,000 to this company, and surely it is the duty of every member of parliament to see that this money is spent in the interest of service to the whole people of Canada. I speak as one who is most anxious to see the Canadian National Railways succeed in every way, and I believe the minister is most anxious to see that the railway gives service to every section of the country. Therefore I call his attention to the fact that in the county of Renfrew the Canadian National Railways are not giving a satisfactory and sufficient service.

In the first place, through a peculiar and penurious policy which has been practised for the last few years, by cutting down the maintenance of way men they have left the roadbed in such a condition that at times it is very dangerous to travel over that section by train. Not only is that the case, but the railway station at Caldwell in the county of Renfrew, a most important centre, was burned down two years ago. Since then they have been transacting business in a box car, and at that it is not one of the large box cars but one of the smallest of those built within the last twenty-five years. During these two years a great deal of business has been transacted at this point; month after month more than $10,000, $12,000 and $15,000 in revenue has gone into the coffers of the railway company from outgoing and incoming traffic, but the box car still remains. Conditions are such that the health authorities of that municipality are considering closing that box car because they believe it unfit for human habitation; under the provincial law they have power to do so. In addition to that, in the westerly part of the county of Renfrew it takes three days to make a round trip between two points only thirty miles apart. Any man who is not crippled could walk the distance in much less time. I draw these facts to the attention of the minister and ask him to impress them upon the management of the Canadian National Railway system. They have been brought to the attention of the management many times but I ask the minister now, feeling that he is anxious to see that all sections of the country are properly served by this railway, to bring these facts to the attention of the management.

Mr. DUNNING: I shall be glad to do so.

Mr. BRADETTE: I realize that it is not a very popular thing for a member to make a speech at this stage of the session, and particularly when it originates from what the press of the country calls a "back bencher." However, I am going to take a few moments of the time of the house to bring up a matter which not only interests the section of the country which I have the honour to represent but affects the whole of Canada. I refer to the principle of taxation which is applied to the Canadian National Railway system. When last Wednesday I brought up this subject before the committee, the Minister of Railways asked me if I would bring it up again when we were dealing with the Canadian National Railways supplementary estimates. I hope that hon. members will be indulgent towards me because so far this session I have listened a lot and said very little.

Another factor is that we in northern Ontario very seldom come before this house asking for favours, but the moment I received the mandate to represent that section of northern Ontario I knew I was bound to present this matter before the house, as it is one we have been agitating for for the last twelve years. We have sent several delegations to the different ministers of railways, and the different governments, and our public bodies have met the premiers both of the Dominion and of the province. I want to make it clear at the very outset that it is not my intention to make this a political matter, because I expect to get support from every section of this house.

Eighty per cent of the Canadian National railway system is actually paying taxes, or compensation, if you prefer the word, and the other twenty per cent is not. Of the same substance eighty per cent is called flesh and twenty per cent is called fish. This twenty per cent is through the northern part of the country, and I feel I am bound to bring this matter before the house as forcibly as possible. It has been previously said that public and private ownership are going to remain with us. We are not against the principle of public ownership in northern Ontario, but we should receive the help that other parts of the province are obtaining from that public ownership. The first thing that comes to one's mind when dealing with public or private ownership is the matter of taxation. I know the house will look reluctantly on the principle of voting public money to pay taxes to a section of the country in respect to a part of the road actually owned by the government. When I mention Cochrane or northern Ontario, I do not want to be regarded as taking any local or regional attitude; as I said at the outset, I want to consider this matter in a non-political and national sense.

On the 12th of January last, I wrote a letter to the Minister of Railways telling him of my intention to place before this house a motion to generalize the system of taxation on the whole railroad. I will read his answer:

> I appreciate very much your advising me in advance of your intention to move a resolution in the House of Commons having to do with the Canadian National Railways.
>
> As you know, the whole subject is a very complex one and includes widely differing conditions in different parts of the country. You will pardon my pointing out one error in your letter and that is the statement that the National Transcontinental line is practically the only part of the Canadian National system not actually paying municipal and school taxes. As a matter of fact, no municipal or school taxes are paid by the system in Saskatchewan or Alberta and I believe also in a considerable portion of Manitoba; also, no taxes are paid in the maritime provinces on the former Intercolonial lines. This will serve to indicate to you the magnitude and complexity of the problem.

Through my activities during the last twelve years as a member of the municipal council of the town of Cochrane and also a member of the associated boards of trade of northern Ontario, I have taken a very important part in the discussion on that all-important question. I realize that this is a really complicated problem, nevertheless an injustice is always an injustice; and an injustice has been perpetrated and perpetuated against northern Ontario.

At the present time practically 80 per cent of the system pays taxes, mostly in the towns and cities and in the most thickly populated centres of the country, and that principle should be generalized, more particularly over that section of the road from Quebec to Winnipeg. When I was speaking last Wednesday a member of the opposite side of the house asked me about the Canadian Pacific Railway. It was stated at the last annual meeting of the Canadian Pacific Railway Company that they actually paid to the municipal and provincial governments of the country nearly $8,000,000 in taxation. I would assume from that that the Canadian Pacific Railway is paying taxation on the whole system.

On receiving an answer from the Minister of Railways I sent a copy of the resolution to the Speaker of the House. This resolution reads as follows:

> Taxation of Canadian National Railway property, on that portion of the railway system primarily known as the National Tanscontinental, and extending from Quebec city to Win-

nipeg, for municipal and school purposes, in all localities, along these sections of the railway municipally organized—

Whereas, government ownership of the Canadian National railway system has created a burdensome situation in a number of muncipalities through having a large portion of otherwise assessable property placed on the exempt list; and

Whereas, in many cases the loss of municipal taxes from such exempt property is out of proportion and creates a very serious loss of revenue absolutely needed for the proper administration of municipal affairs; and

Whereas, the prerogative of the crown, of having crown property exempt from taxation, was established prior to the crown ever expecting to or undertaking to take up competitive business in full competition with private corporations which are subject to municipal taxation; and

Whereas, it would appear that justice and equity would preclude the crown from taking advantage over private corporations in the discharge of corporate business; and

Whereas, the National Transcontinental was built by the Dominion government for the Grand Trunk Pacific railway on the understanding that it would be handed over to this latter railway on completion and under a lease, as an integral part of the Grand Trunk Pacific system; and

Whereas, the principle of taxation of railway property on the Canadian National railway has been maintained and in some cases established, in most sections of the present corporation, namely; over the portions of the system originally called the Grand Trunk railway, the Grand Trunk Pacific, the Canadian Northern and the Intercolonial;

Therefore, be it resolved: That this house urges the waiving of the prerogative of the crown of exempting any such railway property from municipal and school taxation, on that section of the Canadian National railway system originally known as the National Transcontinental railway, from Quebec city to Winnipeg, for all organized municipalities along that part of the Canadian National railway system, which is occupied and used solely for the administration and maintenance of that portion of the aforesaid railway system.

A few days later I received the following letter from the Clerk of the House of Commons, dated January 19, 1928:

The notice of motion which you sent in for the order paper does not seem to be in order, as resolutions to increase the charge upon the people must be introduced by the government with the recommendation of the Governor General.

You are asking by this motion that the house urge the waiving of the prerogative of the crown of exempting the Canadian National Railways from the municipal taxation in a certain part of the country. If you secure an affirmative vote, the government will be bound to renounce these taxes. In other words you are asking for a decision of the house on a charge upon the people without following the ordinary practice. I took the matter up with Mr. Speaker this morning and he entirely agreed with me. I regret therefore my inability to give notice of this motion when the session opens.

It is not my intention to discuss that letter as I realized that I was out of order, due to the fact that it covers the question of the expenditure of public moneys. but it surprises me that the principle of taxation is not generalized throughout the whole system.

We have had promises from ministers, from members of this house, from premiers of the province of Ontario and from the mayors of several municipalities that this matter would eventually be brought before this house, and that is the reason why I am taking this opportunity to bring it before the house. I realize it is too late to do anything this session, but I hope that before next session something fair and definite will be done on this question.

When the section of the railway from Quebec to Winnipeg was built it was understood that on the completion of the line it would be turned over to the Grand Trunk Pacific Railway for administration. For reasons well known to the country, on account of the war and the decline of immigration and over construction of railways, the Grand Trunk Pacific could not live up to its contract with the government, and eventually the government had to include that portion of the line in the national railway system. The attorneys of that corporation—I will call it a corporation—maintain that this section should not pay taxes because it is now administered by the government. It is hard for a layman to understand why 80 per cent of the system should be taxable while the other portion is not taxed. We maintain that that principle should be generalized, and there is an absolute necessity at the present time that this question should be solved for all time.

I understand that the house has in the past dealt with very serious problems and has always dealt with them successfully. We in northern Ontario very seldom ask anything from any government; but if you look at a map of Canada you will see that we are really central Canada. We are not the east and we are not the west, but we are bridging the gap between the two sections of the country. It has often been said in the house and in the press that Canada is strong at its extremities and weak at its centre. We are strengthening the centre; we are bridging the gap between east and west; we always take a keen interest in national matters, and we do not see why we should not receive the same consideration as the rest of the people are getting in connection with public utilities. When I mention public utilities I do not want to discriminate

in any way whatsoever, and I hope representatives on the other side of the house from southern Ontario and in fact representatives in every corner of the house will understand me when I say I am in full sympathy with the development of the hydro electric in connection with industrial, commercial and farming operations and developments.

Some hon. MEMBERS: Carried.

Mr. BRADETTE: If hon. gentlemen who say "carried" know the way to get this carried, I will sit right down while we have a chance to get the money in our section of the country. I have had very little encouragement so far and I trust the house will bear with me for a few minutes because it is a matter of great importance to us. We in northern Ontario, outside of a development around lake Nipigon, are not getting any benefit out of the hydro electric development, but without any recrimination whatever I may say that in our section of the province we have helped to pay hundreds of thousands of dollars in connection with hydro development although we have never got any of its fruits. Moreover, in this year of 1928 the provincial government is paying out of the provincial treasury $6,000 for every working day, to subsidize rural lines. We in northern Ontario, who do not expect to get any hydro development owing to the fact that the government has seen fit, and I believe rightly under the circumstances, to give eighty per cent of the hydro electric power to private competitors, are satisfied with the situation, but we want to have your sympathy in a problem which interests really not only northern Ontario but Canada as a whole. It also interests new Ontario and new Quebec. We have been playing the game with every section of the country and I hope on this occasion, now that the matter has been brought before the house, that the house will see fit to deal sympathetically with us.

Two or three years ago, if I am not mistaken, the sum of $75,000 was offered to the Premier of Ontario in the way of a grant or bonus in lieu of taxes payable by the Canadian National Railways. Mr. Ferguson is a true friend of the north and although we do not belong to the same political faith, we are great friends because we are both working for the development of that section of the country. For some reasons, best known to himself, he turned that offer down. We believe he did so for three reasons, the first one, which might be a logical one, being that the offer was too low. The second one, which might be at the root of the difficulty that we have to encounter, was the fact that if he accepted that sum to be distributed in respect of the Canadian National railway system, by that fact he would establish a principle of taxation in respect of provincial railway, the Temiskaming and Northern Ontario. I believe he was right in that regard, because the principles or policies of taxation of public utilities should emanate from Ottawa so that we may know exactly how taxation will be applied and generalized so that we would not be characterized by the hit-and-miss system under which we are working at the present time. After further investigation in this matter, I heard that the premier of the province turned down that $75,000 because he did not see his way clear to distribute it. But our municipalities along the line of the National Transcontinental in that section are perfectly well equipped; we have the necessary machinery to accept that money and to distribute it. I heard on other occasions that perhays there would be friction on account of the distribution of the money for school purposes. Again I repeat, we have the municipal organization to distribute the money fairly and justly in the different municipalities, to the public and separate school boards, and in this matter of tax distribution we never encountered any difficulties.

Mr. DUNNING: It is necessary for the committee to report progress in order that the Speaker may take the chair while the house decides what shall be done after eleven o'clock. If my hon. friend will permit, I desire to move that we report progress and ask leave to sit again this day.

Progress reported.

BUSINESS OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): We have spent a good deal of time to-day in discussion, but we have not made as much progress as we had hoped to be able to make. I gather that hon. members are anxious that the session shall not be unduly prolonged and I imagine that we could make more progress if we sat somewhat later this evening. I would therefore move:

That the house shall not be adjourned at eleven o'clock p.m. this day.

Mr. SPENCER: That does not mean an unlimited sitting?

Mr. MACKENZIE KING: No, but it gives latitude for progress if we are making progress.

Mr. SPENCER: At twelve o'clock shall we take a vote again with regard to sitting later?

Mr. MACKENZIE KING: It will always be in order for anyone to bring up the question of adjournment.

Motion agreed to.

LIBRARY OF PARLIAMENT

Mr. SPEAKER: I beg to lay on the table the report of the joint committee on the library of parliament, which met on May 31, 1928, as follows:

The committee authorized the transfer of the volumes of the Irish Law Reports series to the Department of Justice, and also of certain technical books to the library of the mines department, with the understanding that such books should be accessible to members of parliament at any time.

As a result of a discussion on the question of the laxity in respect to the return of library books, the following resolution was unanimously passed:

"That, when members of parliament have in their possession more than six library books, and when such books are retained in their possession for such a period of time as to inconvenience other members who may desire to borrow such books, then it shall be the duty of the liibrarians to notify the members that, by order of the joint committee on the library, the books must be promptly returned, and, if not so returned, the librarians are hereby instructed to report the case to the committee, or to the speakers."

A question was asked respecting the case of an ex-member of parliament who for a long time had had in his possession a number of books from the parliamentary library and, though notified on several occasions, had neither answered the librarian's letter nor returned the books. The committee unanimously passed the following resolution:

"That, the librarians are hereby instructed to communicate with the ex-member in question, and to inform him that these library books now in his possession are the property of the crown, and that, as he had been notified to return them and had ignored such notice, unless such books are returned immediately after this final notice, the matter will be placed in the hands of the Justice department with the request to take action to recover the property."

SUPPLY

DEPARTMENT OF RAILWAYS AND CANALS

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

Mr. BRADETTE: I hope that next year, I will be given an opportunity to thresh this question out very thoroughly before the railway committee. The matter is complicated and there is a great deal of information which would be very useful to the house to enable it to study the problem fully. That is why I am going to cut my speech very short. As I said before, I have received a considerable number of answers to the circulars and pamphlets sent to members of parliament and also to members of the provincial legislature. I am going to read only one of them a letter from Senator G. D. Robertson, which is very typical of those which I have received. That is what he has to say about the matter under date of February 14, 1923:

Dear Sir:

This will acknowledge receipt of your letter of the 8th inst., together with printed circular enclosed referring to the desirability of the Canadian National railways being assessed for municipal and school purposes.

At Cochrane and other points along the Transcontinental where the railway property represents a large portion of the improved property in the municipality I readily appreciate the propriety of the railway bearing some of the cost of municipal taxation, especially for schools, as most of the children attending such schools are children of employees of the railway company and such employees ought not to be taxed for school purposes more heavily than are similar employees in other municipalities where the proportion of taxation is more widely distributed. This question was discussed some two years ago by the late government, being brought to its attention by the undersigned after my return from Winnipeg in August 1920 via the Transcontinental railway, when this question was brought to my attention, but it was not deemed advisable to take action at that time, or until the whole of the government-owned lines were merged into one system. Now that this is being done and the Grand Trunk and Canadian Northern portions of the Canadian National system do not pay taxes, there would seem to be no good reason why some reasonable rate of taxation should not also be imposed upon the portions of the national system formerly known as the Canadian Government railways.

I shall be glad to lend such aid as I may be able to bring some relief to your municipality, and others similarly situated, but feel that the movement should be initiated in the House of Commons, as the jurisdiction of the Senate, of which I am a member, respecting the introduction of money bills might be questioned.

I have at least a hundred letters, all very sympathetic. Here is one from Mr. Manion, another from Mr. William Irvine, another from Mayor Lavigueur to Mr. Warrell, clerk of the municipality of Cochrane. They show that the matter was discussed, if not on the floor of this house at least among the members, and most of them were very sympathetic. I hope that an opportunity will be given me to explain the situation before the railway committee. I realize that it is getting late in the session to get a grant of money, but again I ask the Minister of Railways if that amount of $75,000 is still in the possession of the government. If so, that distribution should be made at once during the year 1928. We have the machin-

ery and all the organization necessary to take care of the distribution of that money.

We in that section of northern Ontario are willing and ready to help all other sections of the country. We have shown it in the past. We are not numerous, but the time is coming when that section will contain millions of people. More and more we are becoming the treasure house of the North American continent; but just now we are in the pioneering stage and we must insist in our demands for what is legitimately coming to us. For these reasons I am asking for support on this all-important question to us, and that we get this compensation as soon as possible. We are willing to go without sidewalks, or to put up with very bad ones. We will do without good streets, but we want our children to have proper school accommodation. We want them to have good qualified teachers. We want them to have at least a good elementary and high school education. We do not want their location to be against their education. I believe that in helping our section you will be helping particularly the cause of education in this country. In conclusion, I hope that something will be done, and in the very near future, to alleviate the injustice that has been done to that section of the country during the last twelve years.

Mr. DUNNING: I might just briefly say in reply to my hon. friend that the question of taxation of all the various units comprising the Canadian National railway system is, as I indicated in the letter which he read, a very complex problem. Certain lines are crown lines, and always have been, and because of that fact they have been exempt from taxation. Certain others were owned by private companies, now forming part of the Canadian National railway system.

Mr. BENNETT: And were exempt from taxation by statute.

Mr. DUNNING: Yes, and certain others were privately owned, and were not exempt from taxation at all. Then there is still another class in the west which are exempt from municipal and school taxes because of the fact that the Canadian Pacific railway exemption from similar taxation applies all over the provinces of Alberta and Saskatchewan, and over a part of the province of Manitoba. This brief statement will illustrate the great difficulty of the problem.

A little over a year ago, on an occasion when the various provinces were represented, an effort was made by the Canadian National Railway to reach some common ground of agreement between the provinces, and it was thought that such agreement had been reached. Subsequently, however, two or three of the provinces indicated that the understanding which it was really thought had been arrived at did not coincide with their view of what was done at the conference, and consequently the situation still remains very complex indeed. I do not want to go into a lengthy discussion of it to-night.

My hon. friend indicated something which I will suggest to the members of the house generally, and that is that when the special committee on railways and shipping is in session, the committee before which these estimates were presented and considered in detail, an excellent opportunity is afforded to members of the house generally to present before that committee any case such as that now presented by my hon. friend from North Timiskaming, on an occasion when the general officers of the company, with the necessary records and information, are there for the very purpose of giving information to the parliamentary committee. I suggest that the time of the house can be saved if members generally will take advantage of the presence in Ottawa of the general officers of the company attending the meetings of the special committee. That applies also to my hon. friend from South Renfrew, who spoke of some matter of train service, information regarding which cannot possibly be in the possession of the minister, or of any of the departmental officers available to the minister when the estimates are before the house; but these matters can be considered in detail before the committee.

In conclusion, may I say this? The situation with respect to the National Transcontinental is a peculiarly acute one, and while we are trying to solve it in common with all the other problems of a similar nature from coast to coast, I can only say that I will undertake to see to it that that phase of the problem receives during the recess consideration separately from the rest, in view of the fact that we have been unable to reach an agreement with the provinces comprehensive enough to cover the whole of the problems which require to be dealt with in regard to taxation. I trust that my hon. friend will be satisfied with the assurance that this particular phase will be examined during the recess.

Mr. BRADETTE: That is satisfactory, but I would ask the minister if it is not possible to have a distribution of that sum of $75,000 this year. We have all the necessary

equipment and organization, municipally speaking, to take care of that amount, which should be given to the municipalities direct and not to the province.

Mr. DUNNING: I will see to it that consideration is given to that phase of the question.

Mr. HARRIS: Again this year we are asked to vote a very large sum of money to the Canadian National railway, involving an increase over last year of some $17,239,500. I think perhaps the people of this country are not worrying very much about voting this amount of money so long as they feel that they are getting a good return from the investment.

I would ask the Minister of Railways, who has just undertaken on behalf of one of the members of his party, to do something, if he will undertake to see to it that we have presented to us next year, if we are spared to come back to this House of Commons, a balance sheet, setting out the assets and the liabilities of the Canadian National railway system, which will be a true reflection as nearly as possible of what is taking place and of what has taken place during the last five years. To make it as brief as I possibly can, due to the lateness of the session, we one and all know that there have been vast amounts of money spent on capital account for the Canadian National Railways, more particularly during the last five years, expenditures on road and equipment which in turn apply to the asset side of this balance sheet. The investments on capital account this year total $43,724,677.16, bringing the grand total up to $1,914,000,000. Just let that sink into the minds of hon. members a little bit. There has been invested in road and equipment, and charged holus bolus to capital account, $1,914,000,000 and not one dollar of that, apart from the retirements from year to year, has been written off that vast capital for exhaustion of the different units which go to make up the system. Not one dollar has been written off for exhaustion and depreciation. The only amount that has been written off is the amount representing the original cost of some item which was retired. That is written off, but nothing else. The minister well knows that the class A roads in the United States, in accordance with the regulations of the Interstate Commerce Commission, write off a certain amount each year for exhaustion or depreciation, if you will. The minister well knows that that portion of our road which operates in the United States under the Interstate Commerce Commission must write off a certain amount for exhaustion or depreciation, and yet we in Canada are being more or less led astray by this balance sheet which does not show any reflection of the exhaustion or depreciation on the many hundreds of millions of dollars which have been poured into the road in the form of new equipment. I would be the last man to attempt to demoralize that great institution, the Canadian National Railways. I am anxious to forward its interests to the very best of my ability, but I owe a duty to the people I represent to point out that this balance sheet is not a true reflection of what is happening in regard to the system. True, in fifty years' time as we retire the different elements which go to make up this system to-day we shall come back to the stage where the total capital account may show the original cost of everything that makes up the road. But would it not be fairer to ourselves and to the country at large if year by year we reflected in this statement some idea of the amount of exhaustion which is taking place? To my mind the Minister of Railways will be doing a service to the country if he demands that the railway commission exercise jurisdiction—if they have any—over the accounts of the Canadian National Railways so that the balance sheet may show a fair reflection of the depreciation. I would ask the minister at least to give us a ray of hope that this will be done.

Mr. DUSSAULT: Mr. Chairman, I wish to address a few remarks to the Minister of Railways. Our division of the Canadian National Railways from Ste. Rosalie to Riviere du Loup, comprising 250 miles, in 1925 and 1926 gave a total revenue of eleven million dollars, and the expenses were only seven million dollars. There are no important places along the line. Its cost being valued at $40,000 a mile would bring the total for that mileage to ten million dollars. Now, the net revenue being four million dollars, if you allow interest or dividend at 5 per cent it would mean $500,000. In other words, our division has paid over and above that 5 per cent $3,500,000 to the country. And we are not saying a word. We are only asking the minister, not to open new roads, not to give us new stations, but just to keep the present road and stations and equipment in good condition. We are paying 20 per cent on the capital investment in our division. I repeat, we only ask the minister to keep the property in good condition, and we hope members

from other parts of the country will be satisfied, as we are, to wait until their divisions pay 20 per cent on the investment before they ask for further expenditure.

Mr. ARTHURS: I desire to add a few words in support of the remarks of the hon. member for South Renfrew (Mr. Maloney), as to the condition of the railway service along what was formerly known as the Canada Atlantic division of the Grand Trunk, now under the control of the Canadian National Railways. Originally there was a daily service from Ottawa to Depot Harbour or Parry Sound. This service has been reduced to two trips a week from Ottawa to Scotia Junction. I have no objection to that at all. I do not want the railway to put on a service that does not pay. But on the remainder of the line, some fifty or sixty miles, from Scotia Junction to Depot Harbour, the service is by a mixed train daily each way. The car set aside for the service of the public must I think have been the first car built by the Grand Trunk Railway. It is lighted by old coal oil lamps, which I am sure are forty or fifty years old, and they only make the darkness visible. You cannot read, you cannot write, you cannot do anything to pass the time on this train which jogs along at night. The heating system is on a par with the lighting. I am quite sure that if the minister saw this car he would immediately see that it was replaced by one of the many modern cars lying idle at other places. As a matter of fact, this daily service covers a well-populated section of fifty miles. The service itself is not unsatisfactory in regard to time, but we ask that proper equipment be supplied, or that an electric car replece the present equipment.

Mr. KAISER: I wish to support the remarks by the hon. gentleman from Levis (Mr. Dussault). It is only fair that those sections of the line which provide revenue should receive consideration. It would save the house a half hour speech if the minister would be kind enough to ask the deputy minister to tell Sir Henry Thornton that the town of Oshawa—which contributes a larger percentage to the revenues of the Canadian National Railway system than any other place of its size—has the most inadequate, most unhealthy, most unsanitary and most antiquated station along the line.

Mr. MacNUTT: I regret that the Canadian National Railway estimates have been left until now for consideration, and that this item has been held over until such a late day in the session. The Minister of Railways, speaking a few moments ago, informed hon. members that the proper place to take up problems in relation to railways would be in the select committee on railways and shipping. I understood that committee was appointed for an entirely different purpose, and any member, not a member of that committee, has not the privilege of addressing it except by permission due to some sittings being held in camera.

Mr. DUNNING: On no occasion in the past two years has the request of any member of the house, not a member of the committee, been refused by the committee for permission to be heard with respect to any matter. That is the custom in the committee.

Mr. MacNUTT: I am glad to get that information. I understand now that by courtesy we have the privilege of appearing before the committee. I shall very briefly bring to the attention of this committee a matter of considerable importance, and I offer no apologies for so doing even at this late hour. We have listened with a great deal of pleasure to railway propositions with regard to the Peace River district and also in the northern Ontario district, and for a few moments I shall direct the attention of the minister and the house to the want of railways in the east.

A year ago, when the Minister of Railways brought down his three year branch line railway program, which if I remember correctly called for some $10,000,000 for railways in the west, he made the statement that the door was not closed and that possibly at some future time, before the three year program had been completed, he would do something for the people in eastern Canada. We need four branch lines in the province of Nova Scotia, but I shall confine my remarks very briefly to one in my constituency, the Stewiacke valley railway. The history of this road dates back so far that there is not a member in this house, I believe who has any recollection of such a railway. In the year 1888 a company was formed to build a branch line railway through that valley, beginning at a point on the main line, going in a direct line through a very fertile valley and connecting with the main line at another point. I am giving this information for the benefit of the Minister of Railways who has just recently told us that he arrived in this country twenty-five years ago. He will see that fifteen years before he came here this proposed railway was under construction. As I stated, the company was formed in the year 1888 and the usual

incorporating bill passed the provincial legislature at that time. It required a paid up capital of $50,000 in the treasury before the company could apply to the provincial or federal governments for subsidies. That amount was in the treasury, and with a certificate or receipt from the bankers, they proceeded to England and sold their bonds. The farmers along the Stewiacke valley, who were well-to-do farmers, subscribed heavily to that company. The promoters began construction work, and ten miles of road was graded. As I stated, the history of this undertaking goes so far back that I am unable to give to the house the precise reason why the moneys to be realized by sale of bonds in England were not available for the prosecution and completion of the work. But suddenly, without warning, operations on the construction work were discontinued. The result was that the bondholders in England sent a man over to make investigations and it was discovered that all they had to represent an advance of some $300,000 was a right of way thirty-five miles long, with ten miles graded. I regret that the hon. member for St. Lawrence-St. George is not in his seat as he was at that time solicitor for the English bondholders. They discovered that the shareholders of the company, who were largely farmers throughout the Stewiacke valley, were liable to the bondholders for the amount of their shares. The shareholders appealed to the government of Nova Scotia, who after considerable delay came forward and liquidated the debts due to the English bondholders, thus relieving the shareholders of a liability amounting to $300,000. Consequently the provincial government owns the right of way, of which ten miles are graded.

The Minister of Railways has had a resolution placed in his hands indicating the possibilities of that road as a revenue producer. I have a copy of that resolution. I will not detain the committee by reading it. Let me say, however, that in addition to what is therein set forth I have a letter from a wealthy American lumber concern who have purchased something like 90,000 acres of land on the Stewiacke river, on which they state they have approximately 125,000,000 board feet of hardwood that cannot be driven downstream and must be moved by rail. If the Minister of Railways will be good enough to come to our province this summer and give me the pleasure of taking him through this magnificent valley, and meet its people who are the salt of the earth, I will also show him the greatest deposit of gravel in the whole of Nova Scotia. As the Canadian National Railways are building branch lines into gravel deposits, I can show the minister a deposit which is unsurpassed in any part of this country. This has not been set forth in the resolution presented to the government.

Mr. DUNNING: If it will help my hon. friend and relieve him of the necessity of making a further plea, I can assure him that before any further branch line program is submitted by the management to the minister, the minister will request the management to go carefully into the Stewiacke valley situation. If it will shorten the discussion with respect to branch lines and with respect to certain railway acquisitions which have been brought to my attention by members on all sides of the house, I wish to give the same general assurance regarding them all. There will be a careful examination, and the very fact that my hon. friend has mentioned it again will ensure this being done. With respect to my hon, friends from Levis, Parry Sound and Ontario, who have in their midst at least according to their own ideas, such splendidly paying sections of the Canadian National, I can only say that if the figures they present prove to be correct there is no question but that sections of the railways earning so handsomely should receive any necessary attention. I am sure my remarks in this connection will catch the eye of the president and will result in the figures presented by hon. members being very closely examined.

With respect to my hon. friend from Toronto-Scarborough, at this late hour I shall not attempt to enter a discussion of the accounting methods employed by the Canadian National Railways. I will content myself by saying that a reference by any member of this committee to the evidence taken before the select standing committee on railways and shipping, a copy of which has been placed in the hands of every hon. member of the house, will reveal that my hon. friend from Toronto-Scarborough went into the matter of accounting very fully and very fairly, if I may say so, with the accounting officers, the general officers and the president of the company before that committee. Opinions very easily differ on the question of accounting; I think that fact is well realized by all members of this committee who have had any experience in business matters. I can only say to my hon. friend that for myself I intend to study very carefully the representations he made before that committee together with his remarks here to-night, and I know the officers of the company responsible in that connec-

tion will do the same thing because already it has been a matter of discussion among them since the conclusion of the sessions of that committee. I think that is all I can say at the moment.

Mr. SPENCE: While the minister is giving consideration to the Parry Sound district and to Oshawa I want to draw his attention to the station of Sunnyside, four miles west of the union station in Toronto. I would say that 75 per cent of the people travelling west from Toronto get on at Sunnyside station. There the station building is away up on a hill; you have to go across a poorly constructed bridge and then down thirty or forty steps to a great open space. There people must stand fifteen or twenty minutes waiting for trains, with no protection against rain or other weather conditions. Some consideration should be given to the people who use that station. I have waited there for fifteen or twenty minutes in the rain and snow; there is no place to sit down or even stand under shelter. I drew this matter to the attention of the deputy minister two years ago and I was promised some relief, but so far the station people tell me nothing has been done. I would ask the minister not to try to remember this without making a note of it, because these things are easily forgotten and I am afraid a lot of the ministers opposite forget purposely.

Mr. DUNNING: We are not allowed to forget anything that goes into Hansard, and the remarks of my hon. friend are going into Hansard now. I will direct the attention of the management to this matter.

Mr. BENNETT: I was discussing this vote the other night when the house rose at eleven o'clock, and I then pointed out that we as shareholders were dealing with the most important business in a financial way which parliament has to consider. I intended to point out the similarity between the corporate structure of the Canadian National Railway system and that of any other railway company, the only distinction being that in this instance we represent the great body of shareholders, the people of Canada, instead of those who have share certificates representing their interest in an enterprise. I had also pointed out that this was not a supply bill in the proper use of the word "supply", that it should not be included in the estimates of the government of Canada but should be a separate measure just as the amount voted to the federal commission in Ottawa was a separate measure, and just as the amounts voted to the harbour commissions of Halifax, St. John and Quebec were separate bills. I still think that is so.

We are asked to-night to vote some $39,000,000 to this railway system, and a very considerable part of that amount will be required to take care of obligations which already have been partly incurred. That is abundantly clear. We are now meeting the obligations of this railway system in two ways: For some years we made direct advances out of the treasury, advances of $7,000,000, $10,000,000, and $15,000,000 out of our revenues. We taxed the people of the country for this money, which was put in the general consolidated revenue fund and then paid out to this railway company. Then we adopted another course, that of guaranteeing security and enabling the railway company to borrow the money themselves. There was still another method adopted at one time, by which we issued our own securities, received the money and handed it over to the railway company. This is the second time this year we have been called upon to vote money for this enterprise, the first item was in the supplementary estimates with respect to 1928, when we appropriated certain sums of money to make good the requirements of the undertaking. Now we are called upon to vote the very large sum of $39,00,000.

The Canadian Pacific Railway Company, which is the great competitor of this system, asks its shareholders for additional money by placing before them in the annual report which is presented to them, and which they receive before the meeting, a complete statement showing just for what the money will be required. I submit that parliament should have before it in the statute in detail the very same information given the shareholders of a privately owned enterprise in connection with its requirements. For instance, on page 8 of the Canadian Pacific Railway Company report for this year will be found the ten requirements in connection with branch lines. If you then turn over further you will find that the shareholders are asked to ratify and confirm certain leases and agreements which have been made. In another section you will find a request for the issue of additional common stock for the completion of hotels and generally for issuing new securities for the purpose of carrying on their undertaking. That is the way the matter is dealt with there. In this vote of $39,000,000 which will be placed upon the statutes of Canada there is not a single word to indicate where this money is to be spent. When the shareholders

of this company read the statutes of Canada and see this appropriation of $39,000,000 they will find it impossible to ascertain where that money is to be spent, the purposes for which it is to be used being stated only generally. The shareholders of the Canadian Pacific Railway receive this report; they know they are asked to vote money to the company, or are asked to enable the company to issue securities for the purpose of building branch lines, for the purpose of building new steamships and for the purpose of building new hotels. They are told where this money is to be spent; they are told the length of the proposed branch lines and are given an estimate of what they will cost. In some instances the directors indicate that they have made commitments, which they ask the shareholders to approve.

That is the position, Mr. Chairman, and why should we conduct this great enterprise of ours in this way, by putting before parliament in the very late days of the session without an adequate opportunity for discussion—that is perfectly clear—the statement that we require $39,000,000, indicating that the money may be obtained in any one of several ways and handed over to the management for the purpose of enabling them to meet the commitments of the undertaking? I submit that we have a right to know these things, just as in a statute providing money for a harbour commission we know that $500,000 is to be spent in Halifax harbour this year, with the purpose indicated for which it is to be used. When we pass statutes providing money for the harbours of Quebec or St. John we indicate very clearly for what that money is to be used, but look at this estimate which is placed before us. Will any member of this house, looking at that estimate, be able to say with any degree of certainty where this money is to be used? All the fine print contained in the estimate is an indication of how the money may be raised, but where is this money to be used other than in connection with the Canadian Government Merchant Marine? Where is it to be used? I submit that we should know that with great particularity, as trustee shareholders representing the real shareholders, the people of Canada, so that when they pick up the statutes they may know that their trustees in this parliament voted certain sums of money on the recommendation of the management of this road, to be used in certain specific places.

We have been told that one of the uses to which part of this money is to be put is the construction of a hotel at Halifax. Where do I find it in this vote? It is quite true that it was before a special committee and certain observations were made with respect to it, but that is not what the shareholders of the road have before them. What the shareholders of the road have before them are these estimates, and there is nothing there to indicate that a sum of money is to be used for the construction of a hotel at Halifax or elsewhere. I have the Canadian Pacific Railway report and I find reference made to what they have been doing with regard to the Banff Springs hotel, and I find reference made to expenditures they are making in other places with respect to hotel construction. The shareholders are asked to approve those expenditures.

I hope to make this point clear without taking more time in which to develop it, but it seems to me that the management of the road should be so specific in the statement of their requirements for money, that they should ask us as trustee shareholders to appropriate this money, not in the estimates, but in a public bill, or an appropriation bill, call it what you like, rather than by supply estimates. We would then be able to look up the statutes and find the points at which the money was to be expended and discover to what extent this money had been used for the purpose for which it was earmarked.

I will not dwell to-night on the question of the finances of the road, although in my judgment these matters should be dealt with. There is growing up in this country the habit and custom on the part of some of the members to believe that because one offers a suggestion with respect to the condition of the Canadian National Railways he is reflecting upon the government of the day. That is not so. The government has some responsibility with respect to it, but any criticism is criticism against the government of the day only to the extent to which they permit conditions to continue which place a heavier and heavier obligation upon the people of this country. I wonder if the members of this house realize that we have permitted this undertaking, during the last year or two, so to increase its obligations that the burden of interest that must be met by this road has increased according to the last report, over a million dollars. A million dollars of additional interest to be earned is a very heavy charge upon the undertaking, having regard to the margin that exists between the gross and net earnings.

As I say, I will not dwell to-night upon the financial return. All you have to do is to see that during the year 1926 the road earned a little more than $2,000,000 over and above the amount necessary to pay the interest upon

that part of its obligations which were in the hands of the public. That is a satisfactory result, but it is not as satisfactory as we would desire. I have always maintained, and I propose still to maintain before this committee, that where you have an undertaking in which the people of the country are so largely interested, where money has been loaned upon which the taxpayers will have to continue paying interest for years and years to come—sums now aggregating in the total nearly $500,000,000—when you consider that, one can see how absolutely essential it is that we give the closest study and the closest scrutiny to every detail of this expenditure. We are not doing it as an opposition or as a government, but we are doing it as representative shareholders of an undertaking that belongs to all the people of Canada. There is a tendency on the part of some of those who support the administration to think that because it is a Canadian national railway, for the purpose of patronage, use or transportation it belongs peculiarly to those supporting the administration. That idea must not prevail. It must be realized that this road belongs to all the people of Canada, and the taxpayers who are maintaining it at the moment are vitally interested in its success whether they be Conservative or Liberal.

The consolidation of these roads took place first under the Union government and later under the Conservative administration. The consolidation could not be carried into effect until the judgment of the Privy Council was delivered, and that judgment was not delivered until after the Conservative administration had been defeated. But the consolidation as such, the framework, the skeleton and the statutes were prepared before the present government took office. As soon as the present judgment of the Privy Council was delivered they had to carry into effect the scheme of reorganization. I can remember about twelve or fifteen years ago I suggested that over $100,000,000 would be necessary to be expended to make one of these roads a railroad at all, and I can remember the scorn with which that statement was received. We have now spent more than $100,000,000 upon that undertaking. These railroads were not roads that could compete with the Canadian Pacific system, and so we had to spend hundreds of millions of dollars upon the system to make it efficient and effective.

Unfortunately we have had to spend money in the port of Portland against the interest of our cities of St. John and Halifax. We have had to spend money on terminals in Chicago, Flint and Detroit, and at other towns we have had to maintain stations because we have the Grand Trunk Western as part of the system. In addition, we have the road that runs into Portland. We must not forget that the people of this country have a vast investment in a road in the state of Vermont, which road is in the hands of a receiver. This will involve the expenditure of very large sums of money, many millions of dollars, in order that it may be rehabilitated and the present shareholders excluded so that it may become part of the Canadian National system.

Faced with all these situations, it is not fair to the people of this country that we should vote $39,000,000 in a few minutes, with only a few questions being directed to the question of train service here or there. It is true that we have a special committee set up for the purpose of considering and studying the questions that appertain to the operations of the system during the last twelve months. I was not a member of that committee myself, but one who reads the report will realize that it has not done justice to the occasion, this year at any rate. There seemed to be a tendency on the part of the minister to believe that it was his duty to defend something that somebody was attacking. The true duty of the committee is, regardless of attack or defence, to get to the bottom of the situation and ascertain what are the real obligations of the road to the people, and how we may best serve the shareholders of this enterprise by making it more profitable.

I almost conceive it to be my duty to spend some time in discussing the financial structure and the financial operations of the system, and the obligations which have resulted in the enormous burden of debt. In one instance this is part of our national debt directly, and in the other instance it is the guaranteed obligations of this country, which are just as much an obligation of the country as though they were a direct obligation. This would be so, because it is apparent that the system as such cannot discharge these obligations As I pointed out some days ago, we found ourselves compelled, against all railroad practice, to pay some of the money of this country on the equipment obligations of the system. I say that is contrary to all practice, because my friend the minister realizes that a privately conducted system does not go to its shareholders and ask for new capital with which to meet additional obligations in connection with equipment certificates that are outstanding. The whole success of the system is based on the theory that it will annually earn sufficient money to enable the obligations

for equipment to be discharged as they fall due. But we find that the people of Canda, the shareholders of this enterprise, must vote increasing sums from year to year to meet and discharge these additional obligations. Let us for a moment ask ourselves what we are going to do. I will leave all that, although I almost conceive it my duty to discuss it. I shall however leave it for a moment and refrain from discussing at length the questions in connection with the financial structure, hoping that we may have a better opportunity on another occasion next year to have the matter considered by the shareholders of the enterprise when we have greater leisure and opportunity to consider it in detail.

What are we going to do with the $39,000,000? Some observations were made in the committee as to what use was to be made of this sum of money. I think the minister will have to make some statement in the house as to the details of the construction work he proposes to carry on, but it is sufficient for my purpose to-night to direct attention to one of them, and that involves the question of the construction of an hotel at Halifax. When the new terminals were constructed in Halifax by a former minister, the then minister made certain observations with respect to the construction of an hotel in connection with the terminal at the harbour entrance. Certain observations made by him at that time indicated that a well-conducted hotel would be a part of the terminals at that point. Halifax required additional hotel accommodation. In 1927 a promoter conceived the idea of building an hotel there and he discussed the matter with the president of the Canadian National system. An option was taken upon the Dwyer property for the purpose of constructing a hotel upon it, and it is a very excellent site. The promoter then took the matter up with the president of the system. That promoter has enabled me to have the original of the letter that was then written by the head of the hotel department, namely, Mr. Pratt, on the 9th day of February, 1927, indicating what the prospects were of making money in that hotel. This letter reads as follows:

Subject: Proposed Hotel in Halifax

Mr. E. D. Girardot,
Haligonian Syndicate, Ltd.,
206 Dominion Express Building,
Montreal, Que.

Dear Sir:

Replying to your letter of January 26 enclosing operating schedule and financial set-up of the proposed Lord Nelson hotel at Halifax.

I have placed this matter before our president, giving him my views of the proposition and the possible financial results of same. I cannot quite reconcile your estimate of revenues and expenses with those of our general superintendent of hotels, which statement was made up from actual figures taken from our other hotel statements for comparison, and which reveals a probable net annual loss for the initial year of approximately close on $100,000. Such being the case, the company cannot regard the proposition with favour unless it can be shown that at least an even break could be made.

I wish to assure you, however, that we are absolutely in accord with the need for a first class hotel in Halifax, and, while we cannot undertake any financial assistance or make any promises along these lines, you can be assured of our moral support in so far as advertising, direction of traffic, and any other assistance that my department can render to you in furthering this scheme on the operation of the hotel.

When you have the project well in hand and started, if you will then submit to the president a financial statement of the scheme he will be quite prepared to place the matter before the board for consideration as to possible future connection therewith.

Yours truly,

Walter Pratt,
General Manager.

That is a letter from a very responsible hotel official. It is the original letter, which I shall be glad to hand to the Minister of Railways for his perusal. It indicates what was in the mind of that responsible official, and after all, we, as shareholders, should in some respects regard that as a very fair statement of the situation. He states that there would be a loss of $100,000 a year in the Lord Nelson hotel. That is the hotel now in course of construction, which will be completed within the next few months and occupied this fall. What was the position with respect to that? The Canadian Pacific Railway Company own the Dominion Atlantic. When this syndicate was formed as originally indicated there, it was contemplated that they would build this hotel. The operations fell through. Then a delegation representing the Lord Nelson hotel came to the city of Montreal and presented to the president of the Canadian National system the claim that the hotel would have for financial assistance by taking stock in the enterprise, and the letter that I have read indicates the conditions under which the president was asked to make this investment in the light of the report made by his responsible officer. There are two gentlemen still living of that delegation; they are responsible gentlemen; they live in the city of Halifax; they are well known, and they have indicated that the last words of their conversation with the president of the road was that they should press upon the Canadian Pacific the desirability of making an investment of $100,000

in the enterprise. It was asked at that time that the Canadian National system should put $250,000 into the enterprise. That was the request and that matter was taken under advisement. So the Canadian National was asked to put $250,000 and the Canadian Pacific was asked to put $100,000, it being felt that the tourist traffic, if you will, that was tributary to the one was about two and one-half times greater than that which was tributary to the other. In other words the Canadian National system had $250,000 interest as compared with the Canadian Pacific interest of $100,000 in tourist and other traffic that might be developed for the hotel at Halifax. That is the position at that point.

Of course it is well known that matters of this kind must be referred to the Minister of National Defence (Mr. Ralston). It is also true that a statute of this country places the final authority for these capital expenditures with the governor in council, subject of course to parliament voting the money. Certain friends of the Minister of National Defence were of the opinion that this hotel should not be constructed and they made their representations to him. Some of them journeyed to Yarmouth to discuss the matter with him and those representations had great effect. When the Canadian National system communicated with the Minister of Railways, as it was bound to do, indicating its decision, we will say, to engage in the enterprise, the government, advised not only by the Minister of National Defence but by the Minister of Railways in that regard, refused to have anything to do with it. The set-up financially was not satisfactory. I have the clippings under my hand. That in my judgment was a proper view to take, having regard to the fact that the commission to be paid was much larger than should be paid for securing capital under these circumstances. The set-up was then changed.

Mr. DUNNING: My hon. friend is omitting the most important consideration with respect to the government. In fairness he should state that.

Mr. BENNETT: I shall be glad to have it stated by my hon. friend. It will not interfere with my statement. What does the minister refer to?

Mr. DUNNING: I am referring to the matter of the consent of parliament to the expenditure.

Mr. BENNETT: I thought I made that clear.

[Mr. Bennett.]

Mr. DUNNING: No.

Mr. BENNETT: I thought I said "subject to the approval of parliament". I think my hon. friend did not catch that.

Mr. DUNNING: My hon. friend misunderstood. The proposal was to spend money immediately.

Mr. BENNETT: I am going to show before I conclude that money has already been spent on two other hotels without parliament knowing about the matter yet. The statute in my judgment contemplates parliament giving an antecedent consent to expenditures. That is my view of the law. I may be wrong and the Minister of Justice may correct me as to that. My view of the Canadian National statute and the statute under which the governor in council authorizes expenditure is that there must be an antecedent authority given by parliament to the shareholders to spend given sums of money, and my contention is that those sums should be for specific purposes. The Minister of National Defence—and I have his statement as given out at that time and but for the hour I should like to deal with at length—took the view as the Minister of Railways has now indicated he also took and the government took, namely, that there should be no expenditure on the Lord Nelson hotel without the consent of parliament. The Lord Nelson hotel was an incorporation incorporated under the laws, I think, of the province of Nova Scotia. It had acquired the site and obtained estimates of the cost of building the hotel. They were issuing certain bonds and preferred shares. This road was asked to buy certain securities, namely, preferred shares. The public had been asked to buy bonds. I remember myself being solicited to acquire certain bonds of this enterprise, and it was pointed out that this was an enterprise which was being promoted by two railway systems, one the Canadian Pacific and the other the Canadian National—"promoted" is not the word, but they were interested in the enterprise. The preferred shares were offered to the public, and the public bought them very generously. I have under my hand the story of the campaign through the newspapers telling how various business enterprises in Halifax put money into this undertaking. Insurance companies and banks bought the bonds. Other large organizations bought the bonds because they believed they were a safe investment having regard to the conditions that were indicated,

for instance, in this letter, and by the statement that had been made—made without authority, they may say, but nevertheless had been made with respect to the enterprise. Out of this welter of unsatisfactory dealing there at least comes this conclusion, that the Canadian National management did agree to submit to the government the proposal to become interested as investors in the preferred shares of the company, and the government took the view indicated by the minister at this moment that without the consent of parliament they should not make any such investment. The Minister of National Defence made a statement to that effect. He made it in writing, or gave it out to the press as an official statement. I have it under my hand. That came about under the circumstances to which I have alluded. It was on the 14th of July that the final statement was made. The organ of his own party in Halifax carried this:

Ralston promises to do his utmost for railway hotel here.
Federal government decides not to subscribe to minority interest in proposed Lord Nelson hotel, but if C.N.R. directors will recommend terminal hotel at Halifax, legislation will be submitted to parliament.

Then follows the statement given out by the Minister of National Defence. There we have a refusal on the part of the government to accede to the reasonable request of the management of the road to become investors in this enterprise, because it was felt, on the one hand, that it should not be done without the consent of parliament, and because of the belief on the part of the Minister of National Defence that the government should not be interested as minority shareholders in the hotel but should build their own terminals. In other words, it was more important that there should be patronage than business, because from a business standpoint no one for a single moment, in the light of the knowledge brought out that a loss of $100,000 per annum was inevitable in the operation of one hotel would say that you are going to lessen that loss by building two hotels.

Then what happens is that the management of the road proceeded to Halifax. A very great gathering was held there. They went down by special trains carrying many of the directors, and on the very day, Trafalgar day, that the first sod of the Lord Nelson hotel was being turned, they were starting operations to build a new hotel at the terminal docks in Halifax. That was their announcement. The president himself made the announcement, and here is the story taken from the local press regarding his visit there, and the circumstances under which the hotel was to be built. Halifax was assured of the station and two new hotels. The newspaper heading says:

Hon. J. L. Ralston says C.N.R. plan primarily a railway project, and as such railway can use its own funds and begin at once.

Therefore, what the government would not accede to was to become interested as minority shareholder in the undertaking to build a hotel, but what could not be done in the way of investing money in the Lord Nelson hotel could be done to build a new hotel, because the enterprise was to be joined up with the station terminals. But this committee should realize that two other hotel investments have been made by our railway. In the Admiral Beatty hotel at St. John, the Canadian National have an investment of some $25,000. In the hotel at Sydney, they have invested a sum in the shares of that hotel, and if they could invest in these two hotels, why could they not make an investment of $250,000 in the hotel at Halifax? It well might be that the whole $250,000 could not be immediately paid, that it would have to be paid later, but the principle is the same in each case. The amount does not change the principle. If you have an investment in an hotel company at St. John, and in an hotel company in Halifax, it is exactly the same principle as is involved in buying the securities of an hotel company. The amount involved is not the question at issue. But what is more, it is clear to any man that whether you put $25,000 or any other amount into an enterprise of this kind the money comes out of the pockets of the people of Canada, because the sums we vote are the sums from which these capital expenditures are taken.

Now what happened? We have the public buying the securities—banks, insurance companies, investors. We have companies interested in the growth of Halifax investing their capital in the preference shares, and now we have the people of Canada, collectively, competing with a privately owned enterprise which the expert officer advising the system says will mean a loss of $100,000 per annum. Should we do it? That is the question.

This vote of $39,000,000 does not state upon the face of it that this money is being used for this purpose, but the minister has said that in that $39,000,000 is included a sum sufficient for commencing and carrying on operations for the construction of the terminals, and as I

understand it, the hotel system, if it was so desired. The hon. member for Cape Breton the other evening and another hon. gentleman, the hon. member for Colchester, I think, urged on the government that in the public interest the money available for hotel purposes should be utilized where it would secure an adequate return, in building bungalow camps, for instance, in various parts of Nova Scotia where tourists go in large numbers, or at other points where return will be sure. But this I do say, that this country should not embark upon an undertaking the primary object of which is to destroy, or at least to render unprofitable, an enterprise that originally was founded upon the assumption that it would be dealt with exactly in the same manner as other hotels at two other points of the Canadian National railways system are. That is No. 1.

No. 2 is this: If it is sound constitutionally, as the minister says, advised by the legal experts of his department, and by the Minister of National Defence, who is a very able lawyer, that these moneys should not be expended except with the consent of parliament, how was it that they commenced the operation of constructing a new hotel without any reference to parliament at all? How could it be done? Either they were right in the one case and wrong in the other, or it was a mere subterfuge, for no appropiration had been made by parliament to build the terminal, and no money was voted by parliament for that purpose, and it is now necessary to come to parliament to build the terminal. It follows that the money previously spent on the terminal was money that parliament had not sanctioned. Here is what took place. Contractors were put upon the job, holes were sunk, the foundation started—

Mr. DUNNING: Does my hon. friend say that there was a contract let?

Mr. BENNETT: No. These conditions are described in this Liberal paper. It speaks of a firm of well-known contractors. I shall not take the time to read it, unless it becomes necessary in view of the debate that follows But there are the facts.

Now it is so easy to say: Ah, well, every man is anxious to have money spent in his province, and you people dare not oppose this. That is what is destroying Canada. This is the smallest piece of politics on the largest scale that you have had in this country for a long time. The Minister of National Defence is in charge of everything connected with the administration of affairs in the province of Nova Scotia. He it was who said he would not permit this hotel to be built if he could help it. He wanted another hotel for patronage and other purposes down at the dock terminal. Now he has got it. He said: Those members from Nova Scotia cannot oppose this; they know if they go back to their constituents it will be the old story, their constituents will want the money spent there, and if those members vote against it they will be defeated.

Let us look at it squarely in the eye. I was speaking recently to a member of this house. He was told in the last election. You had a great chance to get something you required; your vote would have determined whether the government should be put out of the door; why then did you not hold them up and say what you required? Let me tell you what that member did. He is still in this house. He does not belong to one of the old line parties, and he did not join the so-called Liberal-Progressives behind the present administration. He sits to my left, and if you desire to read the report of his speech I will give it to you. In reply to that remark he merely said if you think that is the kind of member you want, then don't vote for me. What was the effect upon the public mind? He was elected by a large majority. That action on his part required great courage. What is happening now in Halifax? It is expected that I, the leader of the opposition, will not discharge my duty to the country with respect to this enterprise, because if I do so, peradventure there may not be a million and a half dollars spent on a hotel in Halifax, and the Conservative party will lose a great number of votes in respect to it.

Mr. MACKENZIE KING: Before my hon. friend leaves the point to which he has just referred, may I ask him this question: Does he mean to say that any hon. member assumes that in order to get its support he could hold up this government for some public work?

An hon. MEMBER: It was in 1926.

Mr. BENNETT: I said in 1926, when the fate of the government turned upon a single vote, his constituents said to him: Why didn't you do it? You could have got it.

Mr. MACKENZIE KING: If he had any idea that the government depended upon his support he was very much mistaken.

Mr. BENNETT: A single vote determined its existence.

Mr. MACKENZIE KING: He would not have got anything that way.

Mr. DUNNING: Not his.

Mr. BENNETT: I do not think the hon. gentleman knows whom I am talking about.

Mr. DUNNING: Other men are just as honest.

Mr. McPHEE: He might let us know.

Mr. BENNETT: I can assure the hon. member for Yorkton (Mr. McPhee) that it was not he. That should set his mind at rest. I simply say that is what this transaction resolved itself into. I am informed there are other members in this house who were told that. If we permit this great system to get into that condition, where are we drifting? This road belongs to us. Now, I put forward this proposition. There is my friend from Prince Edward Island, whom I happen to see: would he do this as a business transaction? His brothers are very successful business men in my community: would they do it? Is there a business man in Canada who would do it? That is the question. Then if it is not matter of business what is it? It either is or is not a matter of business. Is there any man in Canada would do it as a matter of business in face of that letter written by the head of the hotel department showing an estimated loss of $100,000 a year on one hotel, the Lord Nelson; is there any man of business in Canada who would become a party to the transaction to which I have alluded? That is the question which I propound to this committee to-night, and I leave it with them. I at least have done my duty. A very great English statesman once said: We the opposition, it is true, may not be able to change the attitude of the government with respect to these matters, and we may not have all the information that we should have but there is one thing at least we can do—we can present the facts to the committee so they can understand them, and we can leave the judgment with them and their majority. That is all we can hope to do.

There are other matters in connection with this $39,000,000 vote that I should like to refer to, but this is so outstanding and clear an instance of what we are drifting into that I have endeavoured to develop it at length. Now, shall we do this thing? If the government would only realize that this should not be a supply bill! It is not fair to the government. It is true that that is what has been done, but this is not supplying His Majesty with money. Not at all. This is a corporation created by statute, with a corporate structure, and we are lending it a sum of money; but even though my friend the Minister of Railways does represent the shareholders it is not supply for His Majesty. That is the position. I do submit that my friends should accept what I suggest to them in all sincerity, namely, introduce an ordinary bill that we may consider the details and change and amend, if we think desirable, in the most friendly way, as, for instance, was done with the Federal District Commission bill. The right hon. Prime Minister thought it desirable to make certain changes there. They did not exactly commend themselves to me, on the theory that we should not go beyond the life of a single parliament in any commitments, but he frankly faced the situation and desired to adjust the conditions to meet the general approval of the house, not treating it as a party matter. Supply becomes a party matter; that is the trouble. Under our system, as the right hon. Prime Minister pointed out the other evening, if you carry an adverse motion on going into supply that of itself defeats the government. Whereas if this were a money bill, using the term in the proper sense, the same as the Federal District Commission bill or the harbour commission bills, we might make changes in the light of our knowledge and experience, the suggestions of gentlemen here and there might find countenance with the administration. In short, we would meet together as shareholders at a meeting to deal with it as a matter of business. For I do say to my hon. friends the right hon. Prime Minister and the hon. Minister of Railways, you never yet saw a meeting of shareholders of a great enterprise where they divided themselves into hostile camps politically. The division is on the ground of business, and the attitude they take with respect to it is as a business proposition.

With all confidence I say to you to-night, Mr. Chairman, and the members of this committee, that there is not a group of business men as numerous as we are here to-night who would sit down and consider this matter and arrive at the conclusion, even with the limited knowledge that I have mentioned, that it is desirable to go forward with it at this time. The day may come in a few years when it is desirable that you should have two hotels in Halifax instead of one, in fact I hope that

time will come very speedily; but do not let us wreck a private enterprise, entered into at some sacrifice, to provide Halifax with a hotel. On the other hand, do not let us jeopardize this great enterprise. I wonder if hon. gentlemen realize that it is the greatest enterprise to-day in Canada in point of capital involved, in point of effect upon the body politic, in point of obligations outstanding and the influence of its success or failure on Canada itself. In these respects it is the greatest enterprise we have next to the government. That is the postion. Shall we as business men forget our politics for a moment and remember that we represent shareholders, nine or ten millions in number, scattered from one end of the country to the other, and deal with this matter in a business way? That is what I have submitted to the committee to-night. I am sorry I have had to take so much time for the purpose, and I have done scanty justice to what I conceive to be one of the most important questions that can engage the attention of this parliament. There are many details which I have passed over but I have them beside me and if it becomes necessary to submit them during the progress of the debate I shall be prepared to do so.

Mr. DUNNING: I am surprised at the length of time my hon. friend has occupied, inasmuch as I understood that there was no intention that there should be long speeches and that brief replies were expected from me in order to facilitate the passage of work in the house. For that reason, possibly, I have been a little too brief up to now. It was not however with the intention of being curt but rather to escape the accusation, so frequently made, that a minister is blocking his own estimates by talking too much. However, no one will make that charge against me if I take a little time now to deal with the remarks of the leader of the opposition, with many of which I agree and some of which I purpose proving to be inaccurate.

First my hon. friend complained, and would lead the house and the country to believe, that the Canadian Pacific report to its shareholders is infinitely more detailed, contains much more information, than the management of the people's railway gives to the shareholders of that concern. And he cites as an instance that there was no mention in the report of the Canadian National Railways of an important matter like the Halifax hotel. I would refer him to page 11 of the report of the president of the Canadian National Railways. There he will find close to half a page dealing with the Halifax hotel situation from the point of view, not of a politician, but of the chief administrator of a railway.

Mr. BENNETT: I had that beside me. I was comparing the two, the statement made by the Canadian Pacific as to how its money was to be used, and the statement made here, which is a long, evasive statement with respect to a transaction for which, it says, a million and a quarter will be asked.

Mr. DUNNING: My hon. friend characterizes the statement as a long, evasive statement.

Mr. BENNETT: I do.

Mr. DUNNING: He has also, I presume, read the evidence of the president of the company to the committee on railways and shipping with respect to the same matter?

Mr. BENNETT: And I say he must be mistaken.

Mr. DUNNING: The hon. gentleman is entitled to his opinion in that regard. But I would respectfully point out to him and to this house that he cannot in any sense pretend that the decision on the part of Sir Henry Thornton and the management of the Canadian National Railways to recommend this expenditure was in any way politically influenced by anybody, inside this house or outside of it.

For a number of years the management of the Canadian National system have been looking with great interest toward the possibility of providing adequate terminal facilities at the two great ocean terminals of that system in this country, Halifax and Vancouver. My hon. friend himself indicated that a number of years ago a minister of railways, before the time when the Canadian National system assumed its present form of management, pointed to the necessity and the intention of providing, in connection with the terminals at Halifax, an hotel as part of the Canadian National system. The Canadian National management never at any time —so the president informs me, and I believe him—considered any other proposition than a Canadian National hotel owned and operated by the company itself at Halifax, except as an alternative in case they could not secure the consent of the minister, of the government and of this parliament to the erection of a Canadian National Railway hotel. The president has made that clear on more than one occasion. Moreover, the president of the railway assures me, has assured me on more than one occasion, that

the morale of the men engaged in working on the Canadian National system from coast to coast would be seriously affected if the Canadian National were compelled to back down with respect to the construction of a Canadian National hotel at Halifax. My hon. friend may talk politics: I present the information which the president of the road submits to me with regard to this matter.

I dislike to get into a discussion which may be regarded as partisan politics in connection with a matter of this kind, but my hon. friend has led the way. I know that as a result of dealing with him in kind I shall be accused of blocking my own estimates; but some things require to be said with respect to matters of this sort. My hon. friend criticized very strongly the amount of work which has up to now been done on the Canadian National Railway station and hotel.

Mr. BENNETT: I said that some work had actually been done.

Mr. DUNNING: Yes; my hon. friend criticized that work being done without the authority of this parliament. And I understand him to hold very strongly to the view that with respect to major expenditures by the railway they should receive, to use his own word, antecedent approval by this parliament.

Mr. BENNETT: That is what he said.

Mr. DUNNING: I understood him to lay down that principle. Yet he was a member of a government which authorized the expenditure of $5,000,000 on an hotel at the city of Vancouver which had not even been discussed by this parliament, let alone authorized.

Mr. BENNETT: The hon. gentleman knows that the contract was not signed when the government went out of power and, because of the very point I make, was not signed.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: It was or was not signed; ask the minister. It was not executed and, I took the view, should not be—if that is to any purpose.

Mr. DUNNING: My hon. friend probably took that view personally. But the action—

Mr. BENNETT: But was the contract signed?

Mr. DUNNING: Certainly not; my hon. friend knows that as well as I do.

Mr. BENNETT: Exactly.

Some hon. MEMBERS: Hear, hear.

Mr. DUNNING: Perhaps it will interest those who applaud so much to learn that the Canadian National is not yet out of the woods with respect to commitments made, without a contract being signed, and which were duly authorized by the government of the day.

Mr. BENNETT: I will deal with that later.

Mr. DUNNING: My hon. friend knows perfectly well that although the contract was not signed it was intended by the government of which he was a member to sign that contract without the approval of parliament. Will he deny that?

Mr. BENNETT: I certainly will; and what is more, Sir Henry Drayton said the money was to come out of the next year's estimates. The contract was not signed, his attention having been directed to the very matter to which the hon. gentleman refers. And he is on record in regard to it.

Mr. DUNNING: My hon. friend is surely confessing a piece of business which is remarkable, to say the least.

Mr. BENNETT: In what way?

Mr. DUNNING: That a contract should be drawn up—

Mr. BENNETT: Yes.

Mr. DUNNING: —and signed by the contractor—

Mr. BENNETT: Quite so.

Mr. DUNNING: —and sent here for signature—

Mr. BENNETT: That is right.

Mr. DUNNING —involving an obligation—

Mr. BENNETT: Quite so—a large one.

Mr. DUNNING: —a form of contract which is open to criticism, open to very serious criticism, because it was a cost-plus contract for the building of an hotel. Does my hon. friend mean to have the committee believe that his government led that contractor along to the point to where the contractor himself signed the contract, but that the government had no intention of allowing the other party to sign it? Is that what we are to believe?

Mr. BENNETT: I will deal with that; the contract was not signed, and I will give the reasons.

Mr. DUNNING: The facts speak for themselves.

Mr. BENNETT: They do; the contract was not signed.

Mr. DUNNING: I have no quarrel with my hon. friend's personal attitude with regard to the matter; I understand from him to-night that he then held the same views which he holds to-day. But surely he does not claim that those views were held by the government of which he was a member, and that in spite of those views they went to the length of having a contract drawn and signed by the other party so that it merely required ratification. Further, the contract in question was sent over to me, as the incoming Minister of Railways, before I was sworn in, to know whether or not it should be executed. That is the fact with respect to this matter, and I only mention it because my hon. friend described the transaction as the smallest piece of politics in the largest matter for several years.

Mr. BENNETT: Yes.

Mr. DUNNING: I simply call his attention to what happened in connection with a very much larger matter financially.

An hon. MEMBER: And smaller politics.

Mr. DUNNING: I will not say that.

Mr. BENNETT: The contract was not signed in this instance. As for small politics, I think my hon. friend is an authority on that.

Mr. DUNNING: At least we come to this parliament to-day with respect to the Halifax hotel and ask parliament for the money with which to build a combined station and hotel at that point. We come here before a contract is let and before any contractor has been asked to bid on the work; we are asking parliament for authority to spend the money, and if authority is granted we will proceed with the work. We are not working along the lines of the Vancouver hotel transaction at all; we are coming frankly to parliament and asking for supply to enable the work to proceed.

In that regard may I say further that, leaving politics out of the matter altogether, this is recommended to parliament by the president, by all the vice-presidents and by the management of the system, who think it essential that the system should have at this time an hotel at this eastern gateway. It is well known that the officers of the system deem it necessary that there should be an hotel also at the western gateway, and with respect to that I believe there is included in the amount now being asked provision for a start to be made on the construction of an hotel at Vancouver. There is no difference between the two cases as they now come before the house in each case authority is being asked from this parliament for the expenditure of the amount of money which the management desire to expend.

Now with respect to the report generally, my hon. friend held up the Canadian Pacific report as an example of what he believes should be given this parliament with respect to the Canadian National Railway system. I have no criticism whatever to offer of the Canadian Pacific report to their shareholders; that is the business of that company and I have no doubt the shareholders are satisfied with it. But for my hon. friend to pretend for one moment that the shareholders of this enterprise, the Canadian National Railways, through their representatives in parliament, do not receive a very great deal more information about their property than is received by any shareholder of the Canadian Pacific Railway is an insult to the intelligence of this house. A special committee considered this report for days; the meetings of that committee were open to members of this house, and except for a portion of one session the meetings were open to the public as well. Here are the pages of the evidence taken; no statement asked for with respect to any part of the business of the company was refused by the management, and those statements form part of the public record. These were not meetings of private shareholders; they were public meetings; the press were there, and in addition to that the records of the proceedings are printed and available to any citizen of Canada. So I say that even during this session more information with respect to this railway enterprise has been given than is afforded by any private railway corporation on the North American continent. Why was not more information given? Much information was volunteered by the officers, as members of the committee on both sides of the house will agree, and more was asked for by various members of the committee. Statement after statement was handed in at the succeeding sessions by the officers of the company, containing the information asked for by members of the committee. The only time that practice was not followed was when the information was of such a character that

it would supply the competitors of the Canadian National Railways with information regarding its business which could be used to the advantage of the competitors and to the detriment of the Canadian National. As a matter of fact the competitors of the Canadian National both in the United States and in Canada in the very nature of things have a very great deal more public information respecting the activities of the Canadian National than it is possible for the Canadian National to secure with respect to these competitors.

That is all I desire to say with respect to that phase of the matter, except to develop one point. My hon. friend asked, "How do we know where this money is to be spent?" This estimate was placed before the committee, and in the hands of the officials were books giving details of all the proposed expenditures on betterments and other capital requirements.

As far as branch line bills are concerned my hon. friend knows very well that the system in connection with Canadian National branch lines has been to come to this house with a bill for each branch line together with the estimated cost thereof, and the authority to spend the required money within three years is voted by this parliament for each specific branch line. All that is necessary in that connection, then, is to find out, as can be readily found out in committee and the facts of which are available even outside of the committee to any member of the house or to any individual, how much of that expenditure requires to be taken out of the budget this particular year. I do not think my hon. friend would suggest that we hand to every member of the house and ask him to study this volume, which deals with expenditures on capital account on the railway, or this other volume which has to do with other capital expenditures, refunding and all that sort of thing. We have deliberately set up a small special committee of this house in order to do what? We have done that in order to ensure the intensive study of the accounts of this system, which it would be impossible for 245 men to make. That is the system we have followed, rightly or wrongly; I believe it to be a good system, and the only system by which it will be possible to convey to the people of this country who own this railway anything like an adequate conception of what their property is doing and of the manner in which it is being conducted. Again I say the branch lines are dealt with specifically and individually; my hon. friend's complaint there falls to the ground, because the shareholders themselves, through their representatives here, authorize the expenditure of the necessary amount of money in connection with each specific branch line.

Now, with respect to the retirement of equipment, again my hon. friend is inaccurate. The system with respect to the retirement of equipment is very simple; equipment is retired out of revenue.

Mr. BENNETT: Exactly.

Mr. DUNNING: My hon. friend made some statement, which I did not clearly understand, but I think the statement that the cost of equipment is retired out of revenue is the answer to what my hon. friend meant.

Mr. BENNETT: If the hon. gentleman did not hear me perhaps he will be good enough to withdraw his statement that I made an inaccurate statement. It would be well to understand what is said before inaccuracy is charged. My point was that the report from the finance committee indicated that part of the money borrowed was used to retire equipment obligations which should have been retired out of capital, and which my hon. friend said should be out of income. It is in the statement, as a matter of fact; I will give you the page.

Mr. DUNNING: My hon. friend was speaking of retiring equipment; he now speaks of retiring equipment obligations.

Mr. BENNETT: Paying for the equipment bonds.

Mr. DUNNING: My hon. friend is quite right, but the conclusion he draws from the facts he states is not, in my judgment, accurate. I cannot think of any other point which requires to be covered, except that I should like to say a final, and, as I hope, a constructive word. This house has not yet realized the extent to which the special committee may be used to place on record for the shareholders, the people of this country, information with respect to the system. Naturally, we are groping yet as a people in connection with this great experiment in public ownership, possibly the greatest experiment in public ownership in the world, the greatest of its peculiar character. Gradually the men who have served on the special committee for a number of years are getting a wider knowledge of the ramifications of this vast system and of the principles which underlie its ac-

counting and its operation. Gradually, because of that, a volume of useful information with respect to the system is being placed upon record in the proceedings of the committee from year to year. Simply as a minister, I would say to the house that if the committee method of dealing with estimates, which is advocated by many with respect to all the departments of government, is to be successful, let us do our best to make a success of the one example we have, the committee on national railways and shipping. By success I mean going there as members of this house with our criticisms and with our questions, particularly as relates to the major matters of the conduct of the country's business. We should do this in the manner in which the hon. member for Toronto-Scarborough (Mr. Harris) went into the accounting. Perhaps he had an advantage, being a member of the committee, but, as I said before, this committee has never yet denied to any member of this house the privilege of asking questions of the officers of the company. I would plead, therefore, in order that there might be a little more intelligent discussion of Canadian National affairs in the future in this house, that we make wider use as members of this house of that committee for the purpose of eliciting information, which once printed becomes easily available to all the people of Canada through the medium of the reports of the committee.

Mr. RALSTON: I do not intend to take very much time, but my hon. friend has seen fit to make some references to myself; references which have arisen out of wrong information given to my hon. friend, or else he is endeavouring to place a construction on my actions in connection with this project which is entirely unwarranted.

As far back as 1913 a report was made to the government of which my hon. friend was a supporter at that time, regarding the port development at Halifax, as follows "that for the transatlantic trade as well as for the local and tourist trades hotel accommodation of the highest class adjoining the terminals will be a necessity." I want to remind my hon. friend that in 1926 two different gentlemen appeared before the commission presided over by Sir Andrew Rae Duncan. Mr. Cornell for the Halifax Board of Trade made his representations, and closed his remarks with this:

> We hope that is the beginning of a move to appreciate the position at this end of the line and that the program of hotel accommodation will be extended to the city of Halifax, the city of Halifax being the chief port, and the chief Atlantic Canadian terminal of the railway.

He was speaking of the Canadian National Railways providing hotels in various places and soliciting tourist traffic. This was followed by the testimony of Hon. J. A. Walker, Minister of Natural Resources for Nova Scotia, who said:

> It is highly desirable that the federal government should take immediate steps to establish a national park in the province, and the Canadian National Railways erect a first class hotel in Halifax, the capital, or main centre of the province.

The reference made in the Duncan report to this project is shown on page 43. This report states that a suggestion was made that there should be a hotel built by the Canadian National Railways at Halifax, and then goes on to say:

> We feel it is not a subject matter upon which we can make any recommendation, as in our view it is a question for the judgment of the railway administration itself in the light of ordinary business considerations.

We have to-night the recommendation made to the hon. Minister of Railways, the president of the road, every vice president of the road and the board of directors for a Canadian National hotel at Halifax. The matter has been referred to the special committee of this house and investigated by them, or if it was not investigated it should have been, because the gentlemen who are sitting around my hon. friend were on that committee at the time. After investigation, it was recommended to the house.

Mr. CHURCH: How does the hon. minister justify another hotel in Halifax when the return issued to parliament last year showed that every one of the ten Canadian National hotels were going behind in the fixed charges?

Mr. RALSTON: I am not in the hotel business, but I am simply quoting authority which it seems to me ought to have some weight with this parliament and with this country. Hon. J. A. Walker, who was a member of the Conservative government in Halifax, justified it, as my hon. friend puts it.

Mr. CHURCH: A sort of political hotel.

Mr. RALSTON: Everyone who has inquired into this has recommended and has justified it. The special committee of this house has justified it. I do not propose to go into the matter in detail regarding the merits of an hotel at Halifax, but I might point out some

very strong reasons why the Canadian National Railways should have a hotel there. The Canadian National Railways, enjoying as it does three-quarters of the traffic of the province of Nova Scotia; having steamship connections at Halifax, Halifax being the beginning of the long haul across the continent, needs hotel accommodation there. If they did not have it people would go to other hotels and they would lose the opportunity of getting that long haul traffic. The Canadian National Steamships are developing a service to the West Indies which will have its terminal at Halifax. Business is constantly increasing through the port of Yarmouth, through a new line of steamers being put on from both New York and from Boston to Yarmouth, with the expectation of something like 40,000 tourists through Yarmouth this year, and the Canadian National Railways will expect to get a proportion of that traffic if they have a good hotel at Halifax. Not only the Canadian National Railways but other roads have seen the advantages of having hotel accommodation in order that they may have a better opportunity to route passengers over their lines. The Canadian Pacific has had the experience at Quebec, and I have no doubt the Canadian National have had the same experience at other points, that having a hotel at these points is a great advantage in getting a large number of travellers routed along their lines.

But I am not discussing the merits so much as I am the remarks which were made by my hon. friend the leader of the opposition. What he said with regard to somebody going to Yarmouth indicates how little he really knows of the situation. He mentioned a proposition that had been put up whereby the Canadian National Railways were to invest a quarter of a million dollars in a hotel proposition in Halifax, and he said some friends came to Yarmouth and intimated that it was these friends who influenced me against the hotel. I want to tell him that the friends who came to Yarmouth were Mr. W. H. Dennis, the manager of the Halifax Herald, the opposition paper in Halifax; Mr. H. R. Silver, who is well known as a leading Conservative in Halifax and who has been I think the president of the Conservative organization; Mr. J. G. Farquhar, and Mr. Bain. These are the gentlemen who came to place before me a proposition in which they thought I might be interested as a member of the government, to the effect that the Canadian National Railways should invest a quarter of a million dollars in the hotel project. I want to say to my hon. friend that it was due to no persuasion of theirs that I took the position I did; that I went over the proposition with them from end to end, and that I found out what my hon. friend practically admitted when he spoke first to-night, namely, that to say the least the proposition was extremely expensive. When we have in raising $1,084,000 to pay $156,000 in shrinkage of securities on a proposition which is going to be supported by two railways which are taking a large block of the preferred stock, you have a proposition that, it seems to me, requires close examination. My hon. friend was quite right when he suggested that he did not wonder from that point of view that I did not agree to the proposition that was made.

The proposition which was made at that time was this, namely, that the cumulative preferred stock was to be sold to the underwriters at 85 and that the Canadian National railways was to pay par for that stock. In other words the Canadian National railway was to pay $37,500 into the pockets of the promoters of the company. I thought that was not good enough from the point of view of government financing if there was some other way out. I realized exactly what the Canadian National situation was; I realized that it was thought it might be impossible to get an appropriation for a Canadian National hotel and that this was the best alternative offered. But I told those gentlemen there at the time—and I did not mince matters with them—I criticized the proposition. I told Mr. Bain in effect: "I am against your making this money out of it. You can hardly expect the government of Canada to approve a proposition of this kind and pay this amount of money into your pocket. I am for a Canadian National hotel if that is possible". My hon. friend talks about selling bonds. Does the committee think there would be any great trouble in selling $600,000 worth of bonds in a concern into which about $1,084,000 cash was to be put altogether and in which the preferred stock behind the bonds was to be largely taken by the two great railway systems of Canada, who would be in effect the guarantors of the concern? Would the bondholders stand much chance of losing their money? They would be pretty sure that the railways, in order to save their investment, would have to take the proposition over and their bonds would be perfectly safe. But even those bonds were to be sold to the underwriters, Messrs. Bain and Company, at a ten per cent discount. That is, they were going to get the bonds at ninety which they were to sell to the public

at one hundred. I do not think I am very far wrong and I am in the judgment of the house and the country when I say that I felt if a better proposition could be made for the people of Canada, it should be made. I told Mr. Bain at that time that I was against his making that money and I told the gentlemen that I believed in a Canadian National hotel and that I was going to work for it. That was the answer I gave them at that time and they went home.

Mr. DUNNING: And they were not your friends?

Mr. RALSTON: There are people within the sound of my voice who know whether in a political sense they were friends of mine or not. They were Mr. W. H. Dennis and Mr. H. R. Silver. They were political opponents of the strongest kind. I gave those gentlemen that information at that time. I came to Ottawa and the government held a meeting on July 14th. This is the statement which was given out at that time:

> That the federal government is not prepared to authorize the expenditure of public funds in the purchase of a minority interest in a hotel project at Halifax, was one of the decisions made at to-day's meeting of the cabinet. The statement was made after the meeting that, quite apart from the features of the scheme itself, the government considered that large capital expenditures of this kind should, in the first instance, be submitted to parliament.
>
> Hon. J. L. Ralston, Minister of National Defence, when seen this evening, stated that he had made his position clear to the promoters of the project two or three weeks ago, namely, that he was for a Canadian National hotel, in preference to spending public money on underwriting charges, and having the direction and management of the institution subject to the control of outside parties.
>
> When asked regarding the prospects, Hon. Mr. Ralston said that the matter had gone so far that he had no doubt in his mind that if the board of directors of the Canadian National railways recommended a project for a railway terminal hotel at Halifax the government would see that it was submitted to parliament next session. He also stated that he would do all possible to assist such an undertaking.

May I pause here to say that in connection with the matter of control the Canadian National was to be away in the minority? Both railways, as a matter of fact, in that scheme were to be in the minority and the majority of voting power was to be held by Mr. Bain and his clients to whom the stock was sold. As I have read to the committee, the statement I made after the meeting of government was that if the Canadian National railway directorate would recommend a Canadian National hotel, I felt the matter had gone so far I was certain in my own mind that the government would submit it to parliament. What happened then? The next was a statement—and this is what my hon. friend did not refer to—made by Sir Henry Thornton on July 20th, just five days after, as follows:

> In connection with the possible participation by the Canadian National railway in the construction of the proposed Lord Nelson hotel at Halifax, the following statement was given out to-day in Montreal by Sir Henry Thornton, president of the national system:
>
> In view of the fact that any partial investment in the proposed hotel at Halifax would require the approval of parliament, which could not be obtained until the next session, and the preference indicated that the Canadian National should construct and entirely own a hotel at Halifax, which is in accordance with the original desire of the railway, an appropriate amount will be included in the annual railway budget to be submitted at the next session of parliament.
>
> It should be observed that no time will be lost in the execution of this policy, as in any case even a partial investment in the hotel would require parliamentary sanction, and, therefore, could not be made until the next session of parliament.

Newspapers in Halifax came out at that time accusing me of having blocked a project for a hotel at Halifax but I did not see any hats thrown in the air or any headlines in at least one newspaper, although there was a statement by a member of the government that, if there was a project for a Canadian National hotel, he believed the government would submit it to parliament if the railway directors would recommend it, and when there was a statement by the president of the company to the effect that the board would so recommend it. But the people of Halifax began to get a clearer view of the situation and they realized why the Canadian National felt that they should have an hotel and that the financial proposals were pretty extravagant for a government project. In August I was in Halifax and this is the report of an interview which the president of the board of trade and two members of their committee had with me. I take this from the Halifax Herald of August 20, 1927:

> Colonel Ralston referred the committee to a statement he made in Ottawa on July 14, expressing himself in favour of the project and also to a statement made by Sir Henry Thornton to the effect that an amount sufficient for the construction of a Canadian National railway hotel in Halifax would be placed in the railway estimates for submission to parliament at the next session.
>
> The Nova Scotia minister said there was no change in the situation, that it could be taken

as authoritative that the matter would be placed before parliament.

The board of trade committee reported that they were cordially received.

That looked, it seemed to me, as if Halifax ought to feel there was a fair chance for having an hotel there. My hon. friend has taken occasion to-night to say—and this is what he must refer to—that this was a piece of partisan politics. I want to say to my hon. friend that I am flattered by the suggestion that I, a humble and junior member of the government, having just finished my first session in this house, had such power in the country that I was able to induce not only the government but Sir Henry Thornton and his board of directors to recommend a thing which for the purpose of his argument he must assume they were against, a thing which was unwise, which was not in the interest of the road, simply because I wanted it done for political purposes. My hon. friend gives me great credit. I do not claim to have that power and further than that he must go the full length and he must say that in addition to that I have been able to get all the vice-presidents and the board of directors of the road to recommend it, and Sir Henry Thornton to come here and testify before this committee and to make the report which the minister has read to-night, all because of the fact that he was carrying out my political ideas. Simply to make that statement is a sufficient answer, I think. It is about as preposterous a thing as could be said; it is about as untrue a thing as could be said, and I want to tell my hon. friend that there is absolutely no foundation for it whatever. I have supported the Canadian National hotel project because I believed it was sound from the point of view of the people of Canada, and from the point of view of the people of Nova Scotia.

I want to mention one other thing. This hesitancy which I showed about accepting this project had another effect. I had pointed out to the gentlemen at Yarmouth that this proposition was a pretty expensive bit of financing. One of the gentlemen came to Ottawa just about the time the Government was meeting, and I pointed out to him again that this was an extremely expensive bit of financing, with the result that I have under my hand at the present time, if hon. members will believe me, a letter from him in which he advises me that in order to meet my views about the expensiveness of the proposition, Bain and Company will agree, if the government will put this through, to hand back $25,000 of the $37,500 which they were going to make out of the Canadian National subscription. I think that was some accomplishment, and indicated some justification for the position I took. Later they presented another financial proposition, which reduced the $156,000 that was going to be made to $94,000, so that the company on the second scheme was going to get altogether $1,146,000, and were going to pay $94,000 for it. Even that I thought was a pretty expensive piece of financing for the government to authorize, and I do not think I can be blamed for having hesitated about that, or that the government can be blamed for taking the position which they did. They did not accept that proposition. As I have said, the statements by Sir Henry Thornton and myself were in July, then came the interview with the board of trade representative. That interview was in August.

Then later in September and I do not blame them for it—it was legitimate competition—along came Mr. Beatty of the Canadian Pacific railway and said—I do not think I am misreading his mind—"Here is an opportunity perhaps to cultivate the goodwill of the province of Nova Scotia. We will put up the whole $350,000 towards building the hotel." Mr. Beatty in a statement that appeared in newspapers not long ago made no reference to the facts which I have just related to the committee, namely, that it had been intimated in the statements by Sir Henry Thornton and myself in July that an estimate for a Canadian National hotel in Halifax would be submitted to Parliament. Mr. Beatty proposed, and his proposal was met with acclaim in Halifax at the time, to put up the $350,000 and to take the place of the Canadian National saying that he would give the Canadian National their stock if they desired it afterwards. Immediately, possibly the next day or the same day, Sir Henry Thornton came out with a reiteration of the statement he had previously made that he was for a Canadian National hotel, and said that the Canadian National would go on with their hotel. I have the statement here; it is very short.

Mr. KENNEDY: I rise to a point of order, Mr. Chairman. I understood that we were to sit here to get through some estimates. It is perfectly obvious that we are not going to get very far with the estimates to-night. Why not conclude this debate and adjourn?

Mr. RALSTON: Perhaps my hon. friend will realize that what has been said has been rather important from my point of view, and I think I should be allowed to say a word or two to see it through.

Mr. KENNEDY: Yes, but at the same time the minister has had a considerable time already.

Mr. DUNNING: He has been speaking for only ten minutes.

Mr. KENNEDY: Nobody will suggest that members of parliament can work day and night and be in a fit condition to do the business of the country. On a point of order, Mr. Chairman, under what rule are we now sitting?

The CHAIRMAN: The house adopted a motion to continue after eleven o'clock.

Mr. KENNEDY: This day.

The CHAIRMAN: If I remember the motion rightly, it stated that the house should continue after eleven o'clock.

Mr. RALSTON: I shall not trouble the house with reading the quotation. As I said, Sir Henry Thornton came out immediately with a further statement to the effect that the Canadian National would erect its own hotel in Halifax, and that has been his attitude. I do not want to take the time of the committee to read extracts, but I could read at least three different statements made in the public press of the country, by Sir Henry Thornton to the effect, as my hon. friend the Minister of Railways has said, that the partial subscription in a hotel was altogether an alternative if they could not get the money for a Canadian National hotel.

I want the house and the committee to understand the situation. I want the people of Nova Scotia to understand the situation. My stand has been, first, last and all the time, for a Canadian National hotel, and it has been so because I believe it was in the interest of the country that if public funds are put into a hotel it should be a Canadian National hotel. After the Beatty hotel was announced, I made no further statement about it until Sir Henry Thornton represented that he believed that it was absolutely essential in the interests of the road, and as the Minister of Railways says that he considered that it was absolutely necessary in view of his competitive position in the province of Nova Scotia. I am for giving a fair chance to the people's road; and I do realize this fact, that the Canadian National has an interest in the province of Nova Scotia which it should be allowed to protect. I am only too glad to welcome the Canadian Pacific railway with their hotel and the statement I made to the newspapers I stand by, namely, that I think it is a good thing for the province of Nova Scotia to see two big railway systems like the Canadian National and the Canadian Pacific investing money in that province, because it will ensure their very active interest and give an impetus to trade and an increase to traffic all over the province. I do expect to see a great incentive to the tourist traffic and a great addition to activities in the various towns and villages throughout the province when we have these two hotels in Halifax.

I have taken more of the time of the committee than I intended. I believe that my stand will be justified in the future, and I am willing at any time to submit the records to this committee or to this country in order to vindicate the soundness of the position which I have taken.

Mr. QUINN: I am not going to delay the house very long, but I want to make this criticism.

Mr. SPENCER: I rise to a point of order. The Prime Minister asked us to sit until 12.30. It is now after one, and we have not passed a single estimate.

Mr. CAMPBELL: I move that the house do now adjourn.

The CHAIRMAN: That motion is not in order in committee.

Mr. QUINN: I have the floor, and I am going to move the adjournment of the debate.

Mr. CAMPBELL: I move that the committee rise and report progress.

Mr. QUINN: Might I make a suggestion to my hon. friend? I think we are all desirous of accommodating each other as far as possible. I would suggest that this discussion apparently is terminating, and that we conclude the discussion on this one item with the understanding that when it is concluded, we adjourn.

Mr. BENNETT: There is not the least chance of terminating this discussion within a reasonable time this morning in view of the speeches that have been made.

Mr. RINFRET: You mean your own speech.

Mr. BENNETT: I said this discussion.

Mr. DUNNING: Let us go on for a while.

Mr. BENNETT: It is not fair to keep members here under these circumstances. I protest against it.

Mr. GARLAND (Bow River): I rise to a point of order, Mr. Chairman. There is a motion before the Chair.

The CHAIRMAN: The motion made by the hon. member for Mackenzie (Mr. Campbell) is quite in order. The hon. member moved that the committee rise and report progress.

Motion negatived: Yeas, 37; Nays, 49.

Mr. QUINN: As I was about to say, Mr. Chairman, I do not wish to go on record as opposing any expenditure of public money in the province of Nova Scotia, but I must criticize the government's attitude with regard to this hotel expenditure because their announcement came too late. For years, as will be observed from the statement of the Minister of National Defence, the people of Halifax have been looking forward to increased modern hotel accommodation. In 1913 we had a program laid down to develop the terminal at Halifax. If the minister had disclosed his policy a year ago this discussion would not be taking place to-night, for it would have been accepted by everybody not only in Nova Scotia, but throughout the Dominion, it being realized that we were in need of a good, modern hotel. The Lord Nelson hotel promoters would have ceased their activities. But after the negotiations reported here to-night the promoters of that hotel announced that they would proceed. A few days afterwards the Canadian National Railways announced that they had decided to build an up-to-date hotel and station at Halifax at a cost of a million and a quarter dollars. To my mind for a combined station and hotel that sum is not sufficient. To-day the new hotel is almost completed, against the protests of the management of the existing hotels. In full page advertisements they declared that no further hotel accommodation was needed. Those people are all friendly to this government. The Minister of National Defence will not deny that the management of the two leading hotels in Halifax are friendly to his government, and that they protested most vigorously against the building of the Lord Nelson hotel, because they urged that there was already sufficient accommodation. Now, we had the announcement of the Lord Nelson hotel promoters that they would proceed with their building, and immediately following that came the announcement of the Canadian National Railways.

Mr. RALSTON: An announcement was made by Sir Henry Thornton on July 20 of last year, before any announcement was made by the Lord Nelson Company.

Mr. QUINN: After a considerable amount of the stock in the new hotel had been subscribed.

Mr. RALSTON: After large advertisements had been put in the newspapers advertising the stock, notwithstanding the fact that the promoters knew of the matter of the Canadian National hotel had not been approved by the government.

Mr. QUINN: After the announcement by the promoters of the Lord Nelson hotel that they were going to proceed with their project, I ask was it good busines for this government or the railway management to announce to the people the building of a second additional hotel, especially after the vigorous protest on the part of the management of the existing hotels that there was no need for further accommodation?

Mr. RALSTON: And notwithstanding that protest, I advocated the Canadian National Railway hotel.

Mr. QUINN: What does the minister think of that hotel to-day?

Mr. RALSTON: I have made my statement.

Mr. QUINN: I think it would be far better for the railway management to proceed with the building of a railway station to replace the temporary shed which was erected after the explosion in 1916. The people have been clamouring for this for several years. The government should also provide further docking facilities and port improvements; if they want to spend a little more money, let them build the bridge across Halifax harbour that the people have been asking for. It may be said that increased port accommodation is not needed, but let me point out that the shipping tonnage of the port of Halifax is greater than that of the port of Montreal. My authority is the secretary of the Halifax Board of Trade. He states that in 1927 the gross tonnage, not including coasting ships, of the port of Halifax was 13,167,839 tons. From the report of the Montreal harbour commission I notice that our gross tonnage was practically 500,000 more than it was the year before. Montreal is not open the year round but it is hailed as the great shipping port of Canada. The Minister of National Defence has mentioned the fact that there is increased steamship accommodation; larger steamers are being built to bring tourists into

Nova Scotia, not necessarily to Halifax. I suggest that before they go further with the hotel project they wait a little while to see how the present accommodation will suit the travelling public going into Halifax; and instead of going ahead at the present time with the Halifax hotel they might build summer hotels throughout the province and bungalows as suggested in the newspapers and elsewhere. I believe they could use the money to better advantage for the time being than proceeding with the present hotel at Halifax. The Minister of Railways stated a little while ago that he had had to come to parliament to vote the money before they could proceed with the hotel. I ask him, why did he not come to parliament to vote the money to excavate and build a foundation?

Mr. DUNNING: They had done it.

Mr. QUINN: I do not think there is anything more I have to say.

Mr. DUNNING: It is quite evident that there will still be an extended discussion on this vote and in view of the fact, even if it is the desire to get through, that we must under the rules make some progress under another item, I would ask whether it is agreeable to the committee to have items 410, 411 and 412 on page 4 of the estimates, relating to the maritimes, disposed of?

Mr. BENNETT: In any event the items cannot be changed.

Mr. DUNNING: They are accountable estimates.

Item stands.

Canadian Government Merchant Marine

Loan to the Canadian Government Merchant Marine, Limited, repayable on demand with interest at a rate to be fixed by the governor in council, upon such terms and conditions as the governor in council may determine, and to be applied in payment of: deficits in operation of the company and of the vessels under the company's control during the year ending December 31, 1928, and capital requirements, $758,000.

Mr. CANTLEY: I want to direct the attention of the minister to a portion of the fleet which is obsolete. Five of these boats were laid up last winter in Halifax at a considerable cost—something like $100 a day. Interest is going on as well as depreciation. They have to be reconditioned to a considerable extent before again going into service. All told the cost of these boats, lying up, runs into the vicinity of $100,000 a year. The fleet contains some twenty vessels of less than 8,000 tons each and under present conditions it is impossible for the boats to which I have referred to pay their way. The country will lose a great deal less if they dispose of these boats at whatever price they can get or at figures approximating what they got for the boats they have sold. The minister will agree that this is the part of wisdom and I would ask him to take the matter up with the proper officers to see what can be done in that direction. Will he give the house some assurance that this policy will be adopted and the boats disposed of as rapidly as possible?

Mr. DUNNING: As a result of discussion in the special committee the management have been requested to make a survey of the situation with a view to discovering what it is best to do during the current year in the light of what my hon. friend has stated.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie King the house adjourned at 1.30 a.m. (Saturday).

Saturday, June 9, 1928

The house met at eleven o'clock.

GRADING AND INSPECTION OF WHEAT

MOTION FOR PRINTING OF EVIDENCE TAKEN BEFORE COMMITTEE ON AGRICULTURE AND COLONIZATION

Mr. JOHN MILLAR (Qu'Appelle): Mr. Speaker, I should like to move, seconded by Mr. Coote:

That twenty thousand copies in English and five thousand copies in French of the evidence taken by the select standing committee on agriculture and colonization on the consideration of the subject of the grading and inspection of wheat be printed in blue book form, and that distribution be made thereof free of charge by the Department of Trade and Commerce, and that standing order 64 be suspended in relation thereto.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, I do not rise to object to the putting out of the evidence if the agricultural committee determined that its distribution is worth while; but I submit that we are introducing a precedent that later on may, to say the least, create embarrassment and add materially to the expense of carrying on the affairs of this parliament. I have no recollection of parliament ordering the printing of

twenty thousand copies of evidence. It is customary to order the printing of a reasonable amount of such information as is desirable for members of both houses and for distribution to their constituents. But if it is necessary to print this number of copies, why should it not be done by the department interested? The proper procedure, it seems to me, is for the Department of Trade and Commerce, to which we give a considerable vote for printing, to take the responsibility of putting out this evidence, if it is considered worth while to do so. If I understand the motion rightly, Mr. Speaker, it is questionable whether it is an order on the Department of Trade and Commerce to do this work. If it is, I doubt if a private member has the right to move such a motion.

Mr. SPEAKER: I was about to say that if it is intended that the printing shall be at the expense of the Department of Trade and Commerce, the motion must be introduced by the minister of that department; and it is not very clear that the department shall look after the distribution. I will read the motion once more:

That twenty thousand copies in English and five thousand copies in French of the evidence taken by the select standing committee on agriculture and colonization on the consideration of the subject of the grading and inspection of wheat be printed in blue book form and that distribution be made thereof free of charge by the Department of Trade and Commerce and that standing order 64 be suspended in relation thereto.

It is not clear whether the printing is to be done at the expense of the House of Commons. If it is so intended, I must, as head of this department, advise the hon. gentleman that we have not sufficient funds to print such a large number of copies. We have already sent in a requisition for 1,500 copies. If the Minister of Trade and Commerce is willing to do the work, well and good. But he must say so.

Mr. MILLAR: The intention of the resolution, Mr. Speaker, is that those copies shall be printed from the general fund and distributed by the Department of Trade and Commerce.

Mr. LAPOINTE: Will my hon. friend state what he means by the general fund?

Mr. MILLAR: Well, the consolidated revenue fund. It all comes out of the same pocket anyway.

Mr. LAPOINTE: Yes, but there must be an appropriation to take even five cents from the consolidated revenue fund.

Mr. MILLAR: I am not much worried about that so long as we get the printing done. I desire to point out that we have been dealing with a question on which very little information is available in printed form. It is related to an agitation that has extended over the last twenty years; during all that time our farmers have been asking that their wheat should be graded according to its milling value. Your committee went very fully into this matter, and took the evidence of witnesses who are experts in their particular lines, and the information so brought together will be of very great value to the western farmers.

Now, twenty thousand copies may seem a large number, but with fifty-four constituencies in western Canada, practically all of which will be keenly interested in this question—as I will show in a moment—it means a very small number of copies to each constituency; further, it means that there will be about only one copy for every seven or eight thousand farmers. Some time ago when the evidence was completed, but before the report was issued, I took the trouble to secure from the printing bureau a statement of the cost involved. It did not include the report, nor did it provide for the translation into French. It amounted to only a little more than eight cents a copy. Making allowance for the translation and including the report—this resolution does not provide for it but I hope it will be included—the cost would amount to only ten cents a copy. When we consider that the information deals with a subject of great interest to western Canada, I think it is reasonable to expect that all those copies will be ordered.

I hold in my hand half a dozen letters from farmers who, having seen by the press that this matter was discussed in this house, of their own accord wrote for further information. One asks for a dozen copies, another, the secretary of an organization, asked for a dozen copies of the discussion which took place in the house on this subject some months ago, and so on. I have received probably a dozen letters, showing that the farmers are keenly interested in this matter. I believe other members have had the same experience. I do not think I have discussed in this house any question about which I have received so many inquiries, and which seems to have created so much interest. The evidence is quite complete, but unless that information is made available to the farmers so that they may have a chance to study and apply it I am afraid a large part of the benefit of the committee's work will be lost. I

would refer again to the fact that the proposed distribution covers the three prairie provinces. The number is small, but in view of the fact that a few hon. gentlemen seem to think it large, I am personally willing that it shall be reduced, respectively, to 10,000 in English and 2,500 in French. That is reducing it by half. I have no authority from the committee to make that suggestion but I believe a number of the members of the committee are of opinion that we might do with less. I would move, therefore, that the number be reduced as I have indicated, and the amendment will embody words to that effect. I shall be quite satisfied with that.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend suggests a reduction in the number of copies. May I point out that there is a committee which has to do with the printing of the House of Commons. My hon. friend might agree to amend his motion in such a manner as to omit altogether reference to the number of copies to be printed and leave the number to the committee of the house to determine. I suggest that the motion be simply that copies in English and copies in French be printed. The committee might confer with His Honour the Speaker as regards the number of copies necessary.

Mr. E. J. GARLAND (Bow River): When is that committee likely to meet if we prorogue this afternoon?

Mr. MACKENZIE KING: It might meet this morning or during the course of the day with a view to conferring with His Honour the Speaker. I should not think there would be any difficulty.

Mr. GARLAND (Bow River): I cannot for the life of me understand the opposition to the request for a certain number of copies to be printed, the cost to be taken out of the revenue. We have no hesitation in expending $10,000 on invitations and menu cards for Rideau Hall, but when it comes to a small amount for the printing of valuable information for the farmers of western Canada there is opposition.

Mr. LAPOINTE: There is no opposition; it is only a question of procedure.

Mr. GARLAND (Bow River): I understood there was opposition and that this was why the hon. gentleman suggested a reduction in the number of copies. I do not think it is wise to reduce it. In the west there is a tremendous demand for this information, and the dissemination of as many copies as could be printed would serve a useful purpose. This is the kind of information that has been called for ever since difficulties arose in connection with the grain trade, and here we have evidence bearing upon the subject.

Mr. LAPOINTE: Did the hon. gentleman hear Mr. Speaker say that he was afraid he had not sufficient funds for the purpose? Is it not wise to confer with His Honour in that regard? If my hon. friend wants a new sheet of estimates no doubt the amount could be increased. But I think it is only elementary wisdom to confer with the Speaker as to what can be done.

Mr. GARLAND (Bow River): The Minister of Justice (Mr. Lapointe) and the Prime Minister (Mr. Mackenzie King) overlook one fact in relation to this motion: I do not know who is going to call a meeting of the committee. And if the committee is called how shall we get results before parliament prorogues? I do not think it is wise to follow that course unless the Prime Minister can assure us that we shall obtain a quorum and come to some agreement before prorogation.

Mr. MACKENZIE KING: My endeavour in the matter is to ensure copies being printed. His Honour the Speaker has mentioned that with the figures suggested it is not possible for him to authorize the house to pass the motion as it stands. I conferred with His Honour to ascertain whether it would facilitate matters if the figures were left out. And as I was conferring with His Honour I heard the hon. member who moved the resolution suggest that the numbers be reduced to 10,000 and 2,500 respectively. I thought the better course of procedure would be to leave it to the committee in conference with His Honour the Speaker to determine how many copies it might be possible to print. I have not the least doubt that the disposition of the committee will be to print all that are required. At any rate, if a limited number of copies are printed I think I can undertake to say that, in the event of the funds of the House of Commons being insufficient to provide the larger number required, we shall manage somehow to meet the situation out of unforeseen expenses or in some other way until parliament meets again.

Mr. MILLAR: My suggestion to cut down the number was because of opposition to the number.

Mr. T. S. DONNELLY (Willow Bunch): I desire to move an amendment:

That the words "together with the report of the committee" be inserted after the word "wheat" in the fourth line.

The object of the amendment is to ensure that the report will be incorporated with the evidence in the printing.

Mr. SPEAKER: Is the mover agreeable to the reduction in the number of copies to be printed?

Mr. MILLAR: Yes, Mr. Speaker.

Amendment agreed to.

Motion as amended agreed to.

Mr. SPEAKER: May I observe to the house, inasmuch as we follow British practice as far as possible, that in England only a limited number of copies of reports are authorized. As regards publications for public use, anyone who has been in England knows that he can find, at certain bookstalls in the city of London, copies of various blue books which are available at a minimum charge. The time has come in Canada, I think, when we should adopt a similar practice.

Mr. JOHN MILLAR (Qu'Appelle): I wish to move a motion which will require no discussion. I move that the ninth report of the select standing committee on agriculture and colonization be concurred in.

Motion agreed to.

SUPPLY—PUBLIC EXPENDITURE

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee of supply.

Hon. R. B. BENNETT (Leader of the Opposition): I desire to move in amendment:

That all the words after the word "that" in the motion be left out and the following substituted therefor:

"This house is of opinion that the expenditures for the year ending March 31, 1928, and the proposed expenditures for the year ending March 31, 1929, are excessive and extravagant, and that the country has not received, and cannot expect to receive, any adequate returns therefrom."

Mr. Speaker, I offer no apologies for moving this motion at this time. Those members of the house who have the main estimates before them will observe that we voted $366,071,314.22 for the public service last year, in addition to certain supplementary estimates. This year again, however, although we voted these very large sums of money which were essential to take care of the demands made by the public service, the extravagant demands in my judgment, we were asked to vote a further sum of $7,777,747.89 in two supplementary estimates embodied in Bill No. 155 already passed by this house. So our expenditures, which we thought to be large when we passed the estimates last year, in fact have been swollen not only by supplementary estimates passed last year but by an additional sum of over seven and three-quarter million dollars which was found to be essential for the purpose of taking care of the commitments made by the government, including governor general's warrants which amounted to nearly $200,000.

I submit that this expenditure is entirely beyond what should be expended by this country at this time, and I find my vindication for the observations I am about to make in the statement made to this house over a quarter of a century ago by Right Hon. W. S. Fielding, the then Minister of Finance. Meeting a motion deprecating large expenditures and swollen budgets, the then Minister of Finance used these words:

Let me say that so far as my hon. friend's object was to utter a word of warning as to the need of moderation in our expenditure, as to the need of looking to the future, I entirely sympathize with him and welcome that word, no matter from what quarter it may come. There is always a tendency, whether in personal or in national affairs, for men in times of great prosperity to forget the future, and it is always well that some cool head should be found to call attention to the conditions of the day, to the possible change of these conditions, and to the necessity of adapting our policy not only to things as they are, but to things as they may be at no distant day. I am always glad to find any one calling attention to that phase of our public affairs. So strongly impressed have I been with the necessity of at all times keeping that in mind, that in the various statements which it has been my privilege to present in the form of budget speeches, at the moment when we attained the greatest prosperity, I had deemed it well to call attention to the serious view which my hon. friend (Mr. Borden, Halifax) presented to-day, and which I have presented from time to time, as to the necessity of looking to the future.

Now, sir, on more than one occasion during the progress of this session I have ventured to point out to the house that the conditions existing at the present time indicate very clearly to those who read the commercial barometers and to those who are concerned about the future that we should exercise great prudence and foresight in connection with our expenditures. I have already directed attention to what was done during the year which ended on March 31, 1928, and it is only necessary to turn to the Canada

Year Book and to look at the total expenditures of this country during the last few years to observe that while we are prosperous, in the sense that we are collecting large revenues, we are also making enormous expenditures, which it would have been thought impossible for this country to make a few years ago. If any hon. member will refer to the Canada Year Book for 1926 he will find the total expenditures indicated at page 765, and it will be seen that in the last year before the war, the year ending March 31, 1914, the total expenditures of this country for all purposes were $186,241,048. By the year 1926 these figures had risen, in that short period of only twelve years, to $355,186,423. Included in the latter figure were sums of money advanced to the Canadian National Railways and the Canadian Government Merchant Marine but it will be observed that in previous years the sums expended for these services were larger than in the year 1926. Therefore we have the conditions to which I have referred, namely enormously increasing expenditures, increasing it seems to me beyond all possible opportunity for us to overtake them by any revenues we may possibly hope to collect, if we are to bring about that reduction of taxation which is so essential to the development of our industrial life. If a citizen of this country had been told ten or fifteen years ago that the Dominion of Canada, with its population so little increased in that period of time as the figures indicate, would increase its expenditure by almost 100 per cent, he would have thought it impossible that it could be so, yet there are the figures before us.

When we turn to the revenue statements at page 761 we find that the total consolidated revenues of this country were as follows:

1922..	$382,271,571
1923..	403,094,210
1924..	406,582,840
1925..	351,515,392
1926..	382,893,009

At pages 3037 and 3038 of the Canada Gazette for this year we find that our revenues for the year ending March 31, 1927, amounted to $385,668,925.31, and that for the year ending March 31, 1928, they rose to the largest sum we have on record in this country, namely, $417,127,500, in round figures. Our expenditures for 1927 amounted to $324,239,424.97, including $10,000,000 for the Canadian National Railways and $426,817.14 for the Canadian Government Merchant Marine. For the year ending March 31, 1928, the last fiscal year, our expenditures amounted to $329,966,715.67, including a million dollars for the Canadian Government Merchant Marine, or in other words an increase of $5,727,290.70 over the preceding year.

Under present conditions, Mr. Speaker, is there anything to warrant the enormous increase of over five and three-quarter million dollars in the expenditures of this country in 1928, over 1927, when the expenditures during that year had reached the enormous figure to which I have referred? Any expenditure of this country in excess of $325,000,000 is an enormous expenditure for the Dominion of Canada with its limited population. If this government were more anxious about the practice of economy, about seeing that one hundred cents of value is given for every dollar of expenditure, the conditions would be much better than they are now. What Mr. Fielding said twenty-five years ago is more than true to-day. We are getting into the habit of dealing with thousands and millions of dollars as though they were a mere bagatelle, and we think that for some reason we may make these vast expenditures without any regard whatever to the future. I think the time has come when we should take stock of the situation. I know how pleasant it is for governments to spend money. Their supporters demand that they shall spend money; the Minister of Public Works is besieged by applications for public buildings, and every department of the public service is asked for money. And yet this was the condition which prevailed in the United States when President Coolidge took charge, when he appointed General Lord and his successors to the position of director of budgets, and brought about a saving, as has been pointed out by me, of over one million dollars a day in interest charges alone. In his message to congress he referred to the debt of the country as being the greatest economic menace that threatened the life of the United States. I have directed attention to it already, and bearing in mind the vast expenditures to which this country committed itself in 1927, for the year ending 31st March, 1928, I again direct the attention of my fellow members to the language of Mr. Fielding. You may possibly say to me, "But what are the particulars; what are the details? Why is it that you say these expenditures may not give an adequate return to the people of this country?" I refer the house to the language used by the then leader of the opposition, Mr. Borden; and I might mention that in his view he was supported by an eminent English statesman whose utterance I shall not delay to read. Mr. Borden said:

Now, where an opposition are not able to get, within a reasonable time, and without

unduly protracting the session, information which would enable them to discriminate between hundreds of items brought down to this house, when they are unable to get information which would put them in the same position for forming an opinion that the government are in, the proper duty for an opposition is to protest against excessive expenditure, to throw upon the government the responsibility of making it, knowing as they do that the government have within their power the means of reducing that expenditure by eliminating from it items which are less worthy of public appropriation than those which are necessary to be made. That is the view which has been put forward in the English House of Commons as a sound principle, that an opposition in protesting, as we have protested, against undue expenditure, have discharged their duty without dealing in detail with the particular items of the expenditure brought down by the government.

Let us then, in the light of that statement and the observations which I have just made, look at the expenditures to which we are committed for the years 1928-29, in other words the fiscal year ending the 31st March, 1929. I wonder if this house has considered what money we have voted; I wonder if the Minister of Finance has taken due cognizance of the extent to which we have made commitments for the future. Let me read them to this house. The main estimates for this year committed us to an expenditure of $373,796,856.24. The first supplementary estimates committed us to a further expenditure of $10,583,611.91, and the further supplementary estimates committed this country to the expenditure of $1,000,200. Then let us look at the other sums to which we are committed. First there are the railways—well, I will not take them first—

An hon. MEMBER: But they are coming?

Mr. BENNETT: They are coming, yes. The hon. gentleman seems to think it is a matter of very little importance, and yet I think, when he calmly considers the situation, he will realize what it means not only to himself but to his family, to place these increasing burdens upon the people of this country. The three items which I have mentioned make a total of $385,380,668.15.

But we did not stop there. We voted $3,000,000 to the Federal District Commission for the improvement of Ottawa, by Bill 218. We voted a $200,000 annuity by Bill 218 to the same authority. We voted an annuity of $75,000 to the National Battlefields Commission by Bill 34. We voted $200,000 per year for two years for level crossings by Bill 220. These items make a total of $388,855,668.15.

But we did not stop there. What further sums has this house committed this country to? At the initiation of the government and at their request, we have voted $8,500,000 to the harbour of Quebec. It is admitted that the money is a direct charge upon this country and that it will not be repaid by the harbour itself; that was admitted by the hon. gentlemen who assumed responsibility for that expenditure. We have voted $5,000,000 to the harbour of St. John, and $500,000 to the harbour of Halifax. These items total $14,000,000. It is perfectly true that all these items will not be expended this year, but it is also equally true that the money must be found some time by the taxpayers of Canada, at least in respect to the item of the Quebec harbour. We have committed this country to those expenditures, whether the money be paid to-day or to-morrow or next year or the year after.

But did we stop there? We did not; we went further. Last night we were voting, and to-day we will be called upon to vote—the government has the requisite majority behind it to vote it —$47,156,644.50 for the Canadian National Railways and for the Canadian Government Merchant Marine.

Does this house realize just what these stupendous figures mean in the way of taxation? But in addition to these sums, we also voted $3,500,000 for the terminal at Toronto, and voted a further sum, in excess of $22,689,575, in connection with the Canadian Northern Income Charge Act. These bonds were originally an obligation of the Canadian Northern railway, but they have become an obligation of this country because we know these companies cannot be allowed to go into liquidation or into the hands of a receiver because of our investment in them during the past ten years.

An hon. MEMBER: What is that total again?

Mr. BENNETT: It is $22,689,575, under Bill No. 153. We have the stupendous total of nearly $450,000,000 outside of that obligation in connection with the income securities of the old Canadian Northern. I wonder if this house realizes that we are now faced with a budget of nearly half a billion dollars with less than ten millions of people who are already staggering under the burden of a debt of two and a half billions of dollars? In these buoyant days it is easy to talk in millions of dollars and find the money to meet these appropriations. We have not had the opportunity, as Mr. Borden pointed out when leader of the opposition, of considering the items in detail.

Take the votes, for instance, concerning expenditures west of the great lakes. How many of us have been afforded the opportunity to read all the necessary papers, documents and reports on these subjects, to discover whether these undertakings will serve any useful public purpose? Take the vast expenditures for civil government; take the expenditure, as shown by the return brought down to this house, in connection with the fleet of government automobiles in this city; take that alone. You say, "Oh, that is a piffling thing," but there it is. It runs into thousands and thousands of dollars increasing as the days go by, and yet no one seems to care. The other day I heard a gentleman who, it is true, is only an observer, a man who has lived in the capital a long time and who is not interested in politics, say that he had never before seen such reckless expenditures of public money in this country. If you walk down yonder, you will see a vacant piece of land which the Minister of Public Works has bought for a large sum of money to put a pavement on which will cost nearly three-quarters of a million dollars before it is finished. Land and buildings have been purchased just to secure a small area of land in the centre of the city. We look at the wreck of an old hotel and there is an expenditure of three millions of dollars with the commitments for the adjoining areas. We have a sum of $950,000 in two annuities alone in respect to the national battlefields and the improvement commission of this city, and to this there is added an annuity in connection with level crossings, making a total of $1,150,000.

Take the railway expenditures. What member of this house has any adequate appreciation of the railway figures? We sit here and laughingly vote $47,000,000 and we are voting by these supply bills nearly $100,000,000 more than the national debt of this country was before the war began. That is only fourteen years ago. Think of the commitments that have been brought about in that time. In England, France, continental Europe, the United States, with all their riches, they have approached these problems as men who are intent upon bringing about a shrinkage in expenditure and it is no answer for the Minister of Finance to say that every member who sits on this side of the house has been anxious to have additional sums spent in his constituency. Why would he not be when he sees the government recklessly throwing money away in every direction? Has one particular community to be singled out for expenditure and the other left alone? The reason why hon. members on this side rise and ask that their constituencies be protected is that there are public buildings falling into decay, public works that are not being maintained, because, forsooth, the patronage evil is abroad in this country and the exchequer of Canada is being used to advance the political fortunes of the supporters of the administration. That is the real reason. There is no thoughtful man who travels by automobile throughout this country; there is no man who goes on our highways and observes the expenditures for post offices, wharves, docks, dredging in counties and districts that are returning supporters of the administration and then notes the lack of them in other communities, but realizes that if there is no necessity for them in the latter, there certainly is no excuse for them in the former. If, in other words, the public necessity does not demand that money should be expended for public works in the sense I have indicated in constituencies that do not return supporters of the administration, that in itself is an indication that there is no public necessity for these expenditures in the other communities to which I have referred. That is patronage to the eyes of the most superficial observer.

I am not unmindful of the fact that it is easy to brush these things aside; that it is easy to say that this country is entering upon an era of unexampled prosperity and that there will be more revenues than ever before we have heard of available for our purposes. One of the premiers of the provinces within the last forty-eight hours, dealing with his experience in Canada under our profitless prosperity, said: "Your remedy is to obtain reduced taxation from the federal authorities." This country is groaning under the burden of present taxation. There are few more highly taxed countries than we are with such a vast area and such a small population.

Mr. STEWART (Edmonton): What premier was that?

Mr. BENNETT: The premier of Quebec is the gentleman who made the observation.

Mr. MACKENZIE KING: That was to abolish the income tax.

Mr. BENNETT: He suggested that as one thing that would have a very immediate beneficial effect on industry.

Mr. ROBB: What does my hon. friend think of that?

Mr. BENNETT: I am not charged with responsibility.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Once more it is the old story of my very courteous and, in some particulars, easy-minded friend, the Minister of Finance, who asks: "What do you think about it?" When I have responsibility, I will tell him what I think about it. That is the reason this motion is before the house. It is because the government seems to shirk responsibility by asking somebody else what they think about the matter. It is easy to look at bank returns, at the returns of industry under profitless prosperity; it is easy to look at your statistics; but a Minister of Finance who would assume responsibility in this country for bringing about a policy of real economy, would be regarded with the greatest possible affection by the people. This might not make for popularity for the moment, but it would bring about that enduring admiration for his achievements in promoting thrift and economy which are the bases of all prosperity in the country.

Listen to what we heard this morning. The Minister of Finance this morning rose in his place and talked about the difficulties in connection with a slight expenditure for printing a few pamphlets to distribute over the country. There is more money spent here in a single month for automobiles for those who should not have them than would pay for the whole of this expenditure. If you look at the return that was brought down, it is calculated to make any Canadian blush with shame to see the expenditures made in connection with automobiles in this capital city of Ottawa. That is the minister's conception of economy. He is not going to print 25,000 copies of a report on the protein content of wheat. Why, he says, we must be economical; we must see how we are going to save our money, and then we are voting $39,000,000 for the national railways and duplicate hotel facilities at Halifax with an estimated loss, according to their own manager, of $100,000 per annum on one hotel. That is the government's idea of economy—lose $100,000 a year, but be economical in the matter of printing a few hundred pamphlets.

Look at the returns that have been brought down during the last few months; study them, and you will be convinced that no business man could for a single month maintain his business if the conditions indicated in those returns were allowed to continue. That is the position with respect to the matter. Is this a business administration or just a tax-collecting administration, gathering in the money for the purpose of disbursing it amongst its supporters? That is the question. Is this a business administration or not? I put the question to the committee last evening; I pointed out as carefully as I could—and I have not yet finished with respect to that—what is involved in regard to the expenditure in connection with the hotel at Halifax.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: I have not, not by any means. I am pointing out what that involves. It involves a loss, as admitted by the technical adviser to this country's railway, of $100,000 a year with respect to one hotel, and now the minister says: Give us $1,250,000 and we will build another to duplicate the one already in existence. The government has either gone mad with extravagance or else is drunk with power and is without any sense of responsibility. The administration thinks there will be no end as long as it can spend the money. Study the budgets in England and look at the economies they have effected; or if you are not governed by British precedent, go down to Washington and you will find that with all their wealth they would not think for a single moment of spending money in the manner in which we do. I have a considerable number of columns of figures that I might read to the house to show exactly what is going on in connection with various matters mentioned, but I will content myself with merely making this motion, because I cannot at this stage of the session take longer time in which to direct attention to the details. But I follow the time-honoured custom mentioned by Sir Robert Borden as the precedent for British statesmen in opposition dealing with matters of this kind, to protest against these swollen budgets, protest against these unnecessary expenditures, to protest in the name of the people who will have in the end to carry the burden and pay the taxes.

It is all right to rejoice in these days of seeming prosperity and say we have ample moneys and let us spend them. But there comes a day of reckoning, and that day you can almost see in the distance now. The trade returns of this country for the last month for which we have the figures show that our imports are, I believe, higher than they had been in any corresponding month in our history, and our exports had fallen to the lowest figure for years. There was an adverse balance of trade against us of $20,000,000 in round figures. That merely indicates that under the existing conditions created by the government opposite you have in Canada,

what? You have the possibility, nay, more than that, you have issued an invitation to the great mass producing industries to the south of us, now that there has been some slackening in their activities, to maintain full production in order that their overhead may be taken care of, and their surplus products sent at cheap prices to the Dominion. We imported in April, 1928, more, I think, than we ever did in any corresponding month in our history, $78,000,000, and our exports dwindled to $58,000,000. Is not that a warning to the minister?

Let him consult the financial heads of great institutions to the south of us. It is true that we have a vast, untouched estate, and that new wealth may be produced much more readily from that than from an old and cultivated estate. But it is also true that where we cultivate, it is necessary that we should sell, and if we find a curtailment and shrinkage of trade among the nations of the world, we find a limitation placed upon our ability to dispose of that which we produce. The minister knows that. He has been told time and time again by the great heads of financial institutions to be cautious, to look ahead. Every thoughtful business man is doing it; everybody is shortening sail except the speculators. Do you realize, sir, that this great speculative era that we now have on the American continent is one fraught with possibilities of the gravest disaster for this country? The brokers' loans alone in New York last week were over $5,000,000,000, an unheard of figure. In this country speculation is rampant. Some people imagine that trading in pieces of paper upon which there are engraved words and figures constitutes the creation of new wealth. It is not so. The new wealth of the country is being created by the application of labour and capital to the natural resources of the country, and this trading in stock certificates, this great era of speculation in this country and on this continent, is one fraught with possibilities of the gravest danger to Canada, because we have not as they have in the United States a vast accumulation of wealth that will enable us to meet the approaching conditions with ease.

Look at the movement of securities; look at the movement of gold; look at every indication there is with respect to speculation in this country. I know great brokers' houses that have declined to take new accounts in this country for over twelve months, one perhaps the greatest brokerage house in this country, because they fear what they see in the distance. But no one in the government seems to care, and if we point out the conditions we are "pessimists", if we venture to direct attention to the conditions we are "decrying our country". That is the talk that hon. gentlemen opposite hurl at us and before the country. But I recall the language of one who was regarded in after years as one of the very greatest of British statesmen, who observed that when their orgy was through, when they had at last recovered from the debauch in which they were then enjoying themselves, possibly then in their sober and quiet moments they would look back and recall the warning that had been given by those who, looking into the future as best they could, guided by those economic signs that were apparent, and by beacon lights, warning of the future, had pointed out the conditions as they also had come to pass. You perhaps will look back upon our warnings, and perhaps remember with at least some degree of fair-minded justice the observations that were made by those of us who have pointed out the national disaster that is inevitable if this orgy of mad expenditure continues.

It is for these reasons, sir, that we make this motion, hoping and believing that at least it will have the effect of directing the attention of the administration to the seriousness of the condition that is involved in the vast expenditures of public moneys that must be raised by the taxpayers, that is by the people of Canada.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, my hon. friend the leader of the opposition (Mr. Bennett) closed his very interesting speech by giving us as a reason for the introduction of this amendment that he wanted to advise the government to go slowly in the expenditure of public funds. It occurred to me as I listened to my hon. friend's speech, that it was more of a lesson to his own followers that he was presenting because I have in mind that in recent weeks we on this side of the house have been attacked, not because we were spending too much money, but because we were not spending money enough in certain parts of the country.

I find no fault with the amendment introduced by my hon. friend. It is a part of party etiquette that at some time just before prorogation the leader of the opposition should attempt to present a resolution broad enough to allow everyone to come in under it and vote for it, and so to-day he has presented what might properly be termed a blanket resolution.

My hon. friend, like myself, is an admirer of that great finance minister of Canada, the Right Hon. Mr. Fielding. He has quoted

Mr. Fielding frequently this morning. There was one observation that Mr. Fielding generally made in answer to all such speeches that my hon. friend did not quote. I recall it very well, as will my hon. friend and all of those who sat in the house with Mr. Fielding. Mr. Fielding used to say that every person was in favour of economy for the other fellow, but no one wanted economy applied to his own particular constituency.

After all, Mr. Speaker, I am not finding any fault with the statement that my hon. friend has made regarding the wisdom of Canada going slow in the matter, for instance, of speculation, and in Canada going slow in expenditure, but there is a reasonable attitude to take. There was a time in the history of Canada when it was very necessary to go slow and to economize, but as the country grows and progresses, the government that does not take care of the growing needs of the country is falling down in its duty. It seems to me that the real test as to how wisely the finances of a country are being administered is to make a comparison of the expenditures with the revenue; to ascertain the taxes that are imposed upon the people, and then to determine whether the government, in carrying on the affairs of the country, have been doing so economically, and in such a way as gradually to reduce the burden of taxation bearing so heavily upon the people.

I welcome the opportunity of a comparison of this government's administration with the administration of our predecessors, but before proceeding may I point out that all these statements that we sometimes hear and sometimes read of the government—or rather parliament, because it is an attack on all parties—railroading through three hundred million dollars odd of estimates, contain a good deal of rubbish. Parliament has already authorized a substantial part of these estimates—they are statutory. For instance, if hon. gentlemen will look at the summary on pages 4 and 5 of the estimates they will find the amounts authorized by statute. The statutory estimates this year amount to about $150,608,000. Civil government estimates total $12,363,000. These civil government estimates are the result of the Civil Service Commission appointed by parliament, and parliament guards very jealously any encroachment on the rights of that commission. It is the Civil Service Commission that increases or decreases the salaries of civil servants throughout the country. Then there are the war pensions. Those already authorized by parliament total some $39,000,000 odd. In other words, sir, parliament is called upon closely to scrutinize about one hundred million dollars of government estimates; the balance had already been scrutinized by parliament, and parliament itself had authorized the expenditure.

I said a moment ago that the real test of administration was a comparison as between revenues and expenditures and reduction of taxes under Liberal and Tory governments. At this late hour I have no desire to delay the house. I know hon. gentlemen are all anxious to proceed with the business yet remaining to be dealt with. But may I just briefly put on record a comparison of the revenues and expenditures under this government and under our immediate predecessors? For the fiscal year ending March 31, 1921, the total estimates were $535,790,643. For the fiscal year ending March 31, 1922—the Conservatives were in power for nine months, but they were wholly responsible for the estimates which were prepared in the previous year—the estimates were $446,747,947. And what were the receipts in 1921 when the total estimates were over $535,000,000? In that year the total receipts were $436,292,184. In the following year when the estimated expenditure was over $446,000,000, the total receipts were $382,271,571. Those years showed a deficit and an increase of taxes. The duty of this government on its coming into office and resuming responsibility for carrying on the affairs of the country was to pay off the debts of our predecessors. We have succeeded in doing that, and at the same time materially reducing taxation.

Now, what sort of balance sheet did these hon. gentlemen show when they were in office. I welcome this change of heart on the part of the Conservative party as demonstrated this morning by my hon. friend the leader of the opposition. But our Tory friends in opposition are always strong for economy. When they are charged with the responsibilities of office I recall the famous words, to be found in Hansard, of a distinguished representative from one of the maritime provinces, who, after this party had been in office for some fifteen years and had accumulated surpluses, and was succeeded by the Tory party, said one afternoon when the estimates were under discussion—my colleagues the Prime Minister and the Minister of Justice will remember his words:

> Why economize? Let us speed away and spend the money.

That is the attitude.

Mr. BENNETT: Dash away.

Mr. ROBB: Yes, that is right. My hon. friend recalls the words.

Mr. BENNETT: He did not come back any more.

Mr. ROBB: That was the attitude of the Conservative party when entrusted with responsibility in 1912. What was the change in the debt position of the country during the administration of the Tory party? According to the public accounts they increased the national debt in 1920 by $674,337,591; in 1921 by $92,010,359; in 1922 by $81,256,818. In the first year of our administration the national debt was increased by $31,641,067. But let us keep in mind that we had inherited some contracts that had been given out by our predecessors and we had to provide for them. What has been the record of the departmental finances since that day? In 1924 the reduction of debt was $35,993,593; in 1925, $345,589; in 1926 $27,706,586; in 1927, $41,896,729; and for the fiscal year ending March 31, 1928, when the books were closed the reduction of debt was $51,125,436. And notwithstanding that, we have been able to reduce the taxes bearing so heavily upon the people.

Under these conditions with growing surpluses, with the reduction in taxation, it is perhaps very natural that throughout Canada there should be increased demands for expenditure. I recall, about a year ago I think, one of the biggest of the big financial men of this country, himself a strong advocate of economy—he had been preaching it for some time—saying to me: "I am afraid, Mr. Robb, that Mr. King's government may be carrying this economy a little too far; this country is growing, and you must provide for the carrying on of the affairs of Canada in a reasonable way." I suppose he voiced public opinion fairly well. At least he voiced the opinion that we have heard in this chamber during this session. I am wondering who is going to vote for this blanket resolution for economy. Who is going to vote against these estimates that we are presenting to-day? Are the hon. members who come from the great city of Toronto going to vote against these expenditures, and for greater economy? Are hon. members from Hamilton going to vote for a reduction in the estimates? No cities in Canada have received more by direct votes than these two cities in Ontario. No person will say that they are ardent supporters of the government; but the growing demands of those cities did require some additional expenditure. And my hon. friends from the maritime provinces, are they going to vote for this blanket resolution for economy? If so, they are going to vote against all the speeches they have made within the last month. They held up this house for the better part of two days telling us that we had not been providing sufficient expenditure to carry on the affairs of the country. But it is not the province of Ontario and the maritimes alone who have been asking for increased expenditures. My hon. friends down in yonder group have been chiding the government because, forsooth, we have not been spending money enough in their part of the country. I have under my hand a statement showing that just one day, when my colleague the Minister of Public Works (Mr. Elliott) was presenting his estimates, seventeen gentlemen opposite rose each in his place and demanded an increased expenditure in his own county. We were chided because we were not providing for public buildings or wharves or something in the counties those hon. gentlemen have the honour to represent. A few days later my colleague was again before the committee, and again there were demands for increased expenditure. It is possible there were some demands from this side, but it so happens that on the list I have in my hand there are seven names of hon. gentlemen, one from the city of Quebec, but all the others, gentlemen now facing me, very genial chaps. And would you believe it, among those asking for increased expenditures was my hon. friend who has presented the resolution this morning.

Mr. BENNETT: That is hardly a correct statement. What I pointed out was that the city of Calgary, with its large revenues, was without a public building although other places had public buildings, because they had returned government supporters and Calgary had not.

Mr. ROBB: My hon. friend pointed out that Calgary was entitled to a public building and he was on sound ground. He was no worse than other members in that respect. I was in Calgary last fall and I am bound to say I think my hon. friend was right. But surely he cannot chide us for having increased expenditures when he and his friends are finding fault because we have not been spending money enough.

I have no desire to delay the house longer. The policy of this government is to live within our means; to provide annually surpluses instead of deficits; to reduce annually the taxes bearing so heavily upon the people. Our record is good in that regard and we have succeeded in reducing the public debt. I submit, Mr. Speaker, that so long as a country is able to present in its an-

nual statements a surplus of revenue over expenditures, a reduction in the national debt and a reduction in taxation, blanket resolutions such as this, coming from hon. gentlemen opposite who individually are urging the government to spend more money in their own constituencies, are not very weighty. My hon. friend is making a brave attempt to rally his friends around him to get them to vote on a resolution which might possibly send the government to prorogation with a little less majority than we have been having recently. But back in the country gentlemen who vote against these expenditures will be met by their constituents with this comment: "Well, you will have to do some explaining as to why you are voting against a government that is providing generously for carrying on public works within our different counties."

Mr. BENNETT: On a question of privilege, may I mention one matter? The Minister of Railways (Mr. Dunning) has sent me a slip indicating that under Bill 204, which increases to $10,500,000, the amount of security that might be issued in connection with the Toronto terminals, $7,000,000 had already been issued and the new amount would be only $3,500,000. The act calls for $10,500,000 but $7,000,000 has already been issued and the additional amount, as I have stated, is only $3,500,000. I thank the hon. gentleman. I had not the information as to the exact amount.

Mr. WILLIAM IRVINE (Wetaskiwin): I desire to make an observation or two on the motion which has been presented by the hon. leader of the opposition (Mr. Bennett). It is of course not an opportune time to attempt to analyse the entire budget of the nation, especially when there is such anxiety evinced on all sides of the house for a speedy closing of the session—an anxiety which I share. I think I might say at the outset that there are very grave charges indeed involved in the leader of the opposition's resolution, charges which perhaps merit a great deal more attention than we shall be able to give them at the present time. It is true the Minister of Finance (Mr. Robb) has characterized the motion as being a part of party etiquette, and in that regard the charges, judging by the past at least are well founded. Then the minister replies in party etiquette style also by pointing out to us that this is not the only government whch has made large expenditures. That too I regard as party etiquette. I want to point out that I was one who urged the government for larger expenditures at a time when Canada was passing through a very difficult period of depression. At that time I found that the house generally had caught the gloom, and everywhere was insisting that the government should restrict its expenditures and thus further force the country into depression. Following the same policy I would say that this is the time when Canada should restrict her expenditures as far as possible and start no new exploits which could be postponed for a few years, knowing that the depression will return. I do not wish to charge the government with not having followed that policy, for that policy has never been followed, and it cannot be followed until there is a sounder view perhaps of the expenditure of money in relation to the general prosperity of the country. There may be extravagance in many of the items which have passed the house; there may be extravagance in any one or other of the departments; and to that extent no doubt the charge of the leader of the opposition may be very well taken. On the other hand we are not in a position to know just whether there have been extravagances or not. For several years we have pressed from this section of the assembly that there ought to be a better method of examining the expenditures of the country. We have asked from time to time that estimates be either allocated to various standing committees of the house, or that special committees be appointed to attend to this matter. So far we have not received much encouragement. I do not know whether the present way of dealing with the estimates is also party etiquette and affords an opportunity for partisanship in this house. If that is so, it does not apply to this particular government but to all governments.

But I do insist that the government give us now some assurance that at subsequent sessions an attempt will be made to deal a little more efficiently with the examination of the expenditures of the country. Sitting here in committee of the whole, with party etiquette reigning on each side, wasting time asking foolish questions, putting the minister into a corner where he cannot answer and has not the information—all this is absolutely absurd, and for an intelligent assembly like this to proceed in that manner to vote the expenditure of approximately $500,000,000 is something I cannot understand.

While I am not supposed to be a business man, I assure you, Mr. Speaker, I would not proceed in that way. I think there are better

ways to do it, and if the Prime Minister is going to have anything to say on the amendment I hope he will give us some assurance that this question will be looked into and that in the future the estimates will be more carefully examined.

I agree to this extent with the Minister of Finance, that the amendment of the leader of the opposition is a blanket charge. There are many expenditures which we all agree must go on, and of course there may be some which should not be made. However, I say we have not the means of getting accurate information with respect to these matters. Of course I realize that perhaps the leader of the opposition could not do otherwise at this time than make a blanket charge, but in respect to the other point which the Minister of Finance brought out, when he asked who was going to vote against this amendment, I could tell him of people who might very well vote for it. I refer to the people of the western provinces, because when you look over the expenditures of the country you find that a very small percentage of them has been made there. So I think we could surely justify ourselves if we decided to support the amendment of the leader of the opposition. I do not know the exact percentage of the total expenditure which will be made in the western provinces, but I do know that in other years less than 10 per cent went to those four western provinces, and I do not know that that percentage has been increased. I also know that in the west there is a growing feeling that in the eastern provinces large expenditures are made which are regarded by the man in the street as being for party purposes. I do not say that that is true; we do not know whether or not it is true because we have not had the opportunity to investigate. However, I will say that I have made no request to the government for the expenditure of money in my constituency. I did have an idea that we should have a new post office in the large, flourishing city of Bentley; I once thought I might ask for $5,000,000 or so to dredge out a harbour below my house on Blindman river, but not being persona grata I thought I had better not present those requests.

I will conclude, Mr. Speaker, by saying that in a growing country such as Canada our expenditures necessarily must grow with our increasing obligations. If we merely make a blanket charge that too much money has been spent I do not know that I could conscientiously support that view unless I had the information which, as I have indicated, we do not have. I hope that in the future we will make larger expenditures, providing that they are made for the welfare of the nation and to meet the needs of the public service. I do not believe the people will be averse to the expenditure of the present budget, provided they are assured that the expenditure is made in a proper way. That is all I desire to say at this time.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. member for Wetaskiwin (Mr. Irvine) has just spoken with regard to the advisability of adopting a different method of considering the estimates. In particular he has suggested that the estimates should be submitted, as I understand it, either to a special committee for the purpose of considering all the estimates of the departments, or by departments to standing committees of the house which have to do with the different subjects to which the estimates relate. May I say to my hon. friend that his suggestion is one which the government had under consideration at the opening of this session. My hon. friend the leader of the opposition (Mr. Bennett) will recall that at the beginning of the session I discussed with him the advisability of the different parties in the house adopting some more effective method of scrutinizing the supply requested by the government, some method which would enable members to hear what the officials of the departments had to say with respect to the several items included in the estimates. I entirely agree with my hon. friend that the system at present in force, under which a minister of the crown is necessarily dependent in the House of Commons on his deputy for much of the needed information with the deputy, also of necessity, often not wholly familiar with all the details of particular branches, is most unsatisfactory. Speaking for the government I would say that we would welcome a change in the present method, a change which would not only afford fuller opportunity for discussion but which would carry with it an obligation on the part of the heads of different branches of the public service to appear before a committee of the house and explain fully the reasons which have occasioned the recommendations which find their place in the estimates submitted to the house.

Having said this I would like to supplement my remarks further by saying that if we are not voted out of office as a result of this blanket amendment and if when another session comes around we still retain the confidence of the House of Commons, one of the first matters to which we will ask the house

to give its attention and consideration will be the one mentioned by my hon. friend, namely that of arranging some method by which the estimates may to a greater or less extent be considered by a special committee or by the standing committees of the house.

Mr. JOHN EVANS (Rosetown): If this amendment comes to a vote we will be placed in one of those awkward situations which come about as a result of the party system of government. We have been placed in this position more than once before, and the house need not be surprised at the way any hon. member of this small group may vote in connection with this amendment. We are now asked to decide between the tremendous expenditures and some of the votes which are made for party purposes only. Not long ago an amendment was debated on this side of the house condemning the government for not implementing the Duncan report 100 per cent. That whole report is the result of a false fiscal system, and so long as special privilege is catered to in this country situations of that kind will develop in the future more rapidly than has been the case in the past.

To-day if we vote for the government we vote for millions and millions of utter waste this year in connection with the demolishing of splendid buildings in this city which were built for permanent use, without the construction of one highway in western Canada where the people cannot even go to market or get their mail for certain weeks in the year. Next year we must have some new method for consideration of our public expenditures.

The house divided on the amendment (Mr. Bennett) which was negatived on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),	Kaiser,
Anderson (Halton),	MacNutt,
Arthurs,	McGibbon,
Barber,	Maloney,
Bell (Hamilton West),	Matthews,
Bennett,	Maybee,
Bowen,	Peck,
Brady,	Perley (Sir George),
Cantley,	Preston,
Carmichael,	Quinn,
Charters,	Rennie,
Church,	Robinson,
Dickie,	Ross (Kingston City),
Edwards (Waterloo South),	Senn,
Embury,	Spence,
Esling,	Stewart (Leeds),
Fansher (Lambton East),	Stirling,
Grimmer,	Thompson,
	Tummon,
	White (London).—38.

NAYS

Messrs:

Adshead,	Lapierre,
Bancroft,	Lapointe,
Benoit,	Lavigueur,
Blanchard,	Letellier,
Bock,	Macdonald (Glengarry),
Bothwell,	McDiarmid,
Bouchard,	McIntosh,
Boulanger,	McKenzie,
Bourassa,	Marcil,
Bourgeois,	Mercier (St. Henri),
Bradette,	Millar,
Brown,	Milne,
Cardin,	Morin (Bagot),
Casgrain,	Morin (St. Hyacinthe-Rouville),
Chevrier,	Morrissy,
Delisle,	Neill,
Denis (St. Denis),	Odette,
Denis (Joliette),	Perras,
Desaulniers,	Ralston,
Descoteaux,	Rhéaume,
Deslauriers,	Robb,
Donnelly,	Roberge,
Dunning,	Ross (Moose Jaw),
Edwards (Ottawa),	St-Père,
Elliott,	Sanderson,
Fansher (Last Mountain),	Séguin,
Fontaine,	Smith (Stormont),
Forke,	Speakman,
Gardiner,	Spencer,
Gervais,	Steedsman.
Goulet,	Stewart (Edmonton West),
Guérin,	Telford,
Heaps,	Thorson,
Ilsley,	Totzke,
Irvine,	Ward,
Jelliff,	Woodsworth,
Jenkins,	Young (Saskatoon),
Johnston (Long Lake),	Young (Weyburn).—79.
King, Mackenzie (Prince Albert),	
Laflamme,	
Langlois,	

PAIRS

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

Lovie,	Ryckman,
Rutherford,	Gott,
Sylvestre,	Chaplin,
Lanctôt,	Bell (St. John-Albert),
Hay,	Hubbs,
Duff,	Smith (Cumberland),
Veniot,	Hanson,
Tobin,	Harris,
Goodison,	Stinson,
Hall.	Sinclair (Wellington),
MacLean (Prince),	McGregor,
Parent,	Boys,
Heenan,	Black (Yukon),
Euler,	Manion,
Malcolm,	Stevens,
Baldwin,	Johnstone,
Howden,	Macdonald (Richmond),
Robitaille,	Short,
Pouliot,	Lennox,
Dubuc,	Guthrie,
Blatchford,	McRae,
Lang,	Young (Toronto),
Taylor,	Ryerson,
Boucher,	Pettit,
Fafard,	McQuarrie,
Beaubien,	Coote,
Glen.	Lucas,
Cannon,	Edwards (Frontenac),

Hepburn,	Spotton,
McMillan,	Fraser,
Vallance,	Clark,
Kay,	Wilson (Wentworth),
McLean (Melfort),	Macdougall,
Fiset,	MacLaren,
Sinclair (Queens),	Jones,
Lacroix,	Rowe,
Mercier, (Outremont),	Geary,
McPhee,	Macdonald (Kings),
Rinfret,	Cahan,
Cahill,	Simpson,
King (Kootenay),	Black (Halifax),
Bowman,	Hodgins,
Wilson (Soulanges),	White (Mount Royal),
Verville,	Price,
Dionne,	Garland (Carleton),
Dussault.	Cotnam,
Raymond,	Bell (St. Antoine),
Howard,	Casselman,
Auger,	Ernst,
Boivin,	Hocken,
Allan,	Cowan,
Cayley,	Smoke,
Motherwell,	Tolmie,
McPherson,	Ladner,
Bissett,	MacDonald (Cape Breton South),

Mr. A. K. HODGINS (East Middlesex): I was paired with the hon. member for East Algoma (Mr. Bowman). Had I voted I would have voted for the amendment.

Mr. T. E. SIMPSON (West Algoma): I was paired with the hon. member for Pontiac (Mr. Cahill). Had I voted I would have voted for the amendment.

Mr. G. R. GEARY (South Toronto): I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted I would have voted for the amendment.

Mr. E. W. ROWE (Dufferin-Simcoe): I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted I would have voted for the amendment.

Mr. T. H. STINSON (Victoria): I was paired with the hon. member for West Lambton (Mr. Goodison). Had I voted I would have voted for the amendment.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted I would have voted against the amendment.

Mr. KING (Kootenay): I was paired with the senior member for Halifax (Mr. Black). Had I voted I would have voted against the amendment.

Mr. RINFRET: I was paired with the hon. member for St. Lawrence-St. George (Mr. Cahan). Had I voted I would have voted against the amendment.

Mr. SINCLAIR (Queens): I was paired with the hon. member for Royal (Mr. Jones). Had I voted I would have voted against the amendment.

[Mr. Evans.]

Mr. KAY: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted against the amendment.

Sir EUGENE FISET: I was paired with the hon. member for St. John-Albert (Mr. MacLaren). Had I voted I would have voted against the amendment.

Mr. McPHEE: I was paired with the hon. member for Kings (Mr. Macdonald). Had I voted I would have voted against the amendment.

Mr. VALLANCE: I was paired with the hon. member for Vancouver-Burrard (Mr. Clark). Had I voted I would have voted against the amendment.

Mr. CAYLEY: I was paired with the hon. member for Brant (Mr. Smoke). Had I voted I would have voted against the amendment.

Mr. TAYLOR: I was paired with the hon. member for Brantford (Mr. Ryerson). Had I voted I would have voted against the amendment.

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted I would have voted in support of the amendment.

SUPPLY—INDEMNITY OF MEMBERS

On the motion to go into committee of supply:

Mr. H. E. LAVIGUEUR (Quebec Montmorency): Mr. Speaker, I would like to discuss the question of an increase in the indemnity of members of the House of Commons. It is almost one o'clock, and I wonder if, with the consent of the house you would call it one o'clock.

Mr. SPEAKER: There does not seem to be unanimous consent, so the hon. member had better proceed.

Mr. LAVIGUEUR: This question has been the subject of discussion, and petitions have been presented from time to time. I noticed in yesterday's Ottawa Citizen, a declaration made by the right hon. the leader of the opposition and I would like to read what the hon. gentleman is quoted as saying.

Mr. WOODSWORTH: What is the hon. gentleman talking about?

Mr. LAVIGUEUR: About an increased indemnity for members of the house.

Mr. WOODSWORTH: We cannot hear you at this end of the chamber.

Mr. LAVIGUEUR: I can speak in French if my hon. friend prefers it.

Mr. WOODSWORTH: It is not a question of French or English, it is a question of sound; we cannot hear a word.

Mr. LAVIGUEUR: I am sorry for my hon. friend, Mr. Speaker, he is at the other end of the house and I am at this end.

This declaration as published in the Ottawa Citizen of yesterday morning may lead the people of this country to believe that a request has been brought before this house and refused. I will read the declaration:

The move for an increased indemnity for members of parliament and, incidentally, senators, has failed. On Wednesday night some Conservative members joined with Liberals and Progressives in interviewing the Prime Minister, a procedure which, so far as Conservatives was concerned, was not with the approval of the leader. Mr. Bennett has informed a delegation that he is against an increased indemnity or allowance as applied to this parliament, but, if passed before dissolution, and applicable to the next parliament after being pronounced upon at a general election, he would not have the same objection. Hon. J. A. Robb is also opposed.

According to this article the leader of the opposition has made a declaration in regard to the matter, and so has the Minister of Finance. A move has been organized by the different parties in the house and I have been told that more than ninety-five per cent of the members—

Mr. SPEAKER: It being one o'clock, I do now leave the chair. In accordance with the motion made by the Prime Minister this morning and agreed to, the house will meet at two o'clock.

At one o'clock the house took recess.

The house resumed at two o'clock.

Mr. LAVIGUEUR: Mr. Speaker, when the house rose at one o'clock, I was dealing with the question of increased indemnities for members of parliament, and drawing the attention of the house to an article published in yesterday morning's Ottawa Citizen, which in my opinion did not do justice to the two hon. gentlemen whose names it mentioned, the hon. Minister of Finance (Mr. Robb) and the hon. leader of the opposition (Mr. Bennett). I think in justice to them, and also in justice to the large numbers of the members of this house who are in favour of an increase in the indemnity, which I consider is one of the most important questions and should be treated as an important measure by this house, I should say a few words.

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I have no hesitation in stating that at least ninety or ninety-five per cent of the membership of this House of Commons are in favour of an increase in the indemnity. I am myself in favour of it, not only on my own behalf but on behalf of large numbers of hon. members. I am not exactly one of the oldest members of the house, but I come pretty near to be one of the oldest members, and I consider that in justice and fairness to the members of this house, and in the interests of the country at large, it would only be fair and right that the indemnity should be increased, and if the thing is to be done, I do not see why it should not be done this year as well as at any other time.

In 1920 I had the honour of speaking in this house when the question of an increased indemnity, proposed by the Right Hon. Sir Robert Borden, came before us. The great majority of the members were in favour of that increase, which was concurred in by both political parties and by the house. At that time it was very clearly stated that the indemnity was not adequate remuneration for the sacrifices and expenses that had to be borne by the members who had to sit here in Ottawa for five or six and sometimes seven months in the year. The members of this House of Commons, representing the people, are supposed to make pecuniary sacrifices, and in some instances they can well afford to do so. We have in this house some of the wealthiest men in the country, who can well afford to give up their private business and devote their lives to the service of the country. But, on the other hand, we have representatives of the people in this house who belong to the farming class, men representative of labour, industrial representatives, and merchants, and for these classes it is well known that there is not much reward in politics. After a man has given years of service to his country, and his private business has been ruined, he is left at home, and sometimes his family has to suffer as well as himself for the sacrifices that he has made in political life. We have lost many valuable men who have had to leave the political arena and go into private business, or seek employment in the civil service or on the bench, simply because they could not afford to stay in politics. On both sides of the house at the present time there are many members who are looking for a judgeship or some other position for the reason that they cannot afford to remain in politics. I think, Mr. Speaker, that it is in the best interests of this country that this question should be brought before the house, and that the house

should express its opinion upon it. Everybody is cognizant of the fact that there has been a move on the part of hon. members for an increase in the indemnity. The matter has received great publicity in the press, and therefore I think it would be wise under all the circumstances to have the house express its opinion on the question. Much might be said on this question, but I shall not detain the house in view of the fact that a great majority of the members have signed petitions asking the prime minister to increase the indemnity—not only a great majority of the members on this side of the house but there were as many on the other side who signed.

Some hon. MEMBERS: No, no.

Mr. GUTHRIE: That is not right.

Mr. LAVIGUEUR: An official delegation from this side and an official delegation from that side of the house met the Prime Minister and laid before him their demand. So, Mr. Speaker, I simply wish to have the opinion of my fellow members. For myself, I am quite ready to take the responsibilty for what I have stated.

Mr. WHITE (London): Does my hon. friend say that an official delegation from this side of the house waited on the Prime Minister?

Mr. LAVIGUEUR: Yes.

Mr. WHITE (London): I object to that statement.

Mr. GUTHRIE: So do I.

Mr. LAVIGUEUR: Mr. Speaker, I am willing to take full responsibility for what I am now stating. In 1920 I was in favour of an increased indemnity; I spoke in favour of it and I voted for it. I am quite willing to take the same stand now and to explain to my people that when a man assumes the obligations of a member of parliament it is only reasonable that he should be reimbursed the expenses he has to incur during the six months or more in the year that he is absent from his family. In 1921 my opponents in the county of Quebec-Montmorency reproached me for having voted in 1920 for an increase in the indemnity. I frankly acknowledged to my people that I had done so, and I declared that I would do the same thing again, for I thought the increase was well merited, and I told them that if they wanted a cheaper man they were at liberty to select my opponent. They sent me back to this house with a majority of fifteen hundred—the largest majority that Quebec-Montmorency ever gave to any member. I think this measure should be fully discussed by the house. It is not a party question; both parties are committed to the increase. For my part I agree with my colleagues that we should proceed in the matter.

Some hon. MEMBERS: Question.

Mr. SPEAKER: It is moved by Mr. Robb, seconded by Mr. Rinfret, that I do now leave the chair.

Motion agreed to and the house went into committee of supply.

SUPPLY

DEPARTMENT OF HEALTH

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

Health—the administration of the acts respecting food and drugs, honey, maple products, opium and narcotic drugs and proprietary or patent medicines, $130,000.

Mr. McGIBBON: When this vote was under consideration on a former occasion I asked the minister some questions. Probably he can now give me the answers.

Hon. J. H. KING (Minister of Health): When we were on this item the other night my hon. friend complained about the administration of the narcotic division of the department. At that time I indicated to the house the activities of the division during the past year. I advised that there had been 459 convictions of males and 31 convictions of females, and that we had succeeded in Montreal and also in Vancouver—two of the largest centres of the narcotic drug traffic—in securing important convictions. We have been similarly successful in Winnipeg. I have reason to believe that the division has done excellent work in this respect and also in checking the interprovincial trade in narcotics. I think my hon. friend was rather severe in his criticism. The figures I have mentioned speak for themselves, and we also have evidence from abroad that the work being done by this branch is considered effective in other countries. In confirmation of this I wish to read an extract from a letter written to me by Sir Malcolm Delevingne of the British Home office. He says:

The effective action which your department has succeeded in taking and the information which you have been able to communicate are of first rate importance for the campaign against the illicit drug traffic. The minister will have pleasure in calling special attention at the opening meeting of the advisory committee to the important work which Canada has done in this connection. He can honestly say that there are few countries indeed which have done so much, and he conveys his warm congratulations.

Sir Malcolm Delevingne was speaking for the Minister of Health of Great Britain. We know that the officers of our division through their activities have succeeded in effectually curbing the international traffic in narcotics.

Mr. McGIBBON: The other evening I asked the minister to tell me the number of commitments, the charges on which those commitments were secured, and the occupations of those committed to gaol.

Mr. KING (Kootenay): Outside of those who were engaged in the practice of medicine and pharmacy, the persons convicted appear to have no other occupation but that of trafficking in narcotic drugs.

Mr. McGIBBON: I do not know whether the minister caught my question. I asked him how many convictions there had been, for instance, for illegally selling narcotic drugs, and the occupations of those so convicted.

Mr. KING (Kootenay): I have just informed my hon. friend that we have secured 459 convictions. If he would like the figures by provinces I can give them. Besides the 459 convictions of males there were 31 convictions of females. As I have said, outside of those engaged in the practice of medicine and pharmacy, we think the principal business of those convicted is this illicit traffic.

Mr. McGIBBON: I have a statement from the Bureau of Statistics under the head "Selling narcotic drugs," and I see 36 males and 5 females, making a total of 41, were convicted. Then there is another list of sentences with and without the option of fine—21 and 20. I do not know how the figures correspond with the minister's.

Mr. KING (Kootenay): I do not know where my hon. friend secured his information. If it is information supplied by the department I have no doubt it is correct and I cannot understand why my hon. friend should doubt it. The information given me by the department shows the total number of convictions male and female, also sentences; and I see that 327 of those convicted had the option of a fine, 159 were without that option, and there were 4 cases deferred. I have given the nationality of the persons convicted.

Mr. McGIBBON: Probably the confusion arises in this way: the minister has grouped them all. For instance, there are convictions simply for the frequenting of opium resorts. My question does not refer to that. There are something over 300 there. I am speaking about those convicted of illegally selling narcotics and not of frequenting say, Chinese dens or places of that sort.

Mr. KING (Kootenay): That is different. I was dealing with those who had been engaged in the traffic and were convicted of infractions of the narcotic act. The figures I have given are correct. As for the conviction of those engaged directly in selling, so far as the federal government is concerned we have had 77 convictions under the act.

Mr. McGIBBON: For what length of time?

Mr. KING (Kootenay): The year ended last March.

Mr. McGIBBON: How many of those were medical men whose conviction was due to ignorance of the law and not to the fact that they were engaged in the traffic? For example, giving a man half a dozen tablets to carry away with him, a physician is convicted: his conviction is due to ignorance of the law and not to the fact that he is participating in the traffic.

Mr. KING (Kootenay): During the year ended March 31 there were seven physicians, two veterinary surgeons and three druggists committed, not as my hon. friend says for giving two or three tablets—

Mr. McGIBBON: Some were.

Mr. KING (Kootenay): Our experience has been this—and my hon. friend will be so advised: it is not the desire of the department to persecute physicians, but we do get information from time to time that certain physicians are engaged in this traffic for profit, and once that information comes to the department it is our duty to make an investigation. We make our own inquiries and if we think there is ground for the complaint—and complaints come from many sources—then the mounted police and the chief of the Dominion police force are asked to make an investigation. After they have made their investigation, if the case is one that should be proceeded with it is proceeded with. That has been done and will continue to be done. I do not think we have any apologies to make in regard to the activities of the Dominion officials or of the mounted police in the carrying out of this work. There are many difficulties. People have complained regarding the class of operators we have employed. Now the ordinary healthy man cannot walk into a physician's office and get a tube of morphine or a tube of heroin, but the addict will go into the office of the physi-

cian who is trafficking for profit and obtain one, two or three tubes. It has been the custom, or was the custom of the police to employ men who were addicts. I had many complaints made and we found one case where the addict when he was out of employment went to one office after another and tried to build up a case to report to the department. That man is not employed by the department to-day; he is serving two years in the penitentiary.

Mr. McGIBBON: I have no brief for any doctor trafficking in drugs and I want the minister to understand that perfectly. His department are justified in going to any extent at all if this condition exists. But I have in my hand evidence that rather contradicts the minister's statement. In fact, there are two doctors in my own constituency who, I am quite certain, were never in the drug traffic at all, but who were convicted and fined. They were threatened to have their license cancelled. But I am not pressing that point for the moment. The minister says that he is using drug fiends to get these people.

An hon. MEMBER: He said "addicts".

Mr. KING (Kootenay): We are not at the moment, but I would not say that we would not.

Mr. McGIBBON: Has the minister in the past, or has his department or the mounted police, used such men?

Mr. KING (Kootenay): Yes, the mounted police have used them but they have not supplied them with drugs and have not used them when they were taking drugs. At least, that is the information supplied us. I have spoken of one individual whom they had employed and when we found that he was operating with a view to being in continuous employment, we advised the police that we would not accept information from that individual. And as I say, he has been convicted and is now serving two years in the penitentiary.

Mr. McGIBBON: I want to ask further—and this is the gravamen of my question: Were the mounted police allowed to give morphine to these addicts?

Mr. KING (Kootenay): We had this matter under consideration with the commissioner of police a year or more ago and he advised that the department had never employed an individual whom we know to be actually using narcotics at the time, and should it be subsequently learned that such an agent is addicted to narcotics every effort is made to restrict the use until the case is completed, when he is immediately let go.

Mr. McGIBBON: Did the minister ever read the evidence given at a trial in Timmins of a doctor there? The name of the mounted policeman is Fraser.

Mr. KING (Kootenay): That case came up a year or two ago.

Mr. McGIBBON: Yes.

Mr. KING (Kootenay): Yes, I went into the files at that time. The operator then used by the police is the individual I speak of. He is not in the employ of the department or of the police at the present time.

Mr. McGIBBON: It is a fact, then, that the department on occasions have allowed mounted policemen to take human beings and use them as spies to to speak—dose them up with morphine? It seems to me—

Mr. KING (Kootenay): No.

Mr. McGIBBON: I have the sworn evidence that they did.

Mr. KING (Kootenay): I do not care where you got your evidence; it is not true

Mr. McGIBBON: It came out in the court.

Mr. KING (Kootenay): I do not care where you get your evidence; it is not true.

Mr. McGIBBON: It came out in court.

Mr. KING (Kootenay): I have the statement of the commissioner in which he absolutely denies anything of the sort. My hon. friend knows that we are dealing with an abnormal traffic, and sometimes we are compelled to use extraordinary means. As far as the department is concerned, if we find people engaged in this traffic we try to secure convictions.

Mr. McGIBBON: I want the minister to get my point correctly. I say it is a disgrace to this country and an insult to the intelligence of the people that human beings should be victimized in this way and have morphine dosed into them by the mounted police.

Mr. KING (Kootenay): My hon. friend is making a statement in which there is no truth; he has not the evidence to support it.

Mr. McGIBBON: I have a copy of the sworn evidence given at this trial in Timmins.

Mr. KING (Kootenay): That does not mean anything; the mounted police say that is not so.

Mr. McGIBBON: But this is the evidence given under oath at the trial of the doctor who was convicted. I hold no brief for the doctor; the charge I am making against the Department of Health is that they allowed human beings to be dosed up with morphia by the mounted police.

Mr. KING (Kootenay): I claim that is not true. My hon. friend says he has the evidence. Who gave the evidence? Was it the addict?

Mr. McGIBBON: He was one of the witnesses.

Mr. KING (Kootenay): My hon. friend is an experienced practitioner and he knows that no one will believe the word of an addict. I am surprised that he should bring such evidence here.

Mr. McGIBBON: I am trying to get the minister to understand that this evidence was given at the trial and was confirmed by a mounted policeman. Does my hon. friend place the policeman in the same class? On the sworn evidence of these two men the doctor was convicted, and it was admitted by the policeman that he administered morphine to the addict.

Mr. KING (Kootenay): The mounted police did not advise the court of that fact. As I have explained, we advise the police to avoid the use of these addicts as informers if possible, and we are trying to get on without them. I would not say, however, that it would be possible to proceed without them in some cases, because the ordinary healthy man cannot go into the office of an ordinary doctor and get away with it. The report I have here shows that since April 1, 1927, only one agent has been employed in connection with cases against members of the medical profession, and particular pains were taken to insure that at the time of his employment he was not an addict. He worked for us for several months, and was periodically examined by a physician to insure that he was in good physical condition, and free from narcotic addiction. At the conclusion of a number of cases in the Toronto district, but before they came to trial, this agent fell from grace. The moment it became known to this department he was immediately placed in hospital, and remained there until cured of his addiction. Upon his leaving hospital, orders were issued that under no circumstances was he to be in future employed in cases against professional men to avoid even the possibility of his being addicted while engaged in that class of work. I think we have taken fair measures in this regard, and I am not impressed by the evidence given by this addict at Timmins.

Mr. McGIBBON: But my dear man, the mounted police admitted it.

Mr. ANDERSON (Halton): I was rather surprised to hear the minister say he would not take the evidence of drug addicts in these cases. I would refer him to a question which I placed on the order paper in February, in reply to which he indicated that none of these addicts were being used.

Mr. KING (Kootenay): Not now.

Mr. ANDERSON (Halton): And not at that time?

Mr. KING (Kootenay): Not for the last year.

Mr. ANDERSON (Halton): At the time this question was answered the minister said none of these addicts were used, yet he had in his possession the evidence taken in a case where an addict was used. I refer to a case in my own riding where a doctor was convicted on the evidence of a drug addict, and if the minister will look through the evidence which he has in his department he will find that it includes the evidence of an addict. This was the case of a young man who had been in practice less than three years. This drug addict came to him and told his story, and we all know what kind of story a drug addict can tell; it would bring tears to the eyes of a crocodile. This young doctor, having no morphine in his office, in order to relieve the sufferings of the addict went to the drug store across the street and bought some. The addict came back in a few days, presented the same argument and got a little more morphine, and on his third visit the mounted police came and arrested the doctor, who was convicted and sentenced to three months in prison. He was a young man with practically no knowledge of the law, but he was convicted on the evidence of this drug addict.

In my question I asked:

How many physicians were convicted for violation of the Opium and Narcotic Drug Act, in each province during the year 1927?

The answer was:

Quebec, 4; Ontario, 10; Alberta, 1.

My question then went on:

How many physicians were convicted through the use of drug addicts as spotters?

The answer to that question was "none". Yet at that time the minister had in his own office the evidence which was given at that trial. I am not blaming the minister; I think something should be done to prevent people from selling these drugs, but I do not believe it was the intention of the act that young medical men throughout the Dominion should be tempted to violate the law by men who present very specious arguments as to why they should have a little morphine or cocaine.

This young man to whom I have referred has been convicted and has served his sentence; he is now prevented from practising medicine, and the federal department—I am not saying the minister himself—is making an effort to have his license cancelled so that he cannot practice in the province of Ontario. I think that is a species of persecution, and the minister should look into the matter very carefully, because I do not think he himself is responsible for the action which has been taken. This is the first time this young man has been convicted of anything, and I think he should be allowed a second chance. This act was not particularly passed to catch medical men; its purpose was rather to get the regular traffickers in narcotic drugs, and I think the department should turn their efforts in that direction instead of tempting medical men throughout the Dominion to violate the act.

It is not a crime for a medical man, after properly examining a drug addict, to give him some medicine to relieve his suffering, and there are very good reasons why a certain latitude should be allowed the average doctor. Only a few years ago I had quite an experience in that regard; I refused the drug to a young woman, with the consequence that she ended her life in the river. These people do suffer very acutely; I have seen them on more than one occasion, and their suffering is extreme. Something should be done for them; they are human beings. As the minister says, you cannot believe their evidence under oath, and why convict medical men on the evidence of this kind of people? Of course the police were present in this case; they sent the man there with a marked bill which they could trace in order to see if the doctor received it; the third time the addict visited the doctor the police came in, arrested the physician and found the money in his possession. That was evidence enough, of course, that he had received it from this man, but the evidence as to the amount of the drugs which changed hands depended entirely on the evidence of the drug addict himself. This drug addict has since skipped the country. He had served a term in prison in the United States and has gone back there and cannot be found at the present time; he left the department's service on his own account. I should like to know just how that corresponds with the return made by the minister or his department, which says that no drug addicts are being used by the department to convict medical men throughout the Dominion of Canada.

Mr. HOWDEN: As a medical man and a member of this house I feel that I should protest against the use of stool pigeons or decoys against medical men. It is a medical man's business to deal with suffering and sickness. Every day of his life he comes in contact with human emotions, and the emotion displayed by a drug addict suffering from the want of drugs is incomparable to anything I know of. Drug addicts have come to my office from time to time and have been relieved, but I never sold a tube of morphine or took payment for any injection in my life, and I never will. But I would hate to think that a man might come to my office at any time suffering from the pangs of the drug habit, and if I undertook to give him some relief I would be subjecting myself to the penalities of the law.

Mr. KING (Kootenay): You would not if you did it yourself.

Mr. HOWDEN: I did not know that.

Mr. KING (Kootenay): If you give it for self-administration, then you might be liable.

Mr. HOWDEN: I have never given it for self-administration. It seems to me that it is very unfair to the medical practice, because, taking them as a class, the medical men are a pretty fair bunch of citizens so far as Canada is concerned. They try to keep the law. It is true there are exceptions, but it does not seem fair to have a stool pigeon sent into a doctor's office in order to secure a conviction against him of selling drugs.

Mr. KING (Kootenay): That is not done, and a doctor is not investigated unless there is very good evidence that he is trafficking in drugs. As I explained to the committee this work is done by the mounted police, and they use the agencies they think necessary. Prosecutions are not started against men who are carrying on their practice in the way my hon. friend suggests. A doctor can administer to the addict the required dosage to relieve the symptons, but the doctor may not sell drugs to

that addict for self-administration. The medical profession should know that, because I am advised they have been circularized more than once. I think the number of convictions would indicate that the profession are not engaged in this traffic. My hon. friend has referred to a particular case. We were advised by the father of a young boy in Toronto that he was associating with a person whom he thought was an addict, and this addict was getting his supply from a doctor at a certain point. We investigated and found that the addict was going from day to day and getting his supply. The police took up the case and they sent their investigator in and he was able to buy cocaine at one dollar per grain, and the evidence was secured. The unfortunate young man was convicted and I was appealed to. As regards his right to practice medicine, that rests entirely with the Ontario council of medicine. We report to the council any convictions that are made, and it is up to the provincial council to deal with their members as they see fit.

Mr. ANDERSON (Halton): In connection with this particular case, I should like to ask the minister if he thinks it is the duty of the department to make an effort to get this license cancelled by the council?

Mr. KING (Kootenay): We have made no effort.

Mr. ANDERSON (Halton): It is my understanding that an effort has been made and is being made now.

Mr. KING (Kootenay): I think my hon. friend is mistaken.

Mr. ANDERSON (Halton): I should like the minister to look into that feature of the case.

Mr. KING (Kootenay): I will.

Mr. ANDERSON (Halton): I think the medical council is able to look after a case of that kind without any interference from the department at Ottawa. That is what I am complaining about.

Mr. KING (Kootenay): The only thing we did was to notify them of the conviction. We do this with all the provincial councils and then it is for them to proceed as they see fit.

Mr. ANDERSON (Halton): I agree that the minister has a perfect right to inform the council of Ontario or of any other province, but in this particular case I understand that a special effort is being made to have the license cancelled.

Mr. KING (Kootenay): I should be very much surprised to find that to be true. We have no desire to do anything of that kind, and I will have that checked up.

Mr. McGIBBON: I want the minister to understand distinctly that I am not criticizing any attempt he may make to convict those who are in this business. But the point I am raising is this: the mounted police were allowed to administer drugs to human beings. I will read the evidence given at the trial at Timmins. The following is the cross examination of the constable:

Q. At what time would you give him shots?

This refers to the drug addict.

A. I arranged my shots about four times a day; one in the morning; one in the evening and before going to bed—all depending on circumstances.

An hon. MEMBER: Who was the witness?

Mr. McGIBBON: The witness was a mounted policeman.

Mr. HOWDEN: Is a mounted policeman a medical man?

Mr. KING (Kootenay): No.

Mr. McGIBBON: Later on the witness makes this statement:

I have had him knocked out after coming out of a doctor's office.

That is the evidence of a mounted policeman admitting that he was administering drugs.

Mr. KING (Kootenay): This case happened two years ago, and I would suggest to my hon. friend and the committee that instructions were issued to the commissioner that we did not wish to employ people under those conditions, and the practice has ceased.

Mr. McGIBBON: I am glad to know that.

Item agreed to.

Soldiers' Civil Reestablishment—unemployment relief, $250,000.

Mr. BENNETT: Will the minister be good enough to give us just a few words of explanation as to how this appropriation is operated? I am bound to say that on one or two occasions matters of unemployment in connection with returned soldiers were brought to my attention and I found it impossible to get any relief from the fund. It would be very much appreciated by those who may be compelled in the future to make demands upon the fund if the minister would be good enough to give in colloquial terms an explanation that the public would understand.

Hon. J. H. KING (Minister of Soldiers' Civil Re-establishment): The policy of the department in regard to issuing relief is to assist necessitous cases who are unemployed and who are pensioned by the Board of Pension Commissioners for disabilities incurred while serving with the Canadian expeditionary force in the great war.

Mr. BENNETT: It is given only to pensioners?

Mr. KING (Kootenay): As a matter of fact persons who are not pensioners do in certain cases receive relief, but generally it is pensioners. Second, it is to assist those who have received a final payment by agreement from the Board of Pension Commissioners as above for disability rated between five and fourteen per cent. That is, some men who have commuted their pensions are still considered pensioners. Third, it is to assist former members of His Majesty's imperial forces and former members of His Majesty's allied forces who have been pensioned as above and who are now resident in Canada, provided, however, that disabled members of His Majesty's imperial or allied forces who arrived in Canada subsequently to the first December, 1924, are not considered eligible for this assistance. It was found that in 1924 many pensioners were coming to Canada and were asking for relief. An order was passed debarring pensioners coming from other countries after that date.

This assistance is provided mostly during the winter months and after investigation which indicates that distress would be occasioned if such help were not forthcoming. The rate of relief is as follows:

Single men	$30
Man and wife	45
Man and wife and one child	57
Man and wife and two or more children	67

The relief is given in the form of orders for groceries, fuel, rent, and not in cash.

Mr. MANION: By whom?

Mr. KING (Kootenay): By an officer of the department.

Mr. GUTHRIE: To whom is application made for such relief?

Mr. KING (Kootenay): It would be made directly to the officer in the unit. Then the investigation is made. If the conditions are as stated, the man would come in and receive relief.

Mr. BENNETT: Does the minister mean the general officer commanding the unit?

Mr. KING (Kootenay): An officer under the officer commanding the unit.

[Mr. Bennett.]

Mr. MANION: Under the Department of Soldiers' Civil Re-establishment?

Mr. KING (Kootenay): Yes.

Mr. BENNETT: Perhaps the minister would indicate what, for instance, a man in Calgary who is disabled and who is absolutely without employment, would have to do to claim the benefit of this fund?

Mr. KING (Kootenay): He would make application through the unit medical officer who would advise his officer to investigate the circumstances, and if the man came within the provisions and required relief, it would be granted on the basis that I have stated.

Mr. BENNETT: The statement made by the minister at once indicates why there has been so much complaint. For instance, a man is in desperate circumstances and he makes this complaint. Two or three weeks after he may receive $30. In the meantime he may have suffered the pangs of starvation.

Mr. KING (Kootenay): There may some delay, but generally speaking I am advised that our people to-day know pretty nearly the families who will come in the winter asking for this relief and they are making suggestions how we can do something to prevent these people from coming each year. The families are pretty well known, I am told, in the various units, and it has been suggested that we should endeavour to do something more to give them some kind of employment and get them away from this idea. We are going to try to do something this year in that regard.

Mr. BENNETT: How much was expended last year?

Mr. KING (Kootenay): About $388,000.

Mr. BENNETT: Then we over-expended the vote of last year?

Mr. KING (Kootenay): The main vote last year was $250,000; we had a supplementary vote of $200,000, and we spent $388,000.

Mr. BENNETT: Has the minister the figures to indicate just where those sums were disbursed? This is a matter that became of some interest recently.

Mr. KING (Kootenay): I will give the amounts by units.

Unit	District	Amount
"C"	Eastern Ontario	$ 45,000

I am giving the figures in round numbers. That is the Ottawa unit.

Mr. ROSS (Kingston): Is "C" unit only in Ottawa?

Mr. KING (Kootenay): Ottawa and eastern Ontario. That would take in Kingston and that area.

"D"	Western Ontario..	$171,000

That would take in Toronto.

"A"	Quebec..	$ 54,000
"B"	Nova Scotia and Prince Edward Island..	7,000
"G"	Manitoba..	47,000
"H"	Saskatchewan..	5,000
"I"	Alberta..	9,000
"J"	British Columbia..	43,000
"K"	New Brunswick..	2,767

Item agreed to.

Operating expense and working capital, $250,000.

Mr. GUTHRIE: What is this for?

Mr. KING (Kootenay): This is for administration service, general and medical; travelling expenses of the staff; hospital and Red Cross shops; telephone, telegraph charges and postage; stationery; Ottawa insurance; mechanical transport; advertising; legal costs; other operating costs and contingencies.

Mr. BENNETT: Is there any revenue in the department arising out of the use of this working capital?

Mr. KING (Kootenay): We have a revenue from the Vetcraft operations. That comes under another item. That would be the only source of revenue.

Mr. BENNETT: Working capital has in business a well-defined meaning, but I cannot quite understand what is meant by it in this appropriation.

Mr. KING (Kootenay): It refers really to the contingencies of the department; telephone, telegraph charges, postage, light, heat, power and so on, making a total last year of $171,000.

Item agreed to.

Employers' liability compensation, $100,000.

Mr. MANION: Would the minister explain this item?

Mr. KING (Kootenay): We have a number of returned men who have certain disabilities. In the case of a twenty-five per cent disability man, for instance, we will undertake to pay the compensation board.

Mr. MANION: The full amount?

Mr. KING (Kootenay): Yes, and in that way the employer will give consideration to that case which he otherwise probably would not give.

Mr. MANION: And in some cases you pay part?

Mr. KING (Kootenay): Yes.

Item agreed to.

Mounted police, Prince Albert volunteers and police scouts on account of the rebellion of 1885, $970.90.

Mr. BENNETT: I would like to ask the Minister of Justice a question under this item. I think perhaps he appreciates the difficulty that has been urged very strongly upon me by the few remaining members of the old mounted police who for a time were receiving pensions on a basis of pay and allowances which have since been very largely increased. The same applies with respect to those who were pensioned within a particular period, for within a year after that, certain living allowances were discontinued and an increase was made equal to the then pay and allowances, and the pension of these few being based only upon the salary, and not upon the living allowance, has worked a bit of a hardship upon those who did not receive this additional pay. I mentioned this matter to the minister last year, and I think he had it under consideration. Possibly he could indicate whether there is any likelihood of anything being done, because some of these men are certainly very deserving.

Mr. LAPOINTE: I know they are, but the line had to be drawn somewhere, and that was the trouble. I think we have been dealing rather generously with the old mounted police. However, I shall be pleased to look into the matter again and see if it is possible to do anything, with the support of the house.

Item agreed to.

Soldiers' Civil Re-establishment—salaries, $14,920.

Mr. FANSHER (Last Mountain): With respect to the inspection of immigrants coming to this country from Great Britain, would the minister be good enough to give the committee a detailed statement with respect to the regulations under which the medical officers conduct their examinations? We have heard rumours as to certain humiliating circumstances, and I should like to have a short statement from the minister on the matter.

Mr. KING (Kootenay): Instructions are issued to the medical officers to ascertain whether the applicants who come before them will meet the provisions as set out in the Immigration Act; in other words, they try

to discover whether the applicants are suffering from conditions that would prevent their entering this country. That is done in the ordinary way. My hon. friend spoke to me yesterday in regard to this matter, in connection with a complaint that he had received from one of his constituents in regard to the exposure of a member of the family who had gone up for examination. I do not know why we should worry so much. These men are trained medical men; they are all graduates and have had experience, and I think we are all sufficiently familiar to-day with the work of the profession and the facilities that are used by the profession, to ascertain the conditions that exist in the individual who comes before them. If a physical examination is necessary, then the one to judge as to the extent of that examination is the examining officer. If an individual walks into his office with a good firm step, he can almost be sure that that individual has not flat feet or bunions or other deformity, and he would not worry about that; but if the individual hobbled in, the examining officer would probably want him to expose his extremities to see what defects were there. In the examination there should be, I think, an examination of the vital organs, such as the heart and lungs. That means a certain exposure of the chest if it is done properly. If the examining officer finds, as he proceeds that there is reason to believe that there is some deformity or unusual condition of the spine, he should examine the spine. If he thinks there is some condition involving the gall bladder or liver, that should be examined. I think we shall have to leave this matter entirely to the examining officer, and our only concern is to see that the examination takes place under proper conditions. If a female immigrant is going before the medical examining officer, and there is not a female medical officer, there should be a female attendant, and I think that is the practice. I do not think we should be very sensitive in regard to these matters, because in our everyday life we go to our own physician, and there is no question in regard to giving him the opportunity to make the proper examination.

Mr. MANION: They know him.

Mr. KING (Kootenay): That is true. I think my hon. friend will agree with me—he has had wide experience—that if we are to carry out this work properly it must be left to the judgment of the officer to decide as to the extent of the examination.

[Mr. J. H. King.]

Mr. MANION: Yes; but I think the minister touched one point that should not be left to the officer's discretion; there should be a female attendant.

Mr. KING (Kootenay): Yes. I understand that is the practice.

Mr. MANION: I notice in the Department of Soldiers' Civil Re-establishment $4,500 appears for the deputy minister for nine months, and in the Department of Health $8,000 appears also for the deputy minister. I thought Dr. Amyot was deputy minister of both.

Mr. KING (Kootenay): Yes; but these estimates were prepared some months in advance of our reorganization.

Mr. MANION: This $4,500 is not needed?

Mr. KING (Kootenay): Yes, in respect to the retiring deputy minister, Mr. Parkinson. When he retired he was given leave of absence. It is taken care of in this estimate.

Mr. MANION: One year?

Mr. KING (Kootenay): Yes.

Mr. FANSHER (Last Mountain): Do I understand that the examination applies only to people coming out from Great Britain as immigrants to this country?

Mr. KING (Kootenay): People from Great Britain, no matter of what class, can be examined. We are trying to examine those who come here with the idea of settling permanently.

Mr. SPENCER: I take it that the examination takes place whether the immigrants pay their own fares or come out under the assisted passage scheme.

Mr. KING (Kootenay): We examine all who come here with the expectation of settling. The visitor or tourist is subject to examination only when he disembarks.

Mr. FANSHER (Last Mountain): The question I asked yesterday is not to be slighted. I do not think it is necessary to carry it further, but I want the committee to understand that the explanation given by the minister of the case I brought to his attention has caused a good deal of turmoil and suspicion. The minister has given his word that he will inquire into the case. I hope he will give me full particulars. In certain instances I think the authority is being exceeded. I am fully convinced of that or I would not have brought the matter forward.

Mr. KING (Kootenay): I am very glad to have had the discussion. It will be forwarded to our men in the field. There is no difference of opinion as to how the examinations should be carried on.

Mr. GUTHRIE: I desire to ask the minister if there is no way of securing some reasonable retiring allowance for a former member of the staff of the Department of Soldiers' Civil Re-establishment, Dr. W. A. Groves. I have had correspondence with the department in connection with the case, but so far I have not been able to secure results. Dr. Groves complains that he has not been treated on retirement as have other officials of the department. From the letters he has sent to me and from conversations I have had with him I think he has a good claim for some compensation—I do not know how much. Will the minister explain why Dr. Groves is not placed on the same plane as other medical officers who have been retired and paid a retiring allowance?

Mr. KING (Kootenay): I have had correspondence with Dr. Groves, and I have had my officials go into the case. I am advised that he was a part-time official, and that on his retirement he was given two months' leave. I think he contributed—

Mr. GUTHRIE: He had been a contributor to a fund.

Mr. KING (Kootenay): —under a plan which he thought was going to give him superannuation. The Finance department never accepted the money contributed under those conditions. Last year I advised that these moneys be returned to the officials who had contributed them, as they could not come under the provisions of the Superannuation Act.

Mr. GUTHRIE: Was not Dr. Groves entitled to much more than two months' leave of absence even under the existing scheme?

Mr. KING (Kootenay): No, I am advised that he received what had been customary in the practice of the department. I have had correspondence with the doctor and have so advised him.

Item agreed to.

DEPARTMENT OF JUSTICE

Salaries, contingencies, including the Solicitor General's office, $302,690.

Mr. ROSS (Kingston): I desire to bring to the attention of the Minister of Justice the criminal statistics of Canada. We have been led to believe that our penal institutions are being flooded with foreigners, but in looking over the statistics I find that suggestion is absolutely unfounded. Taking the penitentiaries report, I notice these percentages. From 1917 to 1926 the percentage of Canadian-born in our penitentiaries was 63.4; in 1926, 66.6. The percentage of those from Great Britain and other British possessions occupying our penitentiaries was, from 1917 to 1926, 14 per cent; in 1926, 14.2 per cent; and of those from the United States, for the same periods, the percentages are 6.4 and 5.1 respectively. Taking the foreign-born in our penitentiaries, from 1917 to 1926, the percentage was 16.2; in 1926 14.1. I am not going to take up the percentages according to proportion of population, but I desire to direct the attention of the committee to the fact that the only percentage increase in the population of our penitentiaries occurs in our Canadian-born. As to education, we have for years been led to believe that the illiterate form the main percentage of our penitentiary inmates, but this is not borne out by the figures. Taking the illiterate criminals, in 1924 the percentage was 2.7, in 1925, 3.1 and in 1926, 2.8. Of the next class, the elementary, that is, those educated up to matriculation, the percentage was 81.7 in 1924, 78.4 in 1925 and 75 in 1926. Coming to the superior educated, that is, those who reached a higher stage, the percentage was only 1.2 in 1924, 1.2 in 1925 and .9 in 1926. Let me point out this: the illiterate were not increasing in percentage; the superior educated were not increasing but decreasing. Rather, the increases came from those who had gone through our public schools up to the threshold of higher education.

Then we come to juvenile delinquency. In 1925 the total was 8,739. Of these, 8,064 were boys and 675 girls. In 1926 the number was 8,846. Of these the boys numbered 8,245 and the girls 601. The total increase in the juvenile delinquents is 107; while there was a gross increase in boys of 181 there was a decrease in girls of 74.

Now to summarize. So far as the penitentiaries are concerned, I have a few points which I wish to direct to the attention of the minister. I will not touch the jails and asylums because the same considerations will apply to any increase there. First, the increase is coming from our own Canadian born; secondly, the increase is coming from the class who have received elementary education; thirdly, our juvenile delinquents are increasing. I think the time has come when the Justice department, in conjunction with our provinces, should take into consideration this serious

situation. It is very grave when you consider that the boys going through our schools —those boys who have not gone on to higher education—are increasing in delinquency, and the further fact that the boys are increasing in delinquency while the number of girls is decreasing. In my opinion the time has come, if we are to meet this situation at all, when the Justice department should enter upon some investigation of the cause for such a state of affairs. It is terrible when you think of the increase in delinquency amongst our boys. There must be some cause for it, and the Department of Justice and the departments of the attorneys general in the provinces should now take the matter up.

Mr. LAPOINTE: What suggestion has my hon. friend to offer with regard to the method?

Mr. ROSS (Kingston): In the first place I would advise the minister that the time has come when he should put his foot down upon the present practice of sending boys to the penitentiary. There is no use in saying that it is not going on; it is going on and the boys are there. There are to-day in the penitentiaries boys of fifteen, sixteen and seventeen. I know the minister will tell me that they are sent there by the police magistrates, and that this is a matter over which he has no control. These boys are placed side by side with life inmates of the penitentiary. That is something that the minister can control—

Mr. LAPOINTE: Quite so.

Mr. ROSS (Kingston): —if he cannot control their admission. Then there is another situation. In Ontario we owe a great deal of the improvement in the province to the late Hon. W. J. Hanna. He provided an institution to which these boys might be sent. It worked well for a while but it is not working out at the present time. There is a little of the devil in these boys; there is no question about that. As soon as they escape from the institution they are taken and sent to the penitentiary. Ninety boys out of that institution, because they escaped, have been sent to the penitentiary.

There are two things which I want to impress upon the minister. First, the minister should have his officials, or the official in every institution, take up this matter with the younger people and find out just what was the beginning of their career. That he can do in the asylums and a few other places. He can then cooperate with the provinces, and that is something that can be done in the prisons, jails and so forth. We ought to be able in that way, far better than by taking the matter up through clubs and other institutions, to ascertain the cause in every case. We can thereby discover whether it is due to the shows or to books, literature that has influenced them, or anything else. We should be able to find out in the majority of cases what started the boy in his course of crime. The second point is this: the time has come when there should be a more modern treatment of boy offenders than there is to-day. I do not agree that the Justice department or the attorney general's department in any province should ever let out of their hands the treatment of a boy after he has been delinquent. That is done now. There are private persons running schools and so forth, and I will mention one circumstance which will show how ridiculous the treament is. Two boys in my city were convicted. One never had a crime recorded against him and the other was a chronic offender. The police magistrate and the chief of police did not want them back in the city. These two boys were sent up; the one who was thoroughly under the influence of the chronic offender had never committed a crime. How did they treat these two boys? The boy who had never committed a crime was sent up there on the understanding that if he served a few months he would be sent home, but when he got to this school the Department of Justice and the department of the attorney general took the ground that they could not interfere because this was a privately run institution for the treatment of boys. They insisted that this boy who had never before been in trouble should be retained in that institution the same length of time as the chronic offender. Finally they are sent home and if that boy ever had a chance he did not have it then. He was thoroughly under the influence of the chronic offender.

This is a serious situation and in my opinion the Department of Justice and the departments of the attorneys general should cooperate with a view to solving the problem. If there is a cause it should be removed. I think I have demonstrated to-day that the foreign born element is not flooding our penitentiaries at least: the percentage there according to population is .02 in the case of the Canadian born and .04 in the case of the foreign born. So that there is no flooding on the part of the foreign born. In the second place the increase in delinquency is coming from our own Canadian born. Now we ought to be able to handle the situation and find a

solution for it, and I suggest that the Minister of Justice take the matter into his serious consideration. Let him cooperate with the provinces and devise a more modern treatment of the difficulty.

Hon. ERNEST LAPOINTE (Minister of Justice): My hon. friend from Kingston has certainly called the attention of the committee to an important and serious condition and I may assure him that anything I can possibly do to decrease the number of offences among young people, or at least to check increases in crime, I shall be only too glad to do. Of course, as he says himself, these young people come under our department only after they have been convicted. We are not in contact with them in any way prior to their having been sentenced by the courts. However, I am quite willing to discuss this matter with the attorneys general of the various provinces and to cooperate with them to effect any reform which would remedy this condition of things.

I am glad my hon. friend has directed attention to the untruth of the statement so often made that the large proportion of inmates in the penitentiaries are foreign born. I think we may modestly confess that in this country we are breeding our own criminals, and we should not charge other countries with sending them here.

I am strongly in sympathy with my hon. friend in connection with the reform he suggests having to do with young offenders, and I have already stated in this house that I do not think it fair to put young people sixteen, seventeen or eighteen years of age in continuous contact with hard-boiled criminals. They are not given a chance to reform, and I thank my hon. friend for having spoken on this matter to-day. When the estimates are being prepared next year this will help me to convince my colleagues that the money will be well spent to provide for the construction of special institutions for young offenders. We should segregate those young people and give them a chance to reform. I do not know whether one institution would be sufficient; personally I think there should be two of them, one for eastern Canada and one for western Canada. This will mean quite an expenditure of money, but I think we owe it to our young people that this money should be spent. So far as I am concerned I can assure my hon. friend that I am in sympathy with his suggestion and I will try to convince the government and parliament next year that money should be provided for this purpose.

Mr. WOODSWORTH: I am sure we have all listened with interest to the remarks of the Minister of Justice, but some of us have listened to somewhat similar statements made year after year; we are told something is going to be done, yet years pass by and there is very little change indeed.

I hold in my hand the annual report of the superintendent of penitentiaries. For some years he has been asking the Minister of Justice to make certain changes; the Minister of Justice has assured us that he will try to persuade the government to make these changes and parliament to endorse the necessary expenditures, but I am quite sure that parliament is more than ready to make these changes now. I do not see why it should be such a tremendous task to persuade the government to carry out the recommendations of their own officials, especially when they are so reasonable and when they have been adopted in other places. Even on this busy day—and I do not think these things should be left to the last moment—I venture to take a few minutes to put on record these recommendations made by the superintendent. First he recommends the segregation and classification of young inmates; again he recommends the opening of a mental disease hospital. These reforms have been urged again and again by different societies throughout the country, and I do not see why they should be delayed for so long. The report also recommends the segregation of habitual criminals. I think that has been agitated for the past ten years, and I wonder how soon the government will take action?

Then it is recommended that more work be furnished to the inmates. Only last year the director of industry held a little exhibition in this very building in an attempt to persuade the members of this house to take some action which would induce the government to provide more work for the criminals. It is an astonishing thing that these officials who are close to the prisoners and who see their needs have to come almost on their knees to the higher officials begging that something be done, while the minister comes and tells us in his turn that he is going to try to persuade the government to do something. Perhaps I am putting it rather strongly, but I should like to see action taken, as indeed the government have indicated that action will be taken. Unfortunately such assurances have been given in the past, but year after year we have to face this unsatisfactory state of affairs.

If we could not supply work to the individuals inside these various institutions; then there are roads to be built and ther-

is land clearing work to be done. I was through one of our penal institutions in western Canada last year and saw the need for work of this kind. I wonder why we could not employ some of these men to build some of the roads which are so much needed; I am sure they would be much better off out in the open air under proper supervision than they would be cooped up in their cells. You may say that is not sufficient punishment, but I think it is helpful treatment if they are under proper supervision and are required to work for the state instead of working for their own personal advantage.

Then there is the further question of the payment of prisoners for their work. Some years ago the hon. member for Southeast Grey (Miss Macphail) after working for two years, suceeded in having a resolution passed by this house approving of the payment of prisoners. I had rather imagined that a resolution passed by this house after full discussion was almost equivalent to legislation, and certainly that it formed a mandate for the government upon which they might be expected to act. That resolution was adopted two or three years ago, yet prisoners are not being paid any worth-while sum, and their families are still being supported by the municipalities in which they live. Very often the families are punished more than the prisoners themselves.

I do not want to read the whole list of recommendations; I think we are all convinced of the need for these changes, and I am sure the country would welcome the adoption of these recommendations.

Item agreed to.

Supreme Court of Canada

Contingencies and disbursements, including books, magazines, etc., for judges, not exceeding $300, $7,500.

Law books and books of reference for library, and binding of same, $10,000.

Printing, binding and distributing supreme court reports, $7,000.

Mr. BENNETT: I had hoped that real economy would be practised in the expenditure of some money with respect to the library of the Supreme court, because every time I look at it I fear that we will lose it by fire. This library is worth at least $450,000, and in some particulars it could not be replaced at all. I would be derelict to my duty as a member of the profession which is so well served by the books in that library if I did not again publicly direct the attention of the government to this condition. That is economy, to prevent destruction which certainly threatens with respect to that property.

[Mr. Woodsworth.]

Mr. LAPOINTE: I will be pleased to submit these remarks to my friend the Minister of Public Works. I have already stated the same thing to him in that respect.

Item agreed to.

Penitentiaries, $1,811,072.

Mr. GARDINER: I would remind the minister of the resolution passed by this house some time ago recommending the provision of work and the payment for work to prisoners in our penitentiaries. I should like to ask the minister what action he is going to take in this regard.

Mr. LAPOINTE: A resolution was passed in 1926, and my hon. friend must remember that I was largely instrumental in having the house accept that resolution. I am willing to do what is possible towards employment in the penitentiaries. The quantity of work produced is increasing in value every year. For instance, the report of the superintendent shows that last year the revenue amounted to $183,004.02, which is three times the revenue of a few years ago. But something more should be done. Of course, organized labour in Canada would object to articles made in the penitentiary being sold on the open market. The arrangement which is accepted now by organized labour, and which seems to be a fair one, is to have the penitentiaries produce the articles used by the various departments of the government. With this I am very much in sympathy. I intend to visit all the penitentiaries this year if possible, and I will give this question the necessary attention in order to arrive at a possible solution. There are more difficulties in the way than appear on the surface, but it is a noble aim. There is nothing more detrimental to the morale in the penitentiaries than idleness; there must be work provided at all times. On the other hand, it must be productive work. Crushing stone, and things of that sort, as done years ago merely for the purpose of keeping them at work, is not good for the convict mentally, morally or physically. But in order that the work be productive there must be some place where the product can be utilized. With the cooperation of my colleagues in the government, I hope it will be possible to supply more productive work in the penitentiaries, and practice some of that economy of which the leader of the opposition was preaching so admirably this morning.

Mr. GARLAND (Bow River): I notice the committee is only now—

Mr. BROWN: Mr. Chairman—

Some hon. MEMBERS: Order.

Mr. GARLAND (Bow River): Is it the practice to take in succession two speakers on the one side of the house? I understood it was always shared around.

The CHAIRMAN: My hon. friend will realize that some regard is had to the size of the groups as well.

Mr. GARLAND (Bow River): Which group?

Mr. LAPOINTE: The Liberal Progressive.

Mr. BROWN: I was going to ask the Minister of Justice to take into consideration a question I brought before the house this session in the way of a resolution, but which unfortunately I was not able to discuss at any length because I was crowded into the last ten minutes of the sitting. I refer to the question of holding the sentence of the lash over a man until just before he is to be discharged from the prison. I have discussed this matter with many people and they all agree that any efforts made to reform a man must of necessity be ineffective if this sentence is being held over him. If the minister is visiting the penitentiaries this year I would like him to discuss that matter with the men who are accustomed to dealing with criminals. As I said before, I had the opportunity of discussing it with the chaplain of one of the penitentiaries and he agreed heartily with the position I take.

Mr. LAPOINTE: I shall be pleased to consider that matter.

Mr. GARLAND (Bow River): This question of productive work for prisoners appears to be one of those long dragged out things upon which we all agree but cannot get any satisfactory result.

Mr. LAPOINTE: I beg my hon. friend's pardon; we did not all agree until 1926, and then it was rather an achievement to have the house accept it.

Mr. GARLAND (Bow River): I think it was in 1925 the house accepted the resolution.

Mr. LAPOINTE: No, 1926.

Mr. GARLAND (Bow River): Going back to February, 1921, I find the report of a committee appointed by the Right Hon. C. J. Doherty, then Minister of Justice, to advise on the revision of penitentiary regulations and the amendment of the Penitentiary Act. The following appears on page 21 of that report:

> The committee, therefore, most emphatically recommends statutory provision to provide productive labour for all convicts.

And further on, clause 26:

> The mere provision of work is not, in the opinion of the committee, sufficient. That the heaviest penalty for a crime is paid not by the criminal, but by his dependents has been chiefly emphasized before the committee, not by philanthropists and charitable workers, but by judicial, police and penitentiary officers of long standing.

And again:

> If anything but evil is to follow from punishment by imprisonment for long terms, it is, in the opinion of the committee, essential that such provision should be made as will allow the convict to earn at least something toward the support of his dependents during his confinement or of himself after his release.

With that I think the Minister of Justice agrees in principle, and I believe the government and the members of the house agree also. As the minister said, they agreed back in 1926 to the resolution moved by the hon. member for Southeast Grey (Miss Macphail) which was carried successfully and I think without a dissenting voice.

Turning to the statutes of this country, I find in the act respecting penitentiaries, subclause 3 of clause 62, the following:

> The convicts may be employed in labour under the control of the crown.

I have no hesitation in stating that considerably more labour could be diverted to the penitentiaries in this country by the government than is being done to-day. If the government is in earnest about this matter there is no need to draw the herring of the labour organizations across the trail. Later on the time may come when there will be an excuse for it, but as long as the government is going outside the penitentiaries for work that can be done just as efficiently within, work done in an excellent way and under excellent supervision, then I submit the Minister of Justice has not made out a case for delay. I most earnestly urge that the recommendations of the superintendent, Mr. Hughes, and the recommendations of this house dating away back to 1921, be carried out without further delay. There are cases of hardship and cruelty arising out of the non-action of the government in this matter.

In my own particular riding I have a case of a man committed to gaol. He probably deserved to go there, but he left a wife and three children absolutely dependent upon

charity. They had almost to go round from door to door, and were forced to seek assistance from the municipality and board of trade. This man was a sort of transient prize fighter, and he could have been employed at most useful work. As a matter of fact I understand he became an excellent shoemaker while in prison, but received nothing for his work. He should have been paid and that money could have gone back to his dependents and relieved them of the stigma of having to look to charity for their existence. The wife and children were punished much more than the convict, and I most earnestly urge on the Minister of Justice and the Prime Minister that no further delay should be permitted in increasing the amount of crown work for penitentiaries.

Mr. BANCROFT: While this vote is before the committee I would like to say a word regarding the Manitoba penitentiary, which is situated in my constituency. First of all I want to pay a tribute to the very capable and efficient manner in which this institution is being run. The warden and officials seem to realize their responsibilities and appreciate the fact that they are dealing with human beings, and appear to be doing their best for the unfortunate individuals who are under their care. I agree in large measure with the words of the hon. member for Bow River (Mr. Garland). I visit this institution very often, and I have seen the men at their work. It seems to me that when a man is doing some constructive work, when he is creating something, he takes an interest in it and from that time on it is easier to make progress in reforming him.

A great deal of the work that is being done at this institution at the present time is in the nature of building. The inmates have constructed some very fine buildings in the last few years and they are a credit to the institution. But I should like to direct the attention of the Minister of Justice to the houses that the government own at that institution. They own in all some thirty houses which are not a credit to the government of Canada. They are old houses; they are a disgrace to the community and they disfigure the landscape. They are not modern in any way; they are without basements, and without furnaces. I suggest to the minister that when he goes west he look into this and see if he cannot agree with me that it would be advisable to have a nice group of cottages or bungalows, fully modern, that could be heated from the central steam heating plant of the institution.

Mr. LAPOINTE: We will visit it together.

[Mr. E. J. Garland.]

Mr. BANCROFT: Yes. These houses could be rented to the guards and officials of the institution and interest on the money invested in them could be earned in that way. Without a great deal of outlay some houses could be constructed there that would be a credit to the department, which certainly cannot be said of the present buildings.

Another matter to which I wish to refer—and I have mentioned it in the house before—is that the farm in connection with that institution might well be run in connection with or under the supervision of the experimental farm as a demonstration farm. I am sorry to say that we have a great deal of labour in that institution which is well situated in every way to make an ideal demonstration farm for that district. All I would suggest now is that the work be supervised by the officials of the demonstration farm at Brandon, and in that way it would become an object lesson to the farmers in the district. At this late stage in the session I will not detain the house by saying any more on the matter, but I hope the minister will look into it when he goes west this summer.

Mr. BELL (Hamilton): I should like to say in regard to the observations made by the hon. member for Lisgar (Mr. Brown) that the matter, so far as Ontario is concerned, has already been dealt with by the court of appeal which decreed that sentences of the kind of which the member spoke are invalid and will not be operative as to the administration of the lash towards the close of the serving of the term. The court of appeal for Ontario has set aside more than one sentence imposed under those conditions and it has decided that for that province at least there shall be no more of them.

Mr. BROWN: I saw in one case that the court of appeal had so decided, but the decision referred only to one case in which the man, as they thought, had been wrongfully convicted.

Mr. BELL (Hamilton): They followed that up with others and decreed that.

Item agreed to.

Miscellaneous—expenses of litigated matters, Department of Justice, $20,000.

Mr. BENNETT: I was astonished to see this item and then in the supplementaries another item of $60,000 with respect to one legal matter, namely, the Labrador-Newfoundland case. Why should they not all be in one item?

Mr. LAPOINTE: When the main estimates were prepared we had not received the bill of our agent.

Item agreed to.

Miscellaneous—to complete the revision of the Dominion statutes; payments may be made notwithstanding anything in the Civil Service Act or regulations thereunder, $15,000.

Mr. GUTHRIE: What has this revision cost up to date?

Mr. LAPOINTE: $120,337.42.

Item agreed to.

Royal Canadian Mounted Police
Pay of force—further amount required, $186,130; Maintenance (including billeting, travelling expenses, forage, fuel and light, clothing repairs and renewals, horses, ammunition, stationery, etc., medical, hospital, etc., transportation and freight, building repairs, contingencies and criminal investigations, and establishment of new detachments and renewals)—further amount required, $334,692.—$520,822.

Mr. LAPOINTE: This is based on figures to confirm an agreement between the Dominion government and the province of Saskatchewan and the proposed agreement with the province of Alberta. At the last interprovincial conference the question arose as to over-policing. The attorneys general and the premiers of those two provinces called attention to the fact that there seemed to be overlapping and that the work could be done more economically by one police doing the work of the other. As a matter of fact, I think the Canadian mounted police had been doing that work until the war, when the services of the whole force were required elsewhere, and the provinces had to establish police departments of their own. We had a conference first with the provincial authorities of Saskatchewan, and we came to an agreement to take over the work of the province as it had been done until some time during the war. The amount which the government of Saskatchewan will pay is based on the salaries of the additional number of men which we shall require in the force to do that work.

Mr. BENNETT: Did you absorb the old provincial force?

Mr. LAPOINTE: No. We need in Saskatchewan about 70 more men than we have at present. Speaking from memory, I think they had over 140. The province is going to pay us $175,000 annually, and also reimburse us for the cost of transporation of the prisoners. We are doing the work at cost really, but we shall not lose anything by doing it, and it will be a relief for the provincial authorities. We are willing to do the same thing for Alberta, and the premier of that province has already had conferences with me in that regard, and it is more than probable that an agreement will be reached with Alberta. We are therefore providing for an amount for Alberta as well as Saskatchewan. Of course, the government will not really be spending any money, because this amount will be paid back to us by the provinces, but it will go into consolidated revenue, and we have to come to parliament, in the first place, to vote the money.

Mr. GARDINER: It is represented to me that there are different scales of pay in the mounted police force even for the same ranks. Is that correct?

Mr. LAPOINTE: I do not think it is correct, for the same ranks.

Mr. GARDINER: Is the minister quite sure of that?

Mr. LAPOINTE: Of course, the length of service is taken into consideration.

Mr. ROBINSON: What is the total strength of the mounted police?

Mr. LAPOINTE: The estimates provide for a strength of one thousand of all ranks.

Mr. ROBINSON: That is up to the old strength?

Mr. LAPOINTE: Yes.

Item agreed to.

Adjustment of war claims—Secretary of State, $12,000.

Mr. MANION: What is that for?

Mr. RINFRET: This is the balance of the item we had for a number of years covering the work of Commissioner Friel and also the clearing office in London. The vote is now cut by half because Commissioner Friel has completed his work, but we have retained a secretary and small staff in order to prepare for a settlement of the question next session.

Mr. MANION: What did Commissioner Friel get altogether?

Mr. RINFRET: He was appointed on June 19, 1925, and his honorarium and living expenses and travelling expenses amounted to $33,015.58, up to January, 1928.

Item agreed to.

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

Sir GEORGE PERLEY: Where is this office?

Mr. RINFRET: This is in connection with the Berne convention.

Mr. GARLAND (Bow River): Why the decrease in this item?

Mr. RINFRET: We voted $4,000 last year in the expectation of paying half for the protection of industrial property, and half for copyright, but the payment for copyright will not be required until the coming year. But in future we shall need $4,000 to cover both items.

Item agreed to.

Patent and copyright office—salaries—to provide for a commissioner of patents, $6,000.

Sir GEORGE PERLEY: You have got along very well with an assistant commissioner of patents, have you not?

Mr. RINFRET: I am glad to have my hon. friend admit that because our intention is to appoint as commissioner, the assistant, whom my hon. friend has praised. My hon. friend will recollect however, that in the office formerly there were Mr. O'Halloran, an assistant, and in addition, Mr. Ritchie, who was holding quite an important position. Neither Mr. O'Halloran nor Mr. Ritchie has been replaced, and the intention is to appoint the present acting commissioner as commissioner and give him an assistant.

Sir GEORGE PERLEY: Do you really need a commissioner and an assistant as well?

Mr. RINFRET: Yes. I might add that after we get the results of the international meeting in Rome, we shall bring in amendments to the Copyright Act, and the activities of that branch will be considerably enlarged.

Item agreed to.

To provide for salaries, including promotions and reclassifications made and approved prior to April 1, 1928, $70,000.

Mr. BENNETT: What does that mean?

Mr. MACKENZIE KING: I think the Minister of Finance (Mr. Robb) ought to explain this item. My understanding is that the Civil Service Commission recommend promotions between the beginning and the end of the fiscal year, but the increased amounts do not go into effect until the beginning of the new fiscal year. This is to cover all those cases which the Civil Service Commission have recommended for promotion.

Mr. BENNETT: Every branch of the public service?

Mr. MACKENZIE KING: Yes.

Item agreed to.

Public Printing and Stationery—salaries, including $500 to Fred Cook as secretary to the government printing and stationery committee, notwithstanding anything to the contrary in the Civil Service Act, $80,190; contingencies, $15,000.

Sir GEORGE PERLEY: I notice in this item a rather curious feature: one departmental accountant, grade 6, $4,140, and one departmental accountant, grade 5, $4,140. Is this with the object of putting the first-named person into a higher class and giving him more pay, although the estimate is the same?

Mr. RINFRET: The department has recommended the appointment to the Civil Service Commission, but it can have no effect until after the commission has pronounced upon it.

Sir GEORGE PERLEY: Has it been recommended by the superintendent of printing?

Mr. RINFRET: Yes, to the commission, by the King's Printer.

Item agreed to.

Public Printing and Stationery—printing, binding and distributing the Revised Statutes of Canada, 1927, $25,000.

Mr. GUTHRIE: When will the index to the statutes be published, may I ask?

Mr. RINFRET: We are still waiting on the Justice department to complete it. We hope to have it by August.

Mr. GUTHRIE: What distribution is to be made, for instance, to members of parliament; will it be confined to one set or to two?

Mr. RINFRET: There is to be one set in English and one set in French for members of parliament.

Mr. GUTHRIE: That is, I shall get two sets, one in English and one in French?

Mr. RINFRET: Yes.

Mr. GUTHRIE: How are they to be bound?

Mr. RINFRET: These indexes will be in exactly the same form as the statutes that have been distributed this session.

Mr. GUTHRIE: How are the statutes to be bound? In 1906 we received two copies, one bound in half law calf and the other in cloth or paper, as the present volumes are.

Mr. RINFRET: So far we have not provided for any extra binding. I am quite willing to give consideration to any recommendation from my hon. friend in this regard.

Mr. GUTHRIE: As the minister knows, the cloth or paper binding, while good enough for a year or two, is very flimsy. The half law calf is a very substantial binding. I notice that the statutes in all the departmental offices are so bound. It is not very expensive, and I think one set might be bound in half law calf.

Mr. RINFRET: That is a good suggestion. I regret to say we have not provided for any such binding, but during the recess I will consider it.

Item agreed to.

POST OFFICE DEPARTMENT

Salaries and allowances, including amount required to provide for salaries, reclassification, revision, promotions and increases, which may be authorized by the Civil Service Commission, $16,955,934.40.

Mail service, including mail service by air, $15,080,000.

Miscellaneous, including Lucien Pacaud, secretary of the High Commissioner's Office, as the representative of the Canadian government on the Pacific cable board, at $1,500; and $5,000 for the payment of compassionate allowances to employees injured while in the performance of their duties, or to dependents of employees killed while on duty, such payments to be made only on the specific authority of the Governor in council, $1,126,175.

Yukon Territory, $150,000.

Total, $33,312,109.40.

Mr. MANION: I desire to ask the Postmaster General a few questions before I mention some facts that have been furnished to me. Will the minister tell the committee what air mail contracts have been let, and between what points?

Hon. P. J. VENIOT (Postmaster General): I have the information here. Between Montreal and Rimouski, a distance of 330 miles, the contract price was $49,500.

Mr. MANION: Montreal to Father Point is the same thing?

Mr. VENIOT: Yes; we go to Rimouski. Between Montreal and Ottawa the Canadian Transcontinental Airways, Limited, cover a distance of 110 miles and the contract price is $8,250; and between Montreal and Toronto, the Canadian Airways, Limited cover a distance of 330 miles, the contract price being $49,500.

Mr. MANION: Were tenders called for in all cases?

Mr. VENIOT: Tenders were called for on these routes and after they were received I called in the air board. There was such a diversity of tenders, between the lowest minimum and the highest, that it looked very much indeed as though persons were tendering who did not know what they were tendering on. As I say, I called in the air board of the National Defence department and I had a consultation that lasted two or three hours with the air board superintendent of this service, Mr. Coolican my deputy, and if I mistake not, the Minister of National Defence who was present for a while. We discussed the best methods to ascertain reasonable and proper prices for work of that description, and what machines should be employed to ensure safety and proper transportation. After this consultation we took the two companies who the year before last and last year had made trial flights between Rimouski and Montreal, and Montreal and Ottawa, and we arrived at the price which we submitted to the air board committee which takes all these matters into consideration. We decided upon a reasonable price which was $1.25 per mile, and on the basis of that $1.25 per mile we let the contract to these two companies who had been in our service previously.

Mr. MANION: Was that in accordance with the lowest tender?

Mr. VENIOT: Yes.

Mr. MANION: Were there not tenders—

Mr. VENIOT: I am leading my hon. friend astray. It was in accordance with the lowest tender, taking into consideration the proper class of machine to be used in this transportation business.

Mr. MANION: Were there not one or two other companies who tendered and whose total tender was lower than the one of the company to whom the contract was finally given at the price?

Mr. VENIOT: That is true.

Mr. MANION: And who were also reported on as good companies.

Mr. VENIOT: They may have been good companies, but the machines provided at the

time were not such machines as we wished to use. One company—I forget the name—offered sixty cents a mile but it was not organized.

Mr. MANION: Which was that—the Western Canadian? No, it would not—

Mr. VENIOT: It could not be that.

Mr. MANION: That is one of the older companies. There is one other question. The minister mentioned different contracts between Montreal and Father Point and he mentioned one between Montreal and Toronto.

Mr. VENIOT: That is right.

Mr. MANION: Was there a contract between Montreal and Ottawa?

Mr. VENIOT: That is under negotiation. We cannot definitely decide—although we are pretty close to the point of definite decision—until we have all arrangements concurred in between the Canadian and the American postal authorities. That contract will be called for within a very few days—in a short time, say a couple of weeks.

Mr. MANION: I wish to say a few words on this question. I am going to make a statement of the case as it has been given to me and I am subject to correction; although the statements of the minister so far absolutely agree with the statement given me. I fancy therefore that the facts are as stated. The statement, as given to me, is that the tenders were called for in December, 1927. There were some five or six tenders. Canadian Transcontinental Airways Limited was the company which was finally given the contract between Montreal and Father Point, and Montreal and Ottawa. According to the statement given me their figure is $57,500, covering the two contracts, or higher than the contract of the Fairchild people by $17,500. The Fairchild people tendered on a basis which would work out, on the trips for which they tendered, at $40,500. But the contract was as I say, let finally to the Canadian Transcontinental Airways Limited for $57,750.

Mr. VENIOT: That includes what routes?

Mr. MANION: That is Montreal-Father Point, and Montreal-Ottawa. I am taking these two—

Mr. VENIOT: Those figures are right.

Mr. MANION: Am I right in regard to the tender of the Fairchild people of $40,500? That is the figure given me, and that is the sum I arrive at on the basis of the tender, a copy of which I looked over.

[Mr. Veniot.]

Mr. VENIOT: I would not say from memory. Had I thought that these figures would be required I would have got them.

Mr. MANION: I will make a statement and if the minister finds I am wrong, I shall be subject to correction. If these figures are correct—and I have no reason to doubt their accuracy, because the figures the minister has given absolutely agree so far with these—then there is a loss of some $17,500. I take the Fairchild tender and I shall give in a moment my reasons for doing so. Now the minister pointed out that the air branch of the National Defence department were asked for reports and according to the return which I have seen their recommendation was not so strong for the company to which the contract was given as it was for the Fairchild people. The minister shakes his head as though I were not correct. I will quote the return. I do not wish to take up the time of the committee but the facts should be presented to the house. I have in my hand a letter from Mr. Desbarats, the Deputy Minister of the Department of National Defence dated February 9, 1928, in which he says:

> As requested in your letter of February 8, I attach hereto report prepared on the tenders received—

And so forth. This clause affects the situation:

> You will note that the Western Canada Airways, the Fairchild Aviation Limited—

That is the one to which I referred.

> —Canadian Airways Limited and, perhaps, Canadian Transcontinental Airways Limited—

That is the one to which the contract was finally given.

> —are the four companies whose offers are considered likely to give satisfaction in the performance of this contract.

Certainly that paragraph in the letter represents the Canadian Transcontinental Airways Limited as the weakest company of the four. It does not give them a rating as high; it states "and, perhaps, Canadian Transcontiental Airways Limited".

Mr. VENIOT: That is not the whole statement; there is some doubt in that regard.

Mr. MANION: It is a fair inference from that report that they did not recommend so highly Canadian Transcontinental Airways Limited, who got the contract, as they did the Fairchild company. I do not take the others; I take the Fairchild company because a recommendation was made with respect to them and

they are an old company. That is Mr. Desbarats' letter. What does his report on Canadian Transcontinental Airways Limited say?

Aircraft suitable. This company is a new organization with little operating experience. Difficulty is being experienced carrying out present mail contracts.

Certainly that is not a very high recommendation.

Mr. VENIOT: I do not care what Mr. Desbarats said; we experienced no difficulty with that company in connection with their mail service during the winter season. If ever a company gave satisfaction in carrying on an air mail service this company did so, following air routes just as dangerous as that to Greenly island. Their service along the north shore and the gulf of St. Lawrence and to the Magdalene islands in all kinds of weather; their continuity of service, only missing one trip during the season owing to an accident; their persistent endeavours to give accommodation to the people they served under very trying conditions gave a good deal of satisfaction to the department and these were some of the reasons for which I favoured them when the contract was let.

Mr. MANION: I have no quarrel with what the minister says, but he did quote from the air branch of the Department of National Defence and since he quoted one side of the question I am going to quote the other side.

Mr. VENIOT: I quoted them as to the choice of machines we should use, but I did not quote them as to the experience of these people, because I had those details before me.

Mr. MANION: Very well. I have quoted their views with respect to the company which received the contract; I am a little afraid that in the passage between the minister and myself this may have been forgotten, so I will quote it again:

Aircraft suitable. This company is a new organization with little operating experience. Difficulty is being experienced carrying out present mail contracts.

Now I am going to read what they say about the Fairchild people:

This firm has had five years' operating experience. Aircraft offered are suitable type. Company's main base is well situated for operation of this particular route.

In other words, their recommendation as to the Fairchild people is considerably better than their recommendation of Canadian Transcontinental Airways, the people who received the contract, whom they said were experiencing difficulty in carrying out their present air mail contract.

Mr. VENIOT: There has been no difficulty.

Mr. MANION: With all due respect to the minister I doubt if he knows anything more about aircraft than I do, and I admit that is not very much, so I will have to accept the report of the air branch of the Department of National Defence in preference to the opinion of the minister. That is one point. Here was a company recommended by another branch of the government—

Mr. VENIOT: What is the date of that report?

Mr. MANION: It is the same report, dated February 9 last. This company was awarded the contract, and according to this report they are not as well fitted for the work as another company whose tender was not accepted, even though it was for $17,500 less. I do not quite follow the reason of the minister for this action. Then there is another point, more or less a point of ethics. Tenders were called for; I know this is done sometimes in the government and perhaps has happened in the past, but after they were called for they were ignored. Negotiations were carried on between the department and Canadian Transcontinental Airways, whose original tender was $1,025 per trip for the Montreal-Father Point trip as against the Fairchild offer of $300. For the Ottawa-Montreal trip the original tender of these people was $460 as against $75 which was the sum stated by the Fairchild people. So if any negotiations were to be carried on I should have thought they would have been carried on with the Fairchild people. Their tender was not the lowest. I think one or two companies had lower tenders, but I think they were not experienced and were not well reported on. I can quite understand that the lowest tender need not be taken, because we are never bound to do that, but the Fairchild people were reported upon favourably, and I cannot get it through my head—perhaps I am dense—why they should have been ignored, unless there are other reasons which the minister has not yet given, in favour of a company which has not had much experience and which is rather reported against by the air branch of the Department of National Defence. I would be rather glad to hear what the minister has to say.

Mr. VENIOT: The hon. gentleman said that perhaps I did not know any more about aircraft than he does, and he said he knew very little about it. Let me say that I do possess a little more knowledge than he showed this afternoon, although I have never done any flying. If I am not mistaken the report from which he was reading was dated

last February. When the final decision was made to award this contract we had before us the experience of the company which had been flying during the winter along the north shore and the gulf of St. Lawrence and to the Magdalen islands.

Mr. GEARY: To which company does the minister refer?

Mr. VENIOT: I am referring to Canadian Transcontinental Airways Limited.

Mr. GEARY: Can the minister tell us who compose this company?

Mr. VENIOT: No, I cannot. I know the names of some of the officials, that is all.

Mr. GEARY: Is this an incorporated company?

Mr. VENIOT: Yes, but I do not know who are the directors.

Mr. GEARY: Does my hon. friend know the directors?

Mr. VENIOT: No, I do not know the officials except from seeing their names on their letterhead but I know the general manager, Dr. Cuisinier, who offered his services to go to Greenly island and assist in the rescue of the men who flew across from Ireland.

Mr. MANION: Of course that was subsequent to the giving of the contract.

Mr. VENIOT: That was when we were discussing this contract and looking into the whole question. I have had no experience in flying; I doubt whether I would ever go up in an aeroplane, because I feel safer on terra firma. However, the experience I have was gained from the reports submitted to the department on each trip made during the winter by this company. This service was carried on under very hazardous conditions, and the experience they have had flying this route in winter time is an experience which no other flying company in Canada has had. They carried on their work successfully; at a time when we were up against it to maintain communications which we desired to maintain on the north shore and the gulf of St. Lawrence and especially to the Magdalen islands, they undertook that work for us and have given absolute satisfaction. They have proved that they are fully equipped in every way as far as flying equipment, pilots and mechanicians are concerned. At their head they have one of the aces of the world war, and I felt that their experience was sufficient to warrant my doing business with them.

[Mr. Veniot.]

Mr. MANION: I will admit that the minister differs rather materially from the report of the Department of National Defence, because they say this company has had very little experience.

Mr. VENIOT: I cannot help that. They began flying in the month of December and flew all winter. They made ten or twelve trips to Seven Islands; several trips to Anticosti; a trip a week to Magdalen islands, and continued that until the opening of navigation. They only missed once towards the end of the season, owing to an accident to their plane. Perhaps at the time Mr. Desbarats made that report they may not have had much experience in flying, but I would like to find one man in Canada who has had more experience than Dr. Cuisinier.

Mr. MANION: I do not wish to take up much time on this question but my hon. friend leaves himself open to a misunderstanding. He said that up to the time Mr. Desbarats made his report this company may not have had very much experience. Would I assume from that that after Mr. Desbarats made his report they got a good deal of experience?

Mr. VENIOT: I told my hon. friend that they commenced flying in the month of December.

Mr. MANION: But the report of Mr. Desbarats says that the Fairchild Aviation Company has been flying for five years. Mr. Desbarats is a deputy in the Department of National Defence, and this is his report:

> Fairchild Aviation Company: This firm has had five years' operating experience. Aircraft offered are suitable type. Company's main base is well situated for operation of this particular route.

Another strange thing is that this contract was given after the tenders were called for and the tenders ignored. About three weeks after Mr. Desbarat's report, on March 20, the minister wires to the company, as follows:

> Your wire received. You are in error touching my agreeing to one fifty per mile for your trips Rimouski to Montreal. What I agreed to was four trips at one twenty five or three trips at one fifty, whichever suited you best, the details to be worked out between you and Coolican. Department's most favourable price for Rimouski-Montreal and Montreal-Ottawa total, $57,750.

I am not admitting that; I think the most favourable price was $40,000, according to my figure. The figures were given to me and

I tried to check them up as carefully as possible. The telegram continues:

In view of near approach to opening of navigation, I will have to make other arrangements unless you come to speedy decision. There is no intention of trying to sidetrack your company, but I cannot accept your figures.

And then the negotiations went on, and the minister closed with these people. But in addition to that, while these people only tendered for thirty weeks, which is during the summer, I assume, a contract was given for four years.

Mr. VENIOT: Both companies have got a four year contract, for thirty weeks in the year.

Mr. MANION: If the figures had been worked out from the original tender, it would show a total of $40,000 for the Fairchild people and $150,000 for the other company, or a difference of $110,000. To show that this company has not done too badly by this contract, I would like to quote from an advertisement appearing in the Financial Post of this week. This is an advertisement for The Canadian Transcontinental Airways Limited, class A stock, which is being offered at $17 per share. I will just quote a couple of clauses, as follows:

The company has already received contracts from the Canadian government covering a number of years' operation. These contracts have been made after the cost per mile of operation for a number of aerial transportation companies in the United States was known. They allow the Canadian Transcontinental Airways Limited, an operating margin which assures large profits. Under the contracts, the company agrees to meet European passenger boats at Father Point.

Mr. GEARY: Does the advertisement state who they are?

Mr. MANION: No, it does not; I do not know the names of the officers.

Mr. VENIOT: Dr. Cuisinier is one of them, and he is the one with whom I have had a good deal of communication. I think the legal head of the company is Mr. Robert Cannon.

Mr. MANION: I notice some of the telegrams were signed by the company and some by the gentleman the minister has just mentioned. It was the hon. gentleman behind me who was asking who were in charge. I would point out that according to the advertisement the company feel they have made a very good contract.

Mr. VENIOT: That is not an advertisement of the company you are reading.

Mr. MANION: It is an advertisement for their shares. Of course, at the bottom appears the usual statement contained in these advertisements:

The statements contained in this advertisement are not guaranteed, but are based upon information, which we believe to be reliable,

Mr. VENIOT: That is a broker's advertisement.

Mr. STEVENS: They are the financial agents, and they got their information from the company. It would be illegal for them to do anything else.

Mr. MANION: In summing up, the following facts would appear: The contract was given out at too high a price, a higher price than that tendered by a company reported as being a better one by the Department of National Defence; a four year contract was given where the tenders called for thirty weeks; negotiations were carried on with these people after calling for tenders, and those who had tendered lower were thrown aside; an opportunity was apparently given to organize a company which, the minister says had a lot of flying experience, but which according to the Department of National Defence lacked experience; and the proposition in the paper for selling stock rather looks as if it were the offering of a new company. The whole thing looks to me as if the minister felt that he should not pay any attention to the tenders, and for one reason or another—I certainly do not impute wrong motives—he went above the price that it was necessary to pay. In these times of high costs I thought the matter was worth taking up, because it seems to me to be an unnecessary waste of money.

Mr. VENIOT: Why did you not take up the other company, the Canadian Airways Limited?

Mr. MANION: To tell you the honest truth I did not happen to have the facts. The minister says tenders were called and I will take his word.

Mr. VENIOT: The hon. gentleman will take notice that the rate of $1.25 per mile for a distance of 330 miles, Montreal to Toronto, is the same as the contract he is criticising now.

Mr. MANION: The price may be the same, but I do not know of any reason why a department of this government should feel obliged to pay $1.25 per mile when it can get the same work done for $1 per mile.

Mr. VENIOT: I would pay $1.25 if I was satisfied I was getting really good service, rather than $1 where I might not get the same service.

Mr. MANION: The minister should not have asked Mr. Desbarats and his department for a report unless he intended to give some consideration to it. I am taking the report of the air branch of the Department of National Defence and we will just have to think it over and let it go at that.

Item agreed to.

Mr. VENIOT: The hon. gentleman asked a question the other day as to whether the printing was in a separate item, or in an item which we had already passed. I was not in a position at that time to give a correct answer, but I will say now that the printing was included in the vote; the advertising and printing being together. The hon. gentleman asked another question in connection with rural mail boxes.

Mr. MANION: I think that was another one of the hon. gentleman's.

Mr. VENIOT: I might answer that question now. A contract was entered into between my department and Eastern Steel Products for the purchase of 40,000 rural mail delivery boxes with all necessary attachments, complete, for the sum of $2.80 per box, plus sales tax not to exceed 10 cents per box, f.o.b. at points to be designated by the Postmaster General in Toronto, Ottawa, London and Montreal. The company further agrees to deliver f.o.b. at a point in Winnipeg to be designated by the Postmaster General as many of these 40,000 boxes as may be required for which an additional payment would be allowed at a rate not to exceed 35 cents per box—that is the freight—and in no instance shall the additional rate exceed the actual cost of freight between Montreal and Winnipeg. The company further agreed to deliver f.o.b. at a point in Moncton, New Brunswick, such number of the above 40,000 boxes as may be indicated by the Postmaster General, the company to be paid an additional rate of 10 cents per box in lieu of freight allowance. These boxes when delivered at these points and ready to hand over to those who desire to purchase them for rural mail delivery will cost about $4.

Mr. ROBINSON: Last year, on the 14th April, I brought up the question of the high cost of living and the high rents that letter carriers, have to pay. I mentioned at that time that the chartered banks, when they send clerks to the border cities, give them an extra living allowance to offset the high cost of living. I was told that the matter would be looked into.

Mr. VENIOT: In the cities?

Mr. ROBINSON: In Windsor.

Mr. VENIOT: I did look into it and I made a recommendation to the Civil Service Commission for an increase in salary. That recommendation has not been acted upon and I am not in a position to do any more.

Mr. ROBINSON: Some of the letter carriers there are receiving less than they were before the revision. While I am on my feet I want to put on Hansard a resolution passed by the Windsor city council on May 30 of this year to this effect:

That the council go on record as being in favour of the postmen of this riding being given an increase in wages in view of the high cost of living at points along the international boundary.

Mr. VENIOT: I did not go into that feature of the matter. I went into the feature of a general increase throughout Canada. I felt if I made distinctions, a great deal of trouble would arise in the service. Therefore I went merely into the question of an increase generally throughout the service to men employed as mail carriers. The result was as I stated to the house two or three days ago.

Mr. ROBINSON: Will the matter likely be taken up next year before the end of the session?

Mr. VENIOT: I would not like to promise the hon. gentleman as to that, but I will give it some consideration. If we made a distinction there, a great deal of trouble might be caused throughout the service.

Item agreed to.

Post Office—salaries—to provide for payment of flat increase of $120 from April 1, 1928, to the private secretary to the Postmaster General, $120.

Mr. BENNETT: This seems to afford a reasonable opportunity for me to bring to the attention of the committee and the minister the circumstances connected with the dismissal of Mr. J. C. McAdam, who was postmaster at Lafleche, Saskatchewan. As I happen to be the only member of the house on this side from west of the great lakes who apparently could be entrusted with the duty of bringing this matter to the attention of the committee, I feel it is a duty devolving upon me to bring up what I consider to be a

great outrage resulting in a grave injustice to a returned soldier who had served in the 10th Battalion, one of the battalions that went earliest to the war, and who was wounded. The circumstances in connection with the matter seem to be as follows. On the 3rd March, 1927, Mr. Thomas Donnelly, member of parliament, wrote from Ottawa to the Postmaster General as follows:

Dear Veniot:

I desire hereby to request the dismissal of Mr. J. C. McAdam, as postmaster at Lafleche, Saskatchewan, for political reasons of which I have personal knowledge.

I will assume all responsibility in this matter, and will answer any questions that may be asked either in the house or outside it, concerning Mr. McAdam's dismissal.

I desire also hereby to recommend that Mr. Thomas Stark be appointed temporary postmaster in Mr. McAdam's place.

Yours truly,

Thos. Donnelly.

On that there is this notation:

March 4, 1927. Please put this through by order in council. P.J.V.

In due course an order in council was passed, a certified copy of which appears on the file, dismissing Mr. McAdam as postmaster on the ground of his partisanship. The order in council which is dated the 14th March, 1927, reads:

The committee of the privy council, on the recommendation of the Postmaster General advise that the services of Mr. J. C. McAdam, postmaster at Lafleche, Saskatchewan, be dispensed with on the ground of political partisanship.

E. J. Lemaire.
Clerk of the Privy Council.

It is perfectly clear that up to that point the Postmaster General is not blamable. By a standing order in council that was passed, I think in 1911 or 1912, it was provided that if any member of the house certified over his signature that any particular person was an offensive partisan or was guilty of partisanship—

Mr. DUNNING: That he has personal knowledge.

Mr. BENNETT: Yes, that he had personal knowledge that a particular person was guilty of partisanship in his particular constituency, the minister to whom the letter was directed would, as a matter of course, take steps to have the necessary order in council passed. Up to that point it seems to me that the Postmaster General is not censurable. He merely carried out the conditions of an order in council. But the difficulty began there. As soon as Mr. McAdam knew that he was dismissed—and he was advised that an order in council had been passed dismissing him—he asked for an investigation. The citizens of the community in which he lived, without his solicitation, gathered together and prepared several petitions which were signed by a very large number of persons, asking that he be retained in his position as postmaster at this village. The postmastership yielded him a livelihood. As a matter of fact the salary, rental of the buildings and the commission gave him between $1,800 and $2,000. The first petition, for instance, is one signed by W. F. Hamelin, general merchant; J. H. Elsey, hardware merchant, and fifty-five other persons. The other one is signed by R. C. Davidson, agent; Alex. Stewart, implement dealer, and eighty-six other persons. That is 145 persons signed these two petitions. Then followed another step in this unfortunate transaction. The following telegram was sent to the right hon. the Prime Minister on the 22nd March of this year:

We the undersigned citizens of Lafleche feeling great injustice done to J. C. McAdam in his dismissal from post office here and the appointment of E. H. Bilodeau in his place respectfully request the immediate reconsideration of the matter and thorough investigation of the circumstances leading to Mr. McAdam's dismissal.

That is signed by fifty people or more. According to the return of the last election there was not that number of persons there who voted for a Conservative candidate, nor was there that number of persons who voted for a Progressive candidate, so that it may be taken for granted that of those one hundred and fifty people who signed the petition and the fifty people who signed the telegram to the Prime Minister, a considerable number were neither Conservative nor Progressives but must have been supporters of the present administration. My contention is this, that when a returned man, finding himself charged with offensive partisanship denies that there is any truth in the charge; when he asks and demands that there should be an investigation, and when a number of citizens, some fifty in this particular instance, take the trouble to send a telegram to the prime Minister asking for an investigation, that investigation should be granted.

I may point out that on the file brought down, there was lacking a letter which was in my judgment rather an important one, namely, the letter written by Mr. McAdam himself to the Postmaster General. That letter does not appear on the file, the reason probably being that they did not ask the minister for his personal file on the matter.

Mr. VENIOT: That is the only reason.

Mr. BENNETT: The letter is dated Lafleche, Saskatchewan, October 24, 1927, addressed to the Hon. P. J. Veniot, Postmaster General, Ottawa, and reads as follows:

Honourable Sir:

I have received from the Civil Service Commission notification of the appointment of Mr. Thos. Scott to the position of postmaster at Lafleche.

Since my dismissal on May 5, I have been hoping for an investigation of the circumstances leading up to such dismissal, but apparently no investigation has been made.

As you know, sir, I am a returned soldier, having had two years service in the front line with the 10th Canadian battalion. I was severely wounded, and after spending six months in the hospital, I was discharged as physically unfit, and I still suffer from the effects of my wounds.

I received a small pension for some time after my discharge from the army but shortly after my appointment to the position of postmaster here, this pension was withdrawn.

Since my dismissal from the post office I have been and am still without any permanent occupation.

I feel, sir, that the least that I should expect from the Dominion government is that a thorough investigation be made of my case, as I feel confident that I have been misrepresented to the Civil Service Commission, because of political and personal ill feeling.

I sincerely hope that British justice will not fail a loyal British subject. I am given to understand that the local Liberal association was by no means unanimous in asking for my dismissal, neither did it recommend a successor.

I do not wish to cause any commotion in the Dominion house over this matter, but if the Civil Service Commission do not grant my request for an investigation I must have the matter brought to the attention of the Dominion house at its next sitting.

Hoping to hear favourably from you by return, I am, sir,

Yours obediently,

(Signed) J. C. McAdam.

To that letter on October 28, 1927, the hon. Postmaster General replied as follows:

Mr. J. C. McAdam,
Lafleche, Sask.

My dear Sir,

Replying to yours of the 24th instant, re your dismissal as postmaster, I beg to say that certain regulations are laid down by order in council dealing with such cases. I have followed these regulations, and, having done so, I do not consider an investigation necessary.

Yours very truly,

(Signed) P. J. Veniot.

That is a letter with the Postmaster General's own signature upon it. I do not desire to discuss the merits or demerits of this particular case. It may be that the evidence is conclusive as to political partisanship of Mr. McAdam, and it would be very wrong for me to express an opinion with respect to it, because I am hoping that the right hon. the Prime Minister and the hon. Postmaster General will agree that it is a fit case in which an investigation should be held, and if the member for the constituency has the necessary evidence to submit to that inquiry for the purpose of satisfying the commissioner, whoever he may be, that Mr. McAdam has indeed been guilty of political partisanship, then, of course, the inevitable consequences must follow. But if, on the other hand, there has been a mistake, I am sure it must be the sense of this committee that one who has been through the experience of Mr. McAdam, and has served as postmaster without a pension because he was in a position which gave him an income of roughly $150 a month—I do feel assured that it would be the sense of this committee, of every member of this house, of the Prime Minister, and of the Postmaster General himself, that this man should have the opportunity to defend himself which he asks. I am sure that the Minister of Justice of this Dominion will agree that when one asks for nothing more than a mere investigation, and has behind him such a body of public opinion as that to which I have referred, has filed petitions with the government indicating at least that there must be some mistake, and asks that elementary British justice be meted out to him, the government would be doing but the proper, the just and the fair thing to afford him this opportunity for investigation. Investigations are being held all the time. We have had before us the reports of a large number of them, and in some cases men have been released from their positions because the charges were proven, and in other cases there was not sufficient evidence on which to ground the complaint that was made. I feel also that an appeal made to the hon. gentleman who represents the constituency in question should not fall upon deaf ears.

We all know how easy it is at times for members of parliament to be misled by information which they may receive from their own constituents who, sometimes sincerely believing that which they tell, are after all but the victims of rumours, they having accepted, as correct, statements which they have received that are merely hearsay.

Under these circumstances, am I asking too much of the minister that on behalf of the administration he would promise that the investigation will be held? I cannot anticipate what the result of that investigation may be by in any sense indicating what my views are as to whether or not Mr. McAdam has been guilty of partisanship that merits the very severe punishment that he has received by the loss of his office and livelihood. I do

not desire to anticipate or prejudice the matter, but I do feel that having been asked as the only member from the west representing a minority, but a minority of nearly as many people as those who supported hon. gentlemen from western Canada sitting to the right of the Speaker, that elementary sense of justice which at time governs us all should ensure to this unfortunate man, who feels that the country he served so faithfully and well has denied him the opportunity to present his case before a proper commission, and if the charges of partisanship that may be preferred against him before that commission are not proved, that he be reappointed to the position which in that event was improperly taken from him.

Mr. DONNELLY: Having had something to do with the dismissal of this postmaster at Lafleche, I feel that I should explain my action. Let me preface what I have to say by the statement that the constituency of Willow Bunch was only surveyed in 1908, and the first road was built through it in 1910 or 1911. After that time, postmasters were appointed in all the towns of any size along that line, and no political partisanship was used in their appointment because our friends the Conservatives were in power at that time; yet strange to say, all the postmasters in towns of any importance throughout the constituency are Conservatives, only one postmastership in a town of any size being held by a Liberal, and the reason assigned for him being appointed, I am told, is that they could not find a Conservative in the place to appoint.

I am in the fortunate or unfortunate position, being a medical man and travelling through that district, of knowing pretty well the political views of everybody out there. In the 1925 and 1926 elections I had the misfortune or good fortune to hear Mr. McAdam on several occasions trying to influence voters by speaking against myself, against the Prime Minister of this country, and against the Liberal party. After the 1925 election, being a new man in politics, I did not say anything about it. In 1926, he acted in the same way, and these men were going around saying, "The Civil Service Commission appoints us, and no one can discharge us." I thought it was time to show them that if they were going to indulge in politics they could not hold a government job. So I made representations, as is shown by the letter, that Mr. McAdam had been politically active, and I advised that he be dismissed.

I notice what was said with regard to the petition. I heard only two names. A delegation came up to see me with regard to this man's dismissal, and two of those men were in the delegation. They admitted that Mr. McAdam had no one to blame but himself, for he had been politically active, there was no doubt about that, but they said he had been a pretty good postmaster—I knew that—and having now been taught his lesson he should be forgiven and taken back. I told them it was too late to lock the door after the horse was stolen—the matter was in the hands of the Civil Service Commission, that I had no love for him, and as I had heard him talking against myself, against the party and against the Prime Minister, as far as I was concerned the dismissal would stand.

With regard to the appointment of Mr. Bilodeau, I advised that Mr. Stark be put in as temporary postmaster. He refused to take the job. The Civil Service Commission, I understand, appointed a Mr. Scott. He too was a returned soldier, but he had moved away from the town to another place further north and refused to come back. Later I am informed the Civil Service Commission appointed Mr. Bilodeau, who is in temporary charge as postmaster. Some organizations through that district, such as the Klu Klux Klan and the Orange order, objected very much to this, because they said: Here is a Protestant, a returned soldier, being turned out of a job and a Frenchman and Catholic being put in his place. Not being a Frenchman or a Catholic myself, religion does not influence me at all. I believe a man has a right to whatever religion he professes. But even at that I do not think Mr. McAdam has very much coming to him. During the last election I had a Frenchman and Catholic running against me, and Mr. McAdam did everything he could to elect that Frenchman and Catholic. He was beaten by the fortunes of war, and I think he should take his medicine.

Mr. BENNETT: The hon. gentleman said he heard Mr. McAdam attack himself and the Liberal party and the Prime Minister. That in my judgment would be clear evidence of partisanship, if he was then postmaster, and within the provisions of the order in council of 1912. I strongly deprecate the question that the hon. member has seen fit to introduce. In all the letters I have received I find nothing about the religion of Mr. McAdam or of anyone connected with him. Neither do I find any reference made to the racial origin or religion of the person who is now postmaster. In fact I may say that one of my correspondents is himself a leading Roman

Catholic. He is a very well known man in that section. Nothing is worse for this country than to introduce the element that has been introduced by the hon. gentleman who has just taken his seat (Mr. Donnelly).

Mr. DUNNING: He did not introduce it.

Mr. BENNETT: That is what he said.

Mr. DUNNING: He related the introduction of it.

Mr. BENNETT: No, he charged that certain people, because they were Protestants and Orangemen and Ku Klux Klansmen, were objecting to the appointment.

Mr. DONNELLY: Quite right.

Mr. BENNETT: I say there is no evidence of any such thing upon the files or in the correspondence I have seen. It is very much to be deprecated that such a charge should be made in this house.

Mr. DUNNING: Much more to be deprecated that it is encouraged in the country.

Mr. BENNETT: It is very much worse if it is encouraged in the country, as it has been by hon. gentlemen very closely associated with the hon. Minister of Railways. I can say that quite truly.

Mr. DUNNING: Mr. Chairman, I wish absolutely to deny that and, on the contrary, to state that the evidence in the court proceedings demonstrates that Conservatives very close to my hon. friend are back of these attempts to arouse racial and religious prejudices.

Mr. BENNETT: Mr. Chairman, I made the observation with the idea that possibly the Minister of Railways would show the hand that he has now disclosed. I have lived long enough to see him rise to the bait. He did it in this case. He has given away the source of the attempt that has been made by the Liberal organization in western Canada to fasten upon the party with which I am associated the very charges that he has now made. The man brought back from the United States by the government of Saskatchewan, and who is now being kept by somebody in a hotel in Regina, was brought back to make the charges now made by the hon. gentleman. He now adopts them as his own, and thereby discloses the support given to that man, which we suspected and were anxious to confirm. We now know where these charges come from. We now know the authority behind that notorious person, Pat Emmons, who is being put forward to make charges against the Conservative party and, the hon. minister says, those who are closely associated with myself. I think he will find before he is through with that line of action that he is entirely mistaken, and that it will do no good either to him or the party that has set those reports loose in Saskatchewan predicated upon a speech made in the legislature by the premier of Saskatchewan, in which he charged that members opposite him belonged to the Ku Klux Klan, a small minority in the legislature; but unfortunately for him it was disclosed that behind him there sat members of that Klan who were supporting him, and that none of those who sat opposite him belonged to that order. That was what was proven in the legislature of Saskatchewan.

Mr. DUNNING: Will my hon. friend produce evidence to prove what he has just said? He knows better.

Mr. BENNETT: Just a moment. It is not necessary to get excited and begin to assume that attitude of mind in respect to it. The hon. gentleman knows that I have not the papers here, but the daily press in Saskatchewan—

The CHAIRMAN: Order. I hesitate to interrupt the hon. leader of the opposition, but surely discussion on what has happened in another legislature has nothing to do with the item before the committee.

Mr. BENNETT: I do not know. If I have not the right to answer observations dragged in by those opposite, it is a queer thing to me.

Mr. DUNNING: I rise to a point of order. I object to my hon. friend stating that I dragged them in. He boasted of putting out the bait for me to rise to. I was proud to rise to it.

Mr. BENNETT: Certainly I did. I said that the hon. member for Willow Bunch made certain statements which I deprecated, and I added that those statements were now being circulated in Saskatchewan, whereupon the hon. gentleman—

Mr. DUNNING: By men closely associated with me.

Mr. BENNETT: Exactly; and I referred to the premier of Saskatchewan, whose speech I read—my hon. friend asked me to give him the evidence—in the daily paper while I was on the train last Sunday and Monday journeying to Ottawa. In that speech he made in almost the identical words the statements now made by the Minister of Railways

and Canals. I also read in the same journal the report of a trial that had taken place in Regina. It gave the evidence given under oath with respect to a man by the name of Emmons, whom I had never seen or heard of until then. He had been brought back from the United States by the Saskatchewan government, and in the course of the trial he endeavoured to introduce the names of two persons, Dr. Cowan of Regina and another gentleman, but his name has slipped from my mind. They at once issued denials of the statements made by Emmons with respect to themselves.

As to what was said by the minister, I have given him the evidence and the place where he will find it. There are members in this house from Saskatchewan who if they have read the press will know about it. I found it in the newspaper published in Saskatchewan as well as in a newspaper published in Moosejaw which gave a report of it. Then, coming down on the train I again read it. It will be found in the library if the hon. gentleman desires to know where to find the report. I deprecated the observations made by the hon. member for Willow Bunch for that very reason.

Now I say that in view of the statements that the hon. member has made, upon his word as a member of this house, the incident would seem to be ended. There is no necessity for an inquiry if an hon. member of this house, standing in his place, makes such a statement, and I shall advise my correspondent by sending him a copy of Hansard, showing that the hon. member for Willow Bunch himself heard this man, in his presence, as an active partisan; because if he did an investigation is unnecessary. But on the facts that were upon the record, there is no letter from the hon. member indicating any such thing except, as I said, the official letter upon which the dismissal was predicated. And when the minister was asked for an investigation, having regard to what was said by Mr. McAdam, it does occur to me that in all cases of this kind it would be a very simple thing to grant an investigation or to advise the member for Willow Bunch of the request for an investigation in order that he might place on the record what he has said to this house to-day. In my judgment, having regard to the terms of the order in council, the conditions under which men have held office in the civil service, and their liability to dismissal if they are active partisans, when a member says that he heard a postmaster at Lafleche take an active part against the government of the day, becoming an active partisan, in a pending election, he has justified that dismissal and nothing further need be said with respect to it. The government is bound to accept, whether it be from this side or the other, a statement publicly made by a member of this house as to what he himself heard, knew and observed with respect to a partisan postmaster.

Mr. VENIOT: I regret very much indeed that the question of race or creed has been introduced into this discussion.

Mr. BENNETT: Hear, hear.

Mr. VENIOT: It is not the first time with this post office dismissal that such has been the case.

Mr. BENNETT: There was nothing on the files about it.

Mr. VENIOT: I have my own personal file. I have in my hand two letters; each letter accuses my department of French domination in the nomination at Lafleche. A letter was written to the Prime Minister of the province by Mr. W. J. Passmore touching this question—

Mr. BENNETT: When a file is ordered by parliament to be brought down, does that not involve—

Mr. VENIOT: Not the minister's individual file.

Mr. BENNETT: The minister's files are part of the public business of the country. The Prime Minister will be the first gentleman in this house to say that; a letter such as that to which attention is now directed, sent to him, which he has passed on to the minister, is a public document. I read the file and I now place it back on the table. If the letter is marked personal it should not be read to the house.

Mr. VENIOT: It is not marked personal.

Mr. BENNETT: If it is not marked personal it should be on that file, and I think I have a right to ask that it now be put on the file if it is to be read from. The file must be completed and the Prime Minister will be the first member of the house to say that is correct.

Mr. VENIOT: Let me call the attention of the hon. member—

Mr. BENNETT: No; we are not going to leave this.

Mr. VENIOT: I have a right to reply to the hon. gentleman.

Mr. BENNETT: But I want the document put on the file.

Mr. VENIOT: I am not touching the document at the present time.

Mr. BENNETT: He said, "I have in my hand a letter." I am raising a point of order.

Mr. VENIOT: I have the floor; it is not a question of order. The hon. member says so-and-so shall be done; I wish to take issue with him and to say it is not the rule of the house.

The CHAIRMAN: The hon. gentleman has the right to raise a point of order.

Mr. VENIOT: He has; but I am not reading from the document. I am replying to the hon. gentleman.

Mr. BENNETT: The minister said, "I have in my possession two letters dealing with the question of race, and generally with respect to this postmastership." He said also, "I have a letter written to the Right Hon. the Prime Minister"—and he gave the name, Passmore.

Mr. MACKENZIE KING: The prime minister of the province.

Mr. BENNETT: Was it not the Prime Minister?

Mr. VENIOT: No; it was the prime minister.

Mr. MACKENZIE KING: To me?

Mr. VENIOT: Yes.

Mr. BENNETT: I thought that. And the fact that the Prime Minister transmitted the letter to the minister, and the name of the correspondent was given, ensures me the right to have it placed on the file. That is not an unfair statement of the rule.

Mr. MACKENZIE KING: That is correct.

Mr. BENNETT: I ask the minister to do so.

Mr. VENIOT: Before referring to the letter at all—

Mr. BENNETT: It has been referred to.

Mr. VENIOT: I will not refer to it.

Mr. BENNETT: It is too late now.

Mr. VENIOT: Surely I have the same rights here as the hon. gentleman.

Some hon. MEMBERS: Oh, oh.

Mr. VENIOT: One moment. The hon. gentleman has raised a point of order and I am going to speak to it. Surely I have a right; the leader of the opposition has not all the rights in the house.

Mr. BENNETT: Hear, hear.

[Mr. Bennett.]

Mr. VENIOT: Although he may think he has, he cannot put it over me in that way.

Mr. BENNETT: The point of order is under consideration.

Mr. VENIOT: On the point of order, that the minister must produce what is supposed to be his file, if I mistake not there is a ruling in this house touching that question. A case was submitted two or three years ago when a letter was put into an official file, which was supposed to have been a letter written by an hon. member of this house to a minister and not marked "personal." This house ordered that the letter be taken off the official file and returned to the personal file of the minister; which indicated that the personal file kept by the minister is not to be produced on the official file because it is only for the minister's guidance in making a decision. That ruling has been given in this house, and if I mistake not the case was referred to the hon. member for Vancouver Centre. That position was taken and it is on that point of order that I—

Mr. BENNETT: That is not the fact.

Mr. VENIOT: I have no objection to laying the file on the table and I will do so.

An hon. MEMBER: Why not do it?

Mr. VENIOT: I am going to do it. The reason I did not do it before was that I was going under that order of the house. I felt I was right and I still feel that I am right. But the letters that I will refer to I will place on the table of the house. There is nothing to hide.

Mr. BENNETT: The papers were moved for.

Mr. VENIOT: I will do that; I will add it to the file. One of these letters was received from "Mr. John Evans, M.P., 305 Eleventh street, Saskatoon, December 24, 1927." My reply to him was:

I am in receipt of yours of the 24th—

Mr. BENNETT: Mr. Evans' letter should be read.

Mr. VENIOT: I have it.

Mr. BENNETT: You should read that before you read the reply.

Mr. VENIOT: Very well:

I have been requested to write you regarding the unwarranted dismissals that have of late been made in the matter of county postmasters. I have in mind the particular case of Jno. C. McAdam of whom it may be said that he was dismissed without cause.

Here is a man who served overseas, was wounded and has been eight years as postmaster at La Fleche and has competently done his duty. Why was he discharged?

I am sorry to say that I am hearing over this province—

It was not the hon. gentleman; this is what he tells me he heard.

—the charge against your department that it is dominated by French Canadians who have a mania to dominate in the administration of Canadian affairs. I am frankly conveying this to you as I hate to hear it, potent as it is of racial ill-will.

May I hear from you at an early date.

John Evans.

I was absent when that was received and my secretary acknowledged receipt; and on my return it was brought to my attention. I replied:

I am in receipt of yours of the 24th ultimo re the postmastership at Lafleche, in the electoral district of Willow Bunch, in which you claim the postmaster was dismissed without cause.

In reply I beg to say that sufficient cause was found to warrant me in retiring this official.

I note your very pert reference to my department being dominated by French Canadians. To this I must take decided objection. Your reference to such a rumour shows that those who started it could only be actuated either by ignorance of the facts or narrowness of thought. I am myself a Frenchman and feel that I can truly boast of never having allowed, during a long life of public service, any racial or religious feelings to thwart my judgment in reaching a decision.

To show you that no such feelings existed in present case, let me point out that when Mr. Adams was retired a Mr. Bilodeau, a Frenchman, was recommended as acting postmaster by the English-speaking member of Willow Bunch. When the permanent appointment was asked there were five candidates, four of whom I think were French. Thomas Scott received the appointment from the commission and I accepted it, notwithstanding I could have refused the certificate. Scott refused to accept the appointment, but before asking the commission to issue another certificate I received an application from E. L. J. Joycoch. Although this was received late, I requested the commission to consider the application. I need not have done so, and if this department were dominated by French Canadiens, as you insinuate, I would not have given this Englishman a chance.

That was the letter I wrote. The other letter to which I referred was addressed to the Prime Minister, and was signed by a gentleman named W. J. Passmore. The Prime Minister's secretary, no doubt on behalf of the Prime Minister, sent me an extract from this letter and desired to know the circumstances connected with this case.

Mr. BENNETT: Would my hon. friend read the letter, the reply to which he is now reading.

Mr. VENIOT: I have not that letter.

Mr. BENNETT: I think perhaps the letter was written in reply to a telegram, was it not?

Mr. VENIOT: Yes, I have the letter here. It says:

In reply to your letter of March 22, regarding the dismissal of Mr. McAdam from his position of postmaster in Lafleche.

You inform us that Mr. Bilodeau was appointed by the Civil Service Commission, owing to Mr. Scott's refusal to accept the position, but you do not say why a non-resident of Lafleche recommended by the Gravelbourg Liberal Association should get the preference over local applicants.

Mr. Bilodeau does not hesitate to admit that he received his appointment through the representations of the Gravelbourg Liberal club, over the heads of many resident applicants.

If you care to order an investigation you will find that Mr. Scott, as a returned soldier himself, refused to accept the post office appointment here because of the injustice meted out to Mr. McAdam and because he felt as we all do, that no one else but Mr. McAdam was entitled to the position when nothing detrimental had been proven against him, either as a citizen or as postmaster.

You state that Mr. McAdam had been removed from office through the representations of the member for this constituency. We all know that our member, Dr. Donnelly, must have been grossly misinformed regarding Mr. McAdam's political activities by some prejudiced persons, for ample proof can be brought forward that he (Mr. McAdam) remained absolutely neutral in all political campaigns.

In conclusion, I wish to say that this ill-considered act will take every English speaking vote from the Liberal party if it is not remedied. The G.W.V.A. will make it known over the entire Dominion, as a glaring example of French Canadian domination in politics. It has already spread over all of southern Saskatchewan, and is causing serious friction between the two peoples in this province.

I wrote to the Prime Minister giving him the information, and went on to state there was no petition received by the department from this Liberal association recommending the appointment of Bilodeau, and that the only recommendation for the dismissal of the late postmaster was that of the hon. member sitting for the constituency. Since it has been decided that these letters should go on the original file, I will put them there, but I still believe I have not the right to bring them within the rules of the house.

Mr. McGIBBON: Might I ask a question? If I were to write the minister a letter such as this, would he dismiss the postmaster?

Mr. VENIOT: If the letter is with regard to your own county I will act upon it.

Mr. BENNETT: I trust the minister realizes that if these letters had been upon the file all this waste of time would have been unnecessary.

Item agreed to.

Post Office—outside service—salaries and allowances—further amount required to hereby adjust the salaries of former permanent post office employees who were dismissed from the postal service on account of their participation in the postal strike of 1919, and who have since been re-employed and are still in the service, such adjustment to give the employees the benefit of the salary they would have received had they re-entered the service in the class equivalent to the one in which they were formerly placed, and also of the salary revisions of 1919 and 1924, in which they would have participated had they remained in the service, notwithstanding anything to the contrary in the Civil Service Act, $115,000.

Purchase of rural mail boxes—further amount required, $40,000.

Mail service by air and land conveyance, including rural mail delivery—further amount required, $150,000.

Mr. THORSON: I hope the leader of the opposition will display towards the employees of the post office at Winnipeg, Saskatoon, Calgary and Vancouver who will be affected by this vote those elementary principles of justice with regard to which he spoke so eloquently a short time ago. I feel that there has been a good deal of misrepresentation with regard to this vote and a great deal of misunderstanding as to what is meant by it.

I do not propose to discuss the Winnipeg strike or the merits of that strike, but I think it well that certain facts be placed before the committee so that the situation may be properly understood. In 1919 the postmen in western Canada belonged to an organization called the Amalgamated Postal Workers, which organization, as far as Winnipeg was concerned, was affiliated with the Trades and Labour Council of that city. When the strike of 1919 was called on May 15 of that year the Amalgamated Postal Workers went out with the other unions affiliated with the Trades and Labour Council of Winnipeg.

I do not propose to discuss the causes of that strike, nor its merits, because, in my opinion, neither question is involved in this particular vote. Whether the strikers were right or wrong is not involved in the consideration of this particular item. On the 24th of May, after the strike had been in progress for some nine days, the postal workers received an ultimatum from the Dominion government to this effect:

To-day voluntary workers are temporarily taking the posts that these people have left. The government announces that those returning before twelve o'clock noon on Monday the 26th inst. will be accepted, and that all failing to resume their duties by that hour will be definitely refused thereafter a place in the federal service. Commencing at the above stated hour new employees will be engaged on the usual permanent basis.

I ask the committee to give special consideration to that feature of the ultimatum which threatened the striking employees that they would never thereafter be employed in the federal service.

In the fall of 1919 the government receded from the position it had taken when this ultimatum was delivered. Their decision was rendered necessary by the circumstances existing in the Winnipeg post office at that time. The government decided that they would take back the striking postmen as vacancies occurred, under certain circumstances which I think ought to be indicated. These were as follows:

The reappointment of the striker must have the approval of the governor in council:

On reappointment, the striker must give satisfactory assurances that there will not be a repetition of the offence:

The striker must pass the ordinary Civil Service Commission examination and he must commence anew in the service.

These regulations have been in force since the fall of 1919 or the spring of 1920. There were 416 permanent employees and 267 temporary employees dismissed by order in council for failing to return to work after the ultimatum had been issued. I would draw the attention of the committee to the fact that the ultimatum was delivered on Saturday, a public holiday, and required the return of the workers by twelve o'clock on the following Monday. There have been a number of ex-strikers retaken on the staffs of the various post offices. There are now seventy-two ex-strikers on the staff of the Winnipeg post office, two at Saskatoon, nine at Calgary and four at Vancouver. When these men were taken back into the government employ they were put on the jobs they formerly held; they were required to do work which they had been doing prior to their dismissal consequent upon going out on strike. These men were experienced in the work of the post office; they had training and they had shown themselves to be competent men. The figures will show that at the time of their going out on strike, their average length of service was seven years. That is, the majority of the men who are now in the service of the government had put in, at the time of their dismissal, seven years service with the government. They had training and experience in post office matters.

When these men were taken back they were put on their old jobs. Those who had been sorting mail, were put back at sorting; those who had delivered mail, were put back on delivering; those who had been supervisors, were put back at supervising, and those who had been clerks, or had served in capacities requiring experience, were put back in those positions as vacancies occurred. But when these men were taken back they were paid as postal helpers, the lowest grade known to the post office, and some of them are still being paid as postal helpers. The Dominion government has taken advantage of their training, of their experience, and of their services in the respective classes to which they belong, and yet has only paid them as postal helpers. There is one case in the city of Winnipeg of an ex-striker holding a position as supervisor, and having under him four or five men who were not strikers. The four or five men under him were receiving the maximum salary while the supervisor, being an ex-striker, was receiving the salary of a postal helper.

I would not approve of this vote if it justified the strike in any way. I think there has been a good deal of nonsense spoken with regard to the strike. I think at this time we can view the strike and what happened very calmly and dispassionately. It has not been suggested that this item involves a justification of the strike; it does no such thing. If it involved a justification of the strike I would not have approved of it. The men who have been taken back have freely admitted that they were badly advised in going out on strike, and they have undertaken that there will be no repetition of the occurrence in so far as they themselves are concerned. This proposal does not involve the reinstatement of striking employees; it does not involve the restoration of seniority right. It is necessary to keep faith with the men who took the places of the strikers, and no man who is now in the Winnipeg post office or in any of the post offices affected by this vote is going to lose any rights of seniority. He will not be prejudiced in any way, and he will not lose the position he occupies. While it is necessary to keep faith with the men who occupied the places of the ex-strikers, it is also necessary that this committee and the parliament of Canada should recognize the great principle that services should be paid for according to their value. That is all that is involved in this vote, namely, that we should pay these men in accordance with the services which they rendered to the post office. Nothing else is involved in this vote except the preservation and application of that great principle and those who have been advocating that this be done, have done so with a desire to see applied to these men the elementary principles of justice of which the leader of the opposition spoke this afternoon. This is not a justification for the strike.

Mr. MANION: It is a palliation.

Mr. THORSON: It is not an attempt to reinstate the rights of seniority that were forfeited and lost through going out on strike. The sole and only purpose of this vote is to pay the striking employees of the post office who are back again in the public service in accordance with the value of the services which they were rendering. It is not giving them something to which they are not entitled. They have already earned what it is now proposed to pay them. There is a great principle involved. Since the Dominion government has taken these men back into the government service, the Dominion government should pay them in accordance with the value of the services rendered. I could quite well understand the position that might be taken that the Dominion government should never take these men back. That would be a perfectly understandable position to take and there would be some justification for it. But once having taken these men back into the public service, and having used their services, the Dominion government should follow the example of other employers and pay these men according to the value of their services.

Mr. BENNETT: It perhaps will clarify and simplify the discussion to ask: Are they not being paid according to the terms of the contract of their employment when they went back?

Mr. THORSON: I am glad the leader of the opposition has asked that question. It is a pertinent question to ask. But let me answer it by asking him another question. Many of these men had been in the service of the Post Office Department for ten or fifteen years; they were not fitted or qualified for other kinds of work; there was an odium attached in the city of Winnipeg to all ex-strikers, and they found it difficult to get employment. I ask the leader of the opposition whether it was a fair offer to these men to say to them: We will take advantage of your services; we will take advantage of the fact that you have been for many years in

the service of the Post Office Department; but we will make the best bargain with you that we can, and we will take you back as apprentices?

Mr. BENNETT: What was the bargain?

Mr. THORSON: I have been attempting to indicate the bargain and I have already indicated to the committee the terms upon which the men were reemployed. But what I am saying with respect to that is that that was a very unfair condition to attach to the reemployment, because it was taking advantage of the situation in which the men were placed.

Mr. BENNETT: Who put them there?

Mr. THORSON: It took advantage of the situation in which the men were placed. The Dominion government is the only employer of labour that has acted in that particular way.

Mr. BENNETT: I have a telegram saying that the opposite is the case.

Mr. THORSON: Let me continue with my argument. Other employers of labour have in some instances refused to take back striking employees. That is a perfectly understandable position to take, but when they did take them back they paid them at the current rate of wages. If, for instance, an iron master took back a mechanic, he paid him the wages that were payable to a mechanic. He did not pay him the wages that an apprentice would receive; he paid him as a mechanic and not as an apprentice. But the Dominion government, taking advantage of the position in which the men were placed, stated that they would take them back only as apprentices. Yet when they did take them back they put them in positions that they had formerly occupied; they used their services, their training, their experience. The suggestion that is made in this vote is that even at this late date justice should be done and the men should be paid in accordance with the value of the services rendered by them.

And Mr. Speaker having resumed the chair.

BUSINESS OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): A number of hon. members have been inquiring as to the amount of remaining business. We have made fairly good progress and it should be possible, without unduly circumscribing the discussion, to conclude this evening. But that will depend, in part, I think on the attitude adopted with respect to private bills. I have been advised by those who are promoters of these bills that they would like to have them brought to a vote immediately if that is possible. If it is not agreeable and there is going to be opposition to the bills to the extent of having them talked out during the hour assigned to the dicussion of private bills it might be as well for the house to know this at the beginning rather than at the close of the hour, and thereby save an hour which is very precious at this stage of the session. I would therefore mention to hon. members that when the house reconvenes this evening, I will ask formally if there is objection to a vote being taken immediately on these bills and I will also ask whether, in the event of a bill being brought forward in the regular order, there is likely to be protracted discussion. In the event of objection being registered by hon. members, rather than have a protracted discussion with nothing in the end to gain, I will ask that the measures stand.

Mr. GARDINER: I might just as well inform the Prime Minister that there will be objection to those bills coming to a vote. They will be debated.

Mr. MACKENZIE KING: Is my hon. friend speaking for others as well as himself when he says that?

Mr. CAMPBELL: I may inform the Prime Minister there are a number in this corner who propose to speak on those bills and they will probably occupy the hour.

Mr. MACKENZIE KING: If that be the case and if the bills are to be talked out, we might, unless the house thinks otherwise, have an understanding that the bills will be allowed to stand and that after recess we shall proceed immediately with supply.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: In that event may I ask hon. members if it will be agreeable to them to come back at seven or shortly after seven?

Some hon. MEMBERS: Seven o'clock.

Mr. BENNETT: I will not stand in the way, but I think 7.30 would probably be better.

Mr. MACKENZIE KING: As the leader of the opposition thinks 7.30 might be better, shall we agree on 7.30?

Mr. BENNETT: I will not stand in the way.

Mr. KENNEDY: Shall we continue with this estimate of the Post Office department?

Mr. MACKENZIE KING: Then if the house is agreeable, I would suggest that we meet at 7.30.

Mr. GARDINER: We are quite willing to come back at 7.30 provided it is understood that private bills will stand, and that we shall go on with supply.

Mr. MACKENZIE KING: That will be the understanding.

At six o'clock the house took recess.

After Recess

The house resumed at seven thirty o'clock.

PRIVATE BILLS

On the order:

Resuming the debate on the proposed motion of Mr. Denis (Joliette) for the second reading of Bill No. 152 an act respecting the Great Lakes and Atlantic Canal and Power Company Limited.

Mr. MACKENZIE KING: Stand.

Order stands.

On the order:

Resuming the debate on the proposed motion of Sir Eugene Fiset for the third reading of Bill No. 56, an act respecting the Sun Life Assurance of Canada, and the proposed motion of Mr. Ladner "That this question be now put."

Mr. MACKENZIE KING: Stand.

Order stands.

On the order:

Resuming the debate on the motion of Mr. Taylor for the third reading of Bill No. 58, an act to incorporate the London and Port Burwell Railway Company, and on the proposed amendment thereto of Mr. Church.

Mr. MACKENZIE KING: Stand.

Order stands.

On the order:

Resuming the debate on the proposed motion of Mr. Edwards (Ottawa) for the third reading of Bill No. 43, an act respecting the Bell Telephone Company of Canada, and on the proposed amendment thereto of Mr. Sanderson.

Mr. MACKENZIE KING: Stand.

Order stands.

PRIVATE BILL LEGISLATION—RULES AND PROCEDURE

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, before we leave private bills I desire to say I cannot but think that matters so vitally affecting the business life of Canada as some of these bills do should not be dealt with as they have been by this House of Commons. I have a very strong conviction about this matter, but I have not expressed myself before with respect to it. I do not think it is conducive to public appreciation or respect for parliamentary institutions that what took place this afternoon should recur, that a small group, because they say they will talk a bill out, should be able thus to prevent a vote being taken upon the merits of the measure.

I do not propose in any sense to express an opinion with regard to the bills, but I do say we must in some way amend our rules or modify our procedure to prevent that situation recurring. It is bad for the country, it is bad for parliament, and it is worse for the commercial community whose interests may be affected. I have not a word to say in criticism of those who do not approve of measures and desire to discuss them, but a minority of twenty or twenty-five should never be able to prevent a vote being taken and the will of the house recorded. If this house is in favour of the legislation it should have the opportunity to so declare; if the house disapproves, there should be an opportunity afforded to so record itself.

I venture to make these observations at the end of this session because I have not heretofore said anything with respect to the matter. I do hope we may be able to arrive at some method by which a recurrence of the situation may be prevented. I realize that initially the trouble was in terminating private members' days too speedily; but that was the fault of the house itself, and in no sense was the administration to blame. But I do think that if my friend the right hon. Prime Minister (Mr. Mackenzie King) had determined that we should have the power to vote, there never was a case in which the powers of closure would have been more salutary, nor the invitation to use them would have been more properly acted on than in these cases.

Right. Hon. W. L. MACKENZIE KING: (Prime Minister): Mr. Speaker, I cannot agree with my hon. friend that closure should have been introduced with respect to private legislation, but I heartily agree for the most part with his other remarks. I may say that the government as a whole are entirely of his view that there may be a necessity to amend the rules so as at least to enable the promoters of private bills to have them determined one way or the other by this parliament.

May I say in reference to my hon. friend's remark as to what took place just before six o'clock, that that is only the last act in the drama.

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: The worst sinner of all is the one who is at present sitting immediately behind my hon. friend and who is one of his supporters. I think he has taken up more time of the house in obstructing votes on private bills than has been taken up by all the other members put together. I am referring to my hon. friend from Toronto Northwest (Mr. Church).

Mr. BENNETT: I would not say it is quite as bad as that.

Mr. MACKENZIE KING: I certainly think the rules of the house should be so amended that when a private bill has been fully discussed and hon. members have had ample opportunity of knowing the arguments pro and con there may be a speedy decision one way or the other.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I desire to take exception to the remarks of my hon. friend the leader of the opposition (Mr. Bennett). He intimated that something disgraceful took place just before adjournment at six o'clock.

Mr. BENNETT: I did not say that; pardon me.

Mr. GARDINER: I merely stated to the Prime Minister when we were considering the business for this evening that I knew there were sufficient members who wished to discuss private bills now on the order paper to more than take up the hour between eight and nine o'clock. I am not going to recede one iota from the position that members must at all times have full opportunity to lay their views before the house and before the country, with respect to any measure, private or otherwise.

Mr. BENNETT: Hear, hear.

An hon. MEMBER: All members should have that opportunity.

Mr. GARDINER: It is true we may require some amendment of the rules. Personally I should like to see all bills come to a vote and the members of this house supporting legislation that is not in the interests of the people made responsible for their vote. I have no desire to block legislation nor do I think have any of the members who are associated with me. But, sir, if we are going to make it easier for private legislation to get through this house, then I submit that when we are amending the rules we should see to it that private members are given an opportunity to introduce legislation which is required by the people. but which governments do not seem to care to introduce.

I regret the occurrence that took place, and possibly because of what has transpired during this session amendments to the rules will be made next session so that legislation will be passed, or at least the house will get an opportunity to express its opinion upon it.

Mr. BENNETT: Mr. Speaker, I am quite sure the hon. member for Acadia (Mr. Gardiner) must have misunderstood me. I did not use, nor did I suggest the use of, the word "disgraceful" with reference to what has taken place; but I did say it was not consistent with the dignity of the house that private bills should not be considered because there were members who said they proposed to talk out the hour, and it would be impossible to reach a vote at this late date after we had sat several months.

Mr. GARDINER: I accept my hon. friend's explanation; it is quite satisfactory. I would say, further, Mr. Speaker, that the legislation now on the order paper has been discussed by members of all groups in this house, and I do not think it is altogether fair for my hon. friend to say that twenty or twenty-five members in this corner of the house were to blame.

Mr. BENNETT: I did not say in your corner of the house.

Mr. SPEAKER: Private bills being exhausted the house will resolve itself into committee of supply.

SUPPLY

POST OFFICE DEPARTMENT

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

The CHAIRMAN: Vote 519, supplementary estimates.

Post office — outside service — salaries and allowances—further amount required to hereby adjust the salaries of former permanent post office employees who were dismissed from the postal service on account of their participation in the postal strike of 1919, and who have since been re-employed and are still in the service, such adjustment to give the employees the benefit of the salary they would have received had they re-entered the service in the class equivalent to the one in which they were formerly placed, and also of the salary revisions of 1919 and 1924, in which they would

have participated had they remained in the service, notwithstanding anything to the contrary in the Civil Service Act, $115,000.

Purchase of rural mail boxes—further amount required, $40,000.

Mail service by air and land conveyance, including rural mail delivery—further amount required, $150,000.

Mr. THORSON: Mr. Chairman, I do not propose to occupy the time of the committee very much longer. The hon. leader of the opposition put certain questions to me with regard to the conditions under which the striking postmen had been readmitted to employment. The position which I suggest should be taken in regard to that is that these men were not able to choose between employments. They were quite ready, from the fact that they had not been employed and had not been able to get employment, to take any employment that offered, no matter what terms were imposed. But, Mr. Chairman, the position I take is this. The condition that these men should be paid as new men seems a very unfair condition to attach to their reemployment; that condition now should be changed and full justice should be done these men. They should be paid in accordance with the value of the services rendered. Every other employer who has taken back into his employ men who went on strike has paid these men full value for their services; the Dominion government has been the only exception to that rule, and I suggest that it is not too late for this government to remedy the injustice which was done. These men who went on strike and who have been reemployed by the Dominion government were not vicious men; a large number of them were returned soldiers and they had all contributed their share to the patriotic fund and had done their part in looking after the welfare of the returned men. They had performed their duties conscientiously and well. Perhaps they were misled, but at any rate they have promised that they will not take part in a strike of this nature again, so there is no danger of a recurrence of the trouble in the future. Many of these men lost their homes and their savings before they were re-admitted into the service for which they were trained and for which they were well qualified.

This request that justice be done these men does not come from them alone; it has the support of many bodies and groups of men. The Winnipeg postal group, by a very large vote, have endorsed this proposal, although only a small portion of that group are ex-strikers; the Amalgamated Civil Servants of Winnipeg have also endorsed the suggestion, as have the executive of the Canadian Legion in that city. This is not a new proposal in the history of Canada. There are precedents for the suggestion now made, precedents which were just and which we should follow in this case. In 1924 the postmen of Toronto went out on strike; they were sent an ultimatum similar to that given the Winnipeg strikers. Then they were dismissed and told that they would not be reemployed. However, they were reemployed on the same terms as those offered to the Winnipeg strikers, as vacancies occurred and as new employees. In 1926 the Dominion government realized the justice of their claim and reinstated them, going further than it is now proposed to go and giving them their back pay, recognizing the justice of that procedure. It would be interesting to know the attitude of the leader of the opposition in connection with this proposal and to know whether his attitude is shared by some of his colleagues. I am sorry the hon. member for Fort William is not in his seat; I have been told that when he was touring Manitoba during the last election he met a group of these men. They placed their case before him and he expressed sympathy with their application. They told him about the Toronto strike and what had been done there, and I am told that on that occasion after hearing their representations he stated that if the Conservatives were returned to power and if he remained Postmaster General he would be prepared to treat them as the striking postmen in Toronto had been treated. If I am incorrectly advised I hope the hon. member will put me right.

I make this suggestion because I believe it to be just and proper; I believe if we adopt it we will remedy a wrong which has existed in Winnipeg for a long time and heal a sore which has been festering for years. No one is being prejudiced; no justification of the strike is involved; we are merely recognizing the fact that the Dominion of Canada should pay these men according to the value of the service rendered. I suggest that this committee adopt this item so that now, after this long lapse of time, justice may be done and a fitting end written to one of the most distressing chapters in the history of Winnipeg.

Mr. BENNETT: Nine years ago last April a delegation of Winnipeg postal employees representing the entire body of men employed in the post office of that city visited Ottawa, the capital of Canada. They met a delegation of the then cabinet. They were asked

as to their grievances and they indicated slight changes which they desired to have made in the terms of their employment. Their wishes were met in full and when they left this city to return to Winnipeg they left behind them letters of thanks directed to the ministers in question, thanking them for the courteous way in which they had been received and for the willingness shown by the government of the day to meet every just claim they had to make. They stated that they had no complaints of any kind to make with respect to the terms of their employment, the conditions of their service or their relation to their employers, who were the people of Canada.

Just about a month thereafter some 480 of the Winnipeg postal employees left their employment; they left without notice; they left without providing substitutes; they left without any personal grievances or any complaints as to their service or the conduct of their employers. They left the service of the state in violation of their oaths of office as public servants of the Dominion of Canada, and the reason they gave for leaving the public service were that a strike had been called by certain men in that city, and an effort was being made to establish a Soviet form of government in Winnipeg. An additional reason given was that some of them were compelled by intimidation to leave their employment.

Let us consider just what that means. If we can only approach this matter in a spirit somewhat different from that of the hon. gentleman who has just taken his seat after endeavouring to make political capital out of it, I think perhaps it would be more to the advantage of this country.

Mr. THORSON: What justification has the leader of the opposition for making that statement?

Mr. BENNETT: Just the language used by the hon. gentleman himself, and nothing more.

Mr. THORSON: I think that statement should be withdrawn.

Mr. BENNETT: His language is opon to only one inference, the only inference that would be drawn by any court. He himself is a member of the profession; he assisted in the prosecution of those who originated the effort to establish a Soviet in the city of Winnipeg. He was one of the prosecuting counsel, and I ask him to say to this house whether or not he thinks the conviction obtained in one of these cases was improperly obtained? An appeal was taken to the Privy Council, which declined to allow it because, while the Privy Council only in rare cases hears appeals from criminal convictions, the lord chancellor at that time made it perfectly clear that it was apparent, after a most exhaustive statement of the case by learned counsel, that there had been no departure from the principles that govern the administration of criminal law in every part of the British Empire, in the trial and conviction of at least one of these offenders. Does the hon. gentleman who spoke this afternoon say to this house that this man was improperly convicted?

Mr. THORSON: I propose to answer that question. I made it perfectly clear to this house that if this vote had implied justification of the strike, I would have opposed it. No justification of the strike is involved in the vote. I—

Mr. BENNETT: Don't make a speech. My hon. friend knows better than to do that. He will have his chance, and I shall proceed now with my observations. I have permitted him to give an answer.

Mr. THORSON: You asked me a question.

Mr. BENNETT: I asked a question and the hon. member has answered it. He has said that if this vote involved in any sense approval of the strike he would not have supported the measure. I therefore think that if I can show to the committee that the vote does imply that very thing, the hon. member will withdraw his support of the item in the estimates. This trial having proceeded, as I have said, the conviction having been made and sustained by the court of last resort in the British Empire, we have then a just and proper conviction for an effort to establish another form of government in Canada.

Mr. WOODSWORTH: Will the hon. gentleman permit a question? In what way can he say that the decision of the courts in Winnipeg was upheld by the Privy Council?

Mr. BENNETT: An application was made for leave to appeal to the Privy Council. The case was presented by learned counsel not only of the English but of the Winnipeg bar; and the Privy Council, after listening to the argument, indicated that there was no cause shown for hearing the appeal, and leave was refused.

Mr. WOODSWORTH: Did the Privy Council listen to the argument?

Mr. BENNETT: The hon. gentlemen who presented the case to the Privy Council is now one of the learned judges of the court of appeal of Manitoba. He presented his argument for the better part of a day. The Privy Council listened with great attention and at the end of the discussion the lord chancellor—if my memory serves me it was the lord chancellor of the day—gave judgment, declaring that no case had been made out indicating that the conviction was wrong either in law or otherwise, or that it offended the principles and canons of justice that prevail throughout the British Empire in relation to criminal cases, and therefore the conviction would not be quashed by the Privy Council.

Mr. WOODSWORTH: Was it not true that refusal of the Privy council to consider the matter was based on constitutional grounds?

Mr. BENNETT: It is hardly correct to say that it was based on constitutional grounds. It was based on this large ground: that no case had been made out that would warrant interference by the Privy Council. When I say that no case was made out I mean that there was no such departure from the principles of justice that govern all criminal trials in the British Empire as would warrant interference by the Privy Council in rehearing or considering the case. In other words, what the Privy Council said, by the judgment of the lord chanceller, was that the principles of justice had been observed in the trial, that the evidence warranted the conviction, that the conviction was sound in law and therefore must stand. That was the judgment of the Privy Council. The constitutional question to which the hon. member refers is a simple one: it was whether or not the Privy Council would consider a criminal appeal. The Privy Council has considered criminal appeals and has since that time declared that where there is any departure from the principles of justice that govern all British courts in criminal trials, the case will be considered by the Privy Council. Those are the facts.

We have therefore a conviction which, to the hon. gentleman who has just spoken, must appear a sound conviction. We have a conviction because an effort was made to destroy the established form of government of this country in the city of Winnipeg. In other words, an effort was made to change our government and that effort failed.

Mr. THORSON: Would the hon. leader suggest by that statement, that all who took part in the strike of 1919 in Winnipeg had that intention in mind?

Mr. BENNETT: It is hardly necessary to answer a question of that kind, and it is not expected that a lawyer will answer it. It is not expected that one of the profession would ask so simple a question.

Mr. THORSON: Answer it.

Mr. BENNETT: I am not here to give instruction in law to the hon. gentleman; it might pay for him to sit somewhere and learn a little. But I do not propose to give that instruction at the moment.

The conviction having been made because of an effort, mark you, to destroy the government of Canada in the province of Manitoba and in the city of Winnipeg, and that effort having failed, one of our citizens, was prosecuted, and convicted. It will be found in the law reports of the country. Now what relation has that to this vote?

Mr. THORSON: None.

Mr. BENNETT: It is necessary for the hon. gentleman to say none if he desires to retain his position as having a logical mind. However, I shall show that it has a very direct bearing on the matter. Let us bear in mind my opening observation: 480 men who had no direct grievance of their own, had left the postal service of Canada without notice, in violation of their oath. They left, not because they had any grievance of their own, because they admitted they had none. But citizens one of whom was subsequently convicted as I have indicated, were endeavouring to establish another form of government in Canada, a soviet in the city of Winnipeg. The government was confronted with that situation—a complete tie-up in the postal service. What does it mean to the commercial life of Canada and to the domestic life of our citizens to have a complete postal tie-up? Business was paralyzed, the postal service was discontinued, no deliveries made of letters to homes. The people were without communication so far as the postal service was concerned—absolutely without it. The government of the day permitted that condition to continue, urging as best they could, that there should be a settlement of these difficulties. Time went on; two weeks passed; and then the Minister of Labour of Canada, the Honourable Gideon Robertson,—and I think, although my memory may be wrong,

the Right Honourable Arthur Meighen—went to Winnipeg. The first thing they did was, not to endeavour to coerce the postal clerks, but to ask them whether they had any grievances against this country, their employer. They admitted they had none. They were not on strike because any wrong had been done to them personally, but because they were in sympathy with those who were endeavouring to destroy the government of Canada. The relation between the conviction and the sympathy is found in the fact that that effort to destroy the government was held to be criminal, and one of them was convicted under the conditions to which I have referred. Therefore, the sympathy was for a criminal act, an act which was declared by the court of last resort to be criminal; that is clear. I think this answers the question asked by the hon. gentleman. There is the answer; it was sympathy for a criminal conspiracy, a conspiracy to destroy the government of Canada.

What did the government of the country do? Mark you, the government, after all, is but a trustee for the whole population of Canada. I was not in the house at that time, so I can speak with some freedom with respect to the matter; I was not even in politics. The position was a very simple one. Confronted with the paralysis of the postal service of Canada for upwards of two weeks; no mail; business being ruined, and homes without letters, what happened? The then Minister of Labour, and the Right Hon. Arthur Meighen on Friday gave public notice through the papers, and by personal notice, directed to all those who were concerned, through the postmaster, pointing out that the postal employees were acting in violation of their oath of public service, and the public service must be resumed. That was a clear and frank recognition that all men may act hastily, and of the influence of the mass over individuals. This was a recognition of what I believe some philosophers call mass psychology; the influence of the many over the mind of the individual. It has a clear recognition that men may act hastily and make mistakes; that they may be guilty of errors of judgment. It was not proposed to drop these employees from the public service, or to drive them out of their employment, but they were advised and notified that they would be permitted to resume their regular employment if they returned to work on or before the following Monday. They were invited to meet the postmaster and the Minister of Labour at a stated hour on Sunday to discuss the question, in case the employees had any complaint to make with reference to their own matters. That is a summary of it. What could be fairer than that? Could anything be fairer? Would any man suggest that that is not a frank recognition of the weaknesses of human nature and a possibility of the influence of mass mind upon the single individual? I think every member of this committee will agree that that was a fair position to take. On Sunday eighty-two of the employees met the postmaster and Minister of Labour, and all of them reported for duty on the succeeding Monday, and were reinstated without discrimination. Could anything be fairer than that? Would any hon. gentleman ask that his own relatives or friends be treated more fairly than that? It was a recognition of a difficulty and the recognition of the possibility of hasty action with an opportunity for repentance: Come back and go to work. Eighty-two went back on Monday and the rest remained away from their job.

An hon. MEMBER: From their duty.

Mr. BENNETT: From their duty, yes. Advice having been given on the preceding Friday that if they did not desire to come back they would be dropped from the service, on Monday those who did not so report were dropped from the service of the country and they were no longer employees of Canada.

Their places were filled as far as possible. Some 250 returned soldiers went to work and the postal service was renewed. It was badly crippled and sadly paralyzed, but in time order was brought out of chaos and the service was fairly established. It is only fair to say that a number of those who did not go back to work resented that others were prepared to take their places, and they made some little effort to prevent them discharging their duty in delivering mail. However, that led to no serious condition, although there were certain threats indulged in, threats that are always incident to a tie-up such as this, but no serious results followed. Order was brought out of chaos and the strike failed. The soviet form of government was not established in Winnipeg and the institutions of the country were saved. This was brought about to some extent, through the efforts made by the hon. gentleman who has just spoken, in the legal knowledge he brought to bear upon the prosecution of the offenders. His knowledge and training as a lawyer helped and assisted in the securing of a conviction against some of them.

Then what was the position? A reaction set in; reactions always follow in matters of this kind. There were efforts made to induce the government to permit these men to go back to their old positions, regardless of what had transpired. If the government had yielded readily to the pressure brought to bear upon it, it would have been unworthy of being a government; it would have been unworthy of supporting the prosecution carried on by the hon. gentleman as a lawyer. But the government adhered to its policy, although in the filling of vacancies that arose from time to time in the postal service of Winnipeg, they made an exception in giving preference to postal employees who had not been guilty of any open acts of violence. Ultimately a very large number of old employees found employment. I think this is a fair summary, and I think my hon. friend will say it is a fair statement of what transpired.

Mr. THORSON: With some exceptions.

Mr. BENNETT: There may be some exceptions.

Mr. THORSON: Very serious ones.

Mr. BENNETT: Of course, the hon. gentleman has had a much wider knowledge of the circumstances than I have. I only have them from reading the law reports and the reports in the press and the memoranda issued from time to time with respect to the situation that developed. But it is sufficient to say that a very substantial number of the four hundred who did not go to work that Monday following the opportunity given to them, subsequently found employment by reason of there being vacancies in the postal service in Winnipeg which they filled.

The question is, in what capacities were they employed; what was their contract of service; did they go back to their old positions or did they go in as new hands? The hon. gentleman stated this afternoon and, from my reading, correctly, that they came back as new hands, as those who had not formerly been in the public service. They came back just as, to my knowledge, some twenty-five or so conductors of the Canadian Pacific Railway Company came back to the service during the last two years, after they had been dismissed.

Mr. THORSON: Were the Canadian Pacific conductors taken back as wipers, or anything of that sort? Were they not paid as conductors?

Mr. BENNETT: I am coming to that. They went back as conductors having lost their pension rights and their seniority as employees of the company.

Mr. THORSON: They were not paid as apprentices.

Mr. BENNETT: Some of them, because there were no vacancies for conductors, came back as brakemen although they had formerly been old and trusted conductors. The same situation obtains in this case. It is not fair to talk about wipers or engineers or anything else in this matter. The question is to determine what the contract made by the country was with those who came back to work. There is an axiom of law that was, I am sure, invoked by the hon. gentleman in his prosecution, namely, that every man must be fairly presumed to contemplate the result of his own actions and when the opportunity for repentance is given and not availed of, the law no longer looks upon grown men as infants but looks upon them as men of understanding able to appreciate their conduct and actions. Therefore when they chose not to repent, but rather to defy constituted authority and to throw their lot in with those who desired to destroy our country and its institutions, they must have understood what the natural and logical result of that action would be. They took the chance; they declined the invitation, and at least one or two hon. gentlemen on this side of the house will perhaps at this moment be recalling the language of a great American poet who said:

> Once to every man and nation comes the moment to decide,
> In the strife of truth with falsehood, for the good or evil side;
> Some great cause, God's new Messiah, offering each the bloom or blight,

Some hon. MEMBERS: Carried.

Mr. BENNETT:

> Parts the goats upon the left hand, and the sheep upon the right.
> And the choice goes by forever 'twixt that darkness and that light.

That is carried, I have no doubt. The law attributes to these postal employees that knowledge, that intelligence, that power of determination, that power of choice by which they declined the invitation of the country notwithstanding their violation of their oaths of office, notwithstanding the weakness that had yielded to the influence of their tempters who would destroy the government of Canada. They said: We choose to remain out; we choose to throw our lot in with the strikers; we choose to throw the power of our numbers

and influence in with those who, if they had succeeded would have destroyed constitutional government in Winnipeg. They failed and when the strikers failed and the strike failed they came back for employment. But they came back too late. That is all this case is.

My hon. friend put this case. He said: Other employers take back their people and give them positions. Let us admit all that. That has nothing at all to do with this case. This is the body politic fighting for its life. This is the nation fighting for its existence. This is the struggle between constituted government and bolshevism. It was a struggle between the municipal institutions at Winnipeg and the soviet form of government and that was the case put by my hon. friend in his prosecution. He may not have put it in those words, but that is the case he put and that is the case upon which a conviction was made. Now we are asked to do what? This parliament, which is not like an ordinary employer, which provides its oath of office for those who are its employees, which protects all the citizens, which makes the laws, the criminal laws, and provides in part for their administration, within the province, it is true, and under provincial jurisdiction, is now asked to say that those men who went back to work afterwards shall be placed in the same position so far as their employment is concerned as if they had never gone out on strike. We are asked to vote $115,000 to do that. The letter carriers may have insufficient pay; the railway mail clerks may be badly paid; but $115,000 is to be raised by the taxpayers of Canada to provide for additional compensation to those who left the service and declined to return under the conditions I have mentioned.

That is the case and that is a case to which I am opposed and to which I think most thoughtful citizens are opposed. You may curry favour for a moment with men by adopting the position that you are the champion of their cause; that you are going to see that they are placed in the position which they do not now enjoy; but within their hearts they themselves know that they have not been treated unjustly or unfairly. I have talked with some of them. I have talked with one of them who came from the old province of New Brunswick and who is now in California. He belonged to a very ancient family in New Brunswick. He fought in the Boer war. He lost his position; he yielded to the importunities of those who would induce him to relinquish allegiance to the state. He gave up his position; he went on strike without a grievance. He could not get back his position and he is still without it. He left Canada, and in the conversations that I have had with him I have never heard him say for a single moment that he did not deserve the punishment that he received for his action.

Is the House of Commons to put a premium upon this sort of thing? Are we prepared to say that those who do this shall be rewarded? You say: Ah, well, these men are receiving a very small wage. Some of them have never risen from the position they first occupied. Some of them are still in the position in which they were originally and have made no progress upwards. Perhaps half of them in Winnipeg and Calgary have risen to the position which they formerly occupied and are receiving the salary which they were receiving at the time they left the service of the state. Others have not. It is too bad that this is so; but justice is blind; justice is concerned not only with the offender but with the body politic against which the blow was struck. The criminal courts, as was said this afternoon, are not there to punish persons vindictively; they are not instruments to enable one man to effect an evil purpose against another. But the criminal courts are established in this country for the purpose of enabling the rights of all the citizens to be enjoyed without impairment and without destruction by any man. These men, when they took their choice, when without any personal grievance they left the service and declined to go back, contemplated all that and justice to those who remained, justice to those who went back and justice to the people of Canada demands that we shall not interfere; that the logical and inevitable results of what men have done shall visit them in all their conduct. There is not one of us who does not appreciate and understand that. Now we are asked to interpose the strong arm of the state beeween cause and effect. The cause was there. The effect was there. We are now asked that the state shall remove the effect. I cannot agree to that.

The city of Calgary which I represent has sent me telegrams and letters with respect to this matter. I have received them from Vancouver and from other places.

Mr. WOODSWORTH: Does the hon. member say that the city of Calgary has sent telegrams?

Mr. BENNETT: Not as a municipal body, if that is what my hon. friend means.

Mr. WOODSWORTH: That is what I am asking about. What body in Calgary was it?

Mr. BENNETT: The board of trade.

Mr. WOODSWORTH: The board of trade is the city of Calgary in the hon. gentleman's opinion.

Mr. BENNETT: It is the most representative body in the city of Calgary. The young and old men's board of trade is a representative body. If I had said citizens, I would have more nearly expressed my meaning. I did not intend to convey the view that the municipal body had passed resolutions or had taken any action in the matter, if that is what the hon. gentleman means. I desire to make it perfectly clear that that is not what was in my mind.

I had hoped, Mr. Chairman, that under the circumstances I have described this government would not precipitate this discussion nine years after the event, and in the last hours of a dying session, but if it keeps this house in session for many hours I at least cannot become a party to it. I can only voice my protest against it. To some people the securing of votes seems more important than anything else in the world. But I believe that the great mass of the labour people in this country with whom I come in contact, the men with whom I have discussed it, the men in the service of the railways, who have had similar punishment meted out to them when they committed an offence against their regulations, feel that these men in Winnipeg understood what the results would be and they accepted them as part of the trials of life; they were warned, and understanding the consequences, they took the chance, and the chance having failed, we are now asked to say that they shall be put in the position they would have been in if they had succeeded. Surely the government cannot seriously mean that. They cannot seriously ask us to do it. It is not analagous to the case in Toronto. That case is entirely different. In Toronto it was not a sympathetic strike. It was a strike of the postal workers because of their own grievances, not the grievances of somebody else. The postal workers struck because they had been injured. Believing they could not secure what they wanted in any other way, they struck, and the government of the day thought that they were right in the strike, and gave them back their positions. It was not a case of a man striking in sympathy with somebody else, not a case of striking even for some imaginary grievance. In Winnipeg the strike was an endeavour to destroy constituted authority. If the Toronto strikers had done that, the government would not have intervened. I know the minister who intervened in that regard, and he intervened properly, because their grievances were just, and he gave them back their positions, and gave them the benefits to which they would have been entitled, and additional benefits.

There are other matters in this connection which I shall reserve to bring up as the debate proceeds. I have outlined the considerations that govern me in determining what my attitude shall be in connection with this question.

Mr. HOWDEN: I dislike very much to detain the house at this time, but I come from a constituency in Manitoba and represent part of the city of Winnipeg, and I desire to put myself on record in this matter. Notwithstanding all that has been said by the leader of the opposition, I wish to associate myself with the hon. member for Winnipeg South Centre, whose attitude I heartily endorse in this matter. The hon. leader of the opposition has said that we have taken this attitude in order to gain political kudos. I might say to him and to this house that I realize very well that the action which the government has offered to take in this matter has not met with very much favour in many districts of Manitoba and in the city of Winnipeg, and I have no hope of gaining any political influence whatever by my attitude in this matter. But I believe that this is only justice and fair play to these men.

There is a good deal that can be said on both sides. There is a good deal that can be said in support of these men, that they were not given a fair chance. They were supposed to have a meeting with the then leader of the government and the Minister of Labour, but through a miscarriage of the mails and one thing and another, the meeting was never consummated. I might say that the Prime Minister of Canada at that time and the Minister of Labour did make an arrangement to meet these men, but they never turned up at the meeting.

Mr. BENNETT: Is not the hon. gentleman mistaken? Did not the Prime Minister and the Minister of Labour meet them in the post office on Sunday?

Mr. HOWDEN: They did, but that was on the 25th of May, and the 24th was a holiday, and a Saturday, and there was no mail that day, and these men did not get word that they were expected to meet the Right Hon. Mr. Meighen and the Minister of Labour at that time, and so the meeting fell through. When they did not meet these gentlemen on Sunday, an arrangement was made that they would be met on Monday, but when the men turned up on Monday they

waited in vain, because there was no Prime Minister and no Minister of Labour present. It is suggested that this is a matter of re-instatement. This is not a matter of re-instatement. The men are not being re-instated. The government that was in power at that time saw fit to re-engage these men in postal work, and it is not the suggestion or the intention of this government that these men be re-instated, but ever since that time these men who were skilled in the work in which they were engaged have been paid the wages of apprentices. Now, Mr. Chairman and gentlemen, the labourer is worthy of his hire, and this country has been engaging these men, and paying them the wages of apprentices. For these reasons, I cannot see anything but fairness in the proposal that the postal workers should be paid the moneys they have earned in the past several years. I heartily concur in the attitude that has been taken by my hon. friend from Winnipeg South Centre.

Mr. WOODSWORTH: Mr. Chairman, there is developing a very large body of opinion in Winnipeg that, regardless of the merits of the strike, the time has come when there should be some sort of settlement of this matter, which has constituted a long outstanding grievance. There are a great many people who are to-day taking the position that the strike has been over now for some nine or ten years, and that it is time for us to forget some of the bitterness of those days, and so far as the ordinary routine work is concerned try to arrange the affairs of this country in such a way that the best work can be done by public officials. The hope of doing anything like that is absolutely shattered by such a speech as that to which we have just listened to-night from the lips of the hon. leader of the opposition. He says that there is a vital difference between the strike in Toronto and the strike in Winnipeg. He says it was quite right that the men who went out on strike in Toronto several years ago should be re-instated. I suppose that in going out they had violated their oath of office, but nothing is said about any such violation by the hon. leader of the opposition in that connection. What is the distinction that the hon. leader of the opposition makes between the two? He said that the men in Toronto went out because they themselves had a grievance, and that the men in Winnipeg went out because they had sympathy for other people who had a grievance. I wonder which is the higher type, after all. As a matter of fact, the men in Winnipeg did have grievances. They had grievances the year before; they had a strike the year before, and it had not been satisfactorily settled. Had they not had grievances they would not have been so readily appealed to as they were. I am afraid I must admit that—they could not have been so readily appealed to had they not had grievances. But if you are to make this distinction, that when a man feels injured himself he can take action, but when he feels another man is being injured and wants to help him, then his action becomes criminal—I say that is a new doctrine.

I had hoped I might not have to speak on this question, because again and again the Winnipeg strike has been dragged before this house. Personally I am not at all ashamed of my association with the workers of Winnipeg at that time, and although I was in no sense responsible for the calling of the strike, the position which I held with the workers enabled me to see something of the inside of the committee meetings that were being held at least during the last weeks of the strike. I was not there at first. I listened very closely to the evidence which was given at the trial, and I am proud to have a close personal friendship with a number of the men who were prominent in that industrial trouble.

Now, I do not like to accuse the leader of the opposition of wilfully misrepresenting things; I hope he has not done so. I should like to think he would be fair. But I do not think he could put before the country anything more fundamentally untrue and more cruel than the statements that he has made to-night. I cannot blame him, nor can I blame the country very much, for having an entirely false impression of what took place. In the first instance, the official reports were very misleading. I should like to take a minute or two to deal with them, and since the leader of the opposition has occupied a long time, I think I will follow his example even if this is the last night of the session. I cannot let these statements go as they have been presented to-night. At the outset, Commissioner Perry, of the North-west Mounted Police, went west to make inquiries into what he understood to be the industrial unrest throughout that section of Canada. He set spies on the trade unions. They listened to what the men were saying. Undoubtedly the men were interested in the great world events that were taking place, and, among others, in the Russian revolution. The men were talking quite freely about the advisability of directing their efforts in this country along lines that would more effectively solidify their ranks in order that they might

be better able to bargain with their employers. Some of them spoke of the industrial revolution. Every student of history knows that that refers to the transition from hand to machine work. But these ignorant spies misunderstood the entire labour movement. I knew what was going on at that time from some of my friends who happened to be on boards of trades in western cities, but I also knew from my labour friends the real situation regarding labour. Commissioner Perry came back and made a report to the government which entirely misrepresented the situation, because his report was based on information from men who did not understand, and could not very well be expected to understand, the labour movement. That was the background.

After that there came the misrepresentations in the daily press during the strike. Relatives of mine living in Vancouver read a story in circumstantial detail of the setting up of a soviet republic on the banks of the Red river. The story was manufactured out of whole cloth, absolutely not a scintilla of truth in it, and yet it appeared in detail from the fertile pen of a Winnipeg writer.

I know several of the men who were convicted. We have not here the facilities for transforming ourselves into a court of law. The unfortunate labour people, although they raised tens of thousands of dollars to pay legal fees and get the best defence possible, have not been able to follow those who had unlimited funds in presenting their case to the public at large. We cannot discuss the details to-night, but the leader of the opposition has made some very general and very sweeping statements. I am going to make statements which I am quite prepared to substantiate, and if I could do anything to secure a fair trial for the labour people of my own city of Winnipeg, and if I could do anything to bring to trial those who succeeded in putting over one of the most dastardly conspiracies, I should be delighted and should think that I had accomplished in this house something that was worth while. I say the trials that were put on there were farcical, absolutely a travesty of justice. From beginning to end they were farcical.

Mr. BENNETT: Farcical?

Mr. WOODSWORTH: Yes, from beginning to end. The leader of the opposition referred to the effort we made to get the matter before the Privy Council. There were representations made from the law courts of this country, and the influence was such that, added to the constitutional aspects, the Privy Council did not hear the case. I think it is absolutely unjustifiable that the leader of the opposition should endeavour to give the impression that the Privy Council endorsed what was done by our courts. We raised tens of thousands of dollars, and sent Mr. W. H. Trueman, K.C., now Mr. Justice Trueman, to England. He thought he had a good case, but he could not get the trial reviewed by the Privy Council.

If I had the time to go into the details I would tell the committee how the jurors were selected. Something like three hundred men were brought in from the country—

Mr. BENNETT: Mr. Chairman, it is not for me to call upon you to protect the honour of our courts against attack, but our rules of order on the subject are definite. If the committee desires that our courts should be attacked and those trials described in the language which the hon. gentleman has employed—

Mr. THORSON: I think I might speak on that question.

Mr. WOODSWORTH: I wish to finish my remarks. It is not a point of order. If the courts need any protection I have no doubt that the legal fraternity will flock to the rescue. I am not suggesting that my hon. friend across the way (Mr. Thorson) is attempting to do that.

The CHAIRMAN (Mr. Marcil): Order. With reference to the remark made by the leader of the opposition, the rule is very plain.

A member while speaking must not cast reflections upon the conduct of judges of superior courts unless such conduct is based upon a substantive motion.

It is a rule of the house.

Mr. BENNETT: Exactly.

Mr. WOODSWORTH: I do not think I have said anything to come within that rule, Mr. Chairman.

Mr. CLARK: How could a trial be dastardly and farcical?

Mr. WOODSWORTH: I say it was farcical, and if I had time I could very easily show that it was.

Mr. CLARK: Was it conducted by a court of law?

Mr. WOODSWORTH: Yes. It was a trial for conspiracy, and anyone who has studied the laws of conspiracy knows what that means. Great reams of evidence were ruled out altogether. Certain laws of evidence were invoked which had come down in cases of

seditious conspiracy almost unchanged from the days of the Star Chamber. Men who had known nothing whatever of others until the time they were called into the court were held responsible for actions that had taken place in the lives of those other men years and years before. If anyone cares to read these trials—and I wish I could persuade some of our legal friends to do so—they will find, in all the state trials in Great Britain, going back to the days of Lord Erskine, no more outstanding and fundamental piece of injustice than that which prevailed at the time of this strike. The leader of the opposition referred to the classical idea that justice is blind. Justice, indeed, sometimes is blind to the fundamental issues, blind to the larger affairs and to the most vital things that concern us to-day.

I want to refer for a moment to these charges made by the leader of the opposition. He says that an effort was made to establish the soviet form of government in Winnipeg; he says that the struggle was one between constituted authority and bolshevism; he says that an effort was made to destroy our country and its institutions. I realize that my own word does not go very far, but knowing my friends who were in that movement and knowing the details of the movement, I say that these charges are absolutely false. I wish to state, that fundamentally the strike was one concerning wages and forms of organization. There had been a controversy in the contract shops in Winnipeg; the iron-masters refused to recognize the unions in the form in which the men wished to organize themselves. They said, "We will treat with our own men but not with unions in which are men from the railways." That was the beginning. The right to organize was refused, a right recently conceded by the Peace treaty of Versailles. That was fundamentally the trouble. The machinists involved came to their fellow employees and talked it over indignantly. There might have been mass psychology; I suppose there was. But had we not had mass psychology thousands of people would not have gone to the war; nor should we have very much in the way of political elections unless there were mass psychology; a good many would not be returned to parliament without mass psychology. The men in the trades and labour council discussed affairs and they said: This is a fundamental principle. The right to organize is fundamental. And so they asked: What are we going to do about it? We cannot get help from the government in the matter. There was a government that was quite unsympathetic, so they said that the only thing to do was to make their protest by quitting work together. It was not at that time thought that there would be weeks and weeks of this struggle; that did not enter into the mind of anyone. They said, "We will quit work as a protest against the unjust treatment which we believe our fellows are undergoing". Among those who said they would protest in this manner were the postal workers. I say without any reservation whatever that these men who went out, the majority of them returned soldiers, had not the faintest idea of setting up anything like a soviet government in this country. I am not discussing soviet government to-night, but may I observe by the way, that soviet simply means council. The people of Russia are organized according to the council method instead of being organized and elected geographically as we are. The farmers get together and appoint their group, and the various classes of labour do the same. There is nothing so frightful about the word "soviet" when it is understood; and it has been better understood by some of those who have travelled abroad and even better by some of my own humble labour people than by many of the business and professional ranks who read the Saturday Evening Post or Toronto Saturday Night and literature of that kind, or even by those who read the official reports. Read the official reports presented by our own government about that time: absolutely without any real foundation, the most extravagant statements were put into the official government reports and widely circulated across this country. I am not blaming the majority of the people of the country for not understanding the situation; I say they have been misinformed. Further I go back to that time and note that to a large extent the people were suffering from war hysteria. The business men were talking about reconstruction, and the labour people were doing the same; but their reconstruction was not along similar lines. The labour men were hoping that out of the great turmoil of the war there would arise a better world. When then the business men undertook to refuse the primary rights of organization, can we wonder that the labour people decided to protest? And they did protest and the strike was called.

I am not going to minimize the evils of the strike; it was a serious one to the business community of Winnipeg. But again, a great deal of misrepresentation has been kept up with regard to the details of that strike. One statement I have heard most frequently is that the milk supply was cut off. What happened however, was this: when the workers

found that everyone had said "We will go out in protest", they got together at the city hall and took the ground that they must maintain the essential services. They therefore asked the milk drivers to go back to their work and keep the milk wagons going. Somebody suggested that it might be thought the drivers were leaving the strike, and so it was arranged to put a card on the wagon saying, "By permission of the strike committee". The next day the business men's organization took two lines of attack. They said: "You see the strike is weakening; the men are going back". It should be said that a number of these business men had agreed to this arrangement made in the city hall; it is regrettable that they had not the honour to stand by their agreement, and Mr. Alfred Andrews and others associated with him on the citizens' committee said, "Don't you see these strikers are weakening?" And they had in another column of their paper the announcement, "We cannot even get milk without the permission of the workers. Don't you see we are in the midst of a revolution?" They worked on the excited nerves of the people, because there was mass psychology then as well as in the war. The result was that the general public were stampeded and the workers were indignant at what they conceived to be a lack of honour on the part of the business men. Consequently they said "Well, if you refuse to carry out your obligations, if you misrepresent us, we will refuse to give you milk to-morrow." I think it was a mistaken method—absolutely—although the big milk companies have often failed to give milk for one reason or another, and we have had to go without. But in my judgment it was a mistaken thing to do. Then a milk service was organized by the citizens themselves. That is the milk incident and it is fairly representative of a number of things that took place then. I do not like to go into these details, but we have had the facts repeatedly so misrepresented that it seems to be absolutely essential that something of this kind should be done.

Mr. KAISER: You are the only source of truth.

Mr. WOODSWORTH: No; but I am, I hope, one source of truth. I would say to the hon. gentleman who has interrupted me that what I am saying to-night I am saying because I believe it to be true, and because I think it is in the interests of the country that some of these matters should be straightened out.

It was said that the labour people in their labour hall had a soviet to control the city. I will admit frankly that they had a tremendous power in their hands because the workers themselves, the builders, the milk drivers, the painters and machinists all said, "We are willing to have you direct our efforts." The citizens committee, which was practically an enlargement of the board of trade, said, "You have a soviet up there, you are controlling the life of this city." The real situation was this; if there was by any stretch of the imagination a soviet in the labour temple, there was also a soviet down in the board of trade rooms. Almost for the first time in the history of my own city the authority of the board of trade soviet was challenged. That meant trouble. The leader of the opposition told us to-day that he received telegrams from the city of Calgary. Naturally, one might believe that meant from the municipality, but when I asked the leader of the opposition he admitted frankly they were from the board of trade. In his judgment, the board of trade is practically the city of Calgary, and it was that very attitude that created the greater part of the difficulties in Winnipeg. The great majority of the people had looked to the board of trade to give a lead, and the board of trade had got the idea that they ran the city—as in fact to a very large extent they did. The board of trade consisted of bankers, representatives from the railways and representatives from the big industries and representative business men. This was the very same type of organization the labour people were trying to create; a soviet, if you will. The business men had their soviet, if you want to use that word.

Mr. STEVENS: Were not these bankers and so forth organized as citizens to sustain and uphold constitutional government in the city of Winnipeg?

Mr. WOODSWORTH: They considered that they were organized to uphold constitutional government in the city of Winnipeg, but the constituted government which they wished to uphold was a government which allowed a few ironmasters to deny the right of the men to organize. That is what it meant in practice, a frustration of the workers ideals and the preventing them having their own representatives in parliament. The newspapers were influenced to a very large extent, and the workers had no opportunity of getting their case before the public through that medium.

Mr. ADSHEAD: Did not the workers want constitutional government?

Mr. WOODSWORTH: Of course they did. That is the wretched implication that is constantly thrown out. The leader of the opposition went into a rolling series of sentences with regard to the effort to establish a soviet form of government in Winnipeg, and all this kind of thing. Yet he also stated in another connection that these men were sitting in conference discussing their grievances. Do you suppose that men who were trying to overturn the government of Canada would be sitting listening to the higher officials of the Post Office Department? Why, it is absurd. At the very time the newspapers were sending telegrams out regarding the terrible conditions in Winnipeg, Mr. A. B. Hudson, at one time a member of this house, and several gentlemen were trying to find some sort of formula which would settle the trouble with the machinists, which formed the basis of the strike, and thus settle the whole matter.

A good many of the men who were associated with the strikers were returned soldiers. Thousands of returned men just back from the front, who had been labour people before they went abroad and who had found it difficult to secure work, and learned that many of the things for which they had fought were not being worked out here in Canada, associated themselves with the workers. Do you mean to tell me that these thousands of returned men were going to attempt to overturn the government of Canada? The whole thing is preposterous.

Mr. ADSHEAD: For which they had been fighting.

Mr. WOODSWORTH: For which they had been fighting. I say the idea is preposterous, and yet these stories were spread across the country. It is quite true that the Hon. G. D. Robertson came to Winnipeg and tried to settle the strike. The trouble is he went at it the wrong way. Had he not come I have not the slightest doubt the city of Winnipeg and the province of Manitoba would have settled it in a much more satisfactory way than it ultimately was settled. But he came in his own peculiar fashion and stirred things up still more, and then he refused to receive a deputation of returned men who waited upon him; he would not let them march to the Royal Alexandra. It was that which caused the trouble that brought about the unfortunate incident in which there was shooting in the streets of Winnipeg.

Mr. MANION: Did my hon. friend say that Mr. Meighen refused to receive a deputation of returned men?

[Mr. Adshead.]

Mr. WOODSWORTH: It was Mr. Robertson; I did not say Mr. Meighen.

Mr. MANION: Was he informed that it was merely a deputation of returned men?

Mr. WOODSWORTH: He was informed that a procession of returned men wished to wait upon him at the Royal Alexandra, and he refused to see them. He did receive a small committee of these men, and this is what occurred so far as I am able to learn, and I was there and watching it very closely. The returned men said they were going to have a parade whether the Minister of Labour wanted it or not. They had been used to parading in France and they said they intended to have one in Canada. The labour men tried to dissuade them because they recognized the danger of such a parade on the streets at the time of public excitement. However, the returned men said they were going on with it. As a matter of fact, the parade did not even form up, but a great many people came out to see the show. It was a most regrettable occurrence; you would have thought a great circus was coming to town, and the streets were lined in every direction by curious crowds. When the time came for the parade the mayor read the riot act, and then the police came on the scene. There had been specials there who had antagonized the people by the way they had handled the crowds. There were some missiles thrown, and then there was the charge and the shooting. That is what occurred.

As I said in this house on one other occasion, if this was to be a physical revolution for the overturn of the government of this country, can you imagine for a moment that the workers would not have armed themselves? In all the investigations that were held there was not found one single gun in the hands of the workers. The idea of a physical revolution being brought about by the strikers in Winnipeg was absolutely preposterous.

I do not think I could do better, to illustrate the kind of hysteria which prevailed, even among our legal friends and the government officials at that time, than by reading a few words from some things I wrote in those days, and for which I was arrested.

An hon. MEMBER: How did they find you?

Mr. WOODSWORTH: They found me when I undertook to edit a paper in the place of a friend of mine who was arrested. I knew pretty nearly what was likely to happen and it did happen. I was arrested, but generally

a man is arrested on regular charges. This was one of the charges on which I was arrested:

The jurors aforesaid do further present:

4. That J. S. Woodsworth, in or about the month of June, in the year of our Lord One thousand nine hundred and nineteen, at the city of Winnipeg, in the province of Manitoba, unlawfully and seditiously published seditious libels in the words and figures following:

"Woe unto them that decree unrighteous decrees, and that write grievousness which they have prescribed; to turn aside the need from judgment, and to take away the right from the poor of my people, that widows may be their prey and that they may rob the fatherless."

Isaiah (110:1-2)

And they shall build houses and inhabit them; and they shall plant vineyards, and eat the fruit of them. They shall not build and another inhabit; they shall not plant and another eat; for as the days of a tree are the days of my people; and mine elect shall long enjoy the work of their hands.

Isaiah (65:21-22)

That was sedition, according to the authorities at that time. I do not think I could give a better illustration of the positive hysteria which prevailed at that time. Do you think men could have a fair trial under those conditions? As far as the law is concerned I also call this to the attention of the leader of the opposition: My hon. friend from Winnipeg South Centre, who was engaged in the prosecution of these cases, assures me that if my case had actually come to trial he feels quite confident they could have convicted me for having published these two passages.

Let me read in the few moments that remain to me a few paragraphs from the second count of the indictment:

What is the present situation? The sixth week of the strike leaves neither side in control. Both the strike committee and the "citizens" committee are determined to hold out. Neither is by any means at the end of its resources. In the ranks there is little sign of weakening. The strike may be prolonged for weeks. In the meantime the business men claim that the city is being ruined—is ruined and the workers undoubtedly will face the winter with reserves sadly depleted.

The City Council, the provincial government or the federal government have adopted no constructive policy. They stood prepared only for repressive measures.

When finally it did seem that the provincial government might effect a settlement, the Dominion government upset everything by its outrageous arrest of the strike leaders.

In the meantime, the returned soldiers are becoming restless and threatening to take things into their own hands. They are tired of the policy of "do nothing"—"keep order", so consistently followed by the strike leaders.

And a little further on:

Mediation, by a body as well equipped as any that is likely to be found, has apparently failed. There is a dead-lock.

What will happen? How will it end? Is there any possible way out?

Members, both of the strikers' committee and the citizens' committee say: "We must fight to a finish. We cannot afford to yield. If it takes three months, we will see it through," ...

I could go on through the whole of that article, which was a conciliatory article written after consultation with some of the leading business men in Winnipeg. I suggested that a commission should be appointed, and that in the meantime the work of the city should go on. I proceed to quote:

The task of such a commission would not be an easy one. The strike has revealed how widely divergent are the views of the employers and "the workers". Then, what is the alternative? A wide bridge must be found or "It's a fight to a finish," and then what?

Let us reiterate there are very reasonable men in both camps.

I said that at a time that we were all liable to be arrested; I pleaded for mediation at a time when feeling was running high. That is on record and, in passing, I would note that it is curious that that very article should have been one of those said to be seditious. I have not read it all, but any hon. member is welcome to do so.

I have not very much more time to-night. I had not thought to go into this matter at all, but the issue has been forced by the leader of the opposition. I feel that he has been misinformed; he confesses that he has read official documents and he has read the newspapers, but I think I may claim to have been a little nearer the workers. Fundamentally, however, some of the same difficulties are in existence to-day as there were in 1919. Groups of men who occupy prominent positions in the community are accustomed to running things in their own way. I have called attention in this house to the fact that we have a very few people who, through interlocking directorates, control the whole situation. They do not brook any interference or opposition, and when outsiders begin to organize the workers or the farmers immediately they are up in arms. One of the leaders in the United States said only a few weeks ago, "If you wish to damage your opponent do not begin to argue against him but call him a bolshevist; that is the easiest way." That was done in 1919, and I hope the time will yet come when we may have a chance before some impartial tribunal to bring out all of the facts in connection with that struggle.

Now I come back to the postal workers. What are we going to do? I say that a great many of the citizens of Canada have found out in the last nine years how ill-founded were their fears and how one-sided were the sources of their information. I am not trying

to whitewash the workers; they may have made mistakes, but I will say that if they made mistakes there were other, much stronger powers much more lacking in the fundamentals of constitutionalism. I am not a constitutionalist, because I believe that generally you have to initiate things outside the regular lines of constitution. On the other hand I am not one who advocates violent revolution; I have said that before and I have been bitterly condemned for so saying.

The CHAIRMAN (Mr. Marcil): The hon. gentleman's time is up.

Mr. WOODSWORTH: As I sit down I would plead for fair play for these strikers.

Mr. VENIOT: When this item was first placed before the committee of supply it was my intention to then make the statement which I wish to now make. When I saw that there was a disposition to discuss the merits of this item I thought perhaps it would not be right to make my statement at that time. Let me say here that for over a year I have given this question serious, deep thought and study. I did not recommend to the government the insertion of this item of $115,000 in the supplementary estimates without having given it serious consideration. I cannot agree with those who say that because we would recognize what I considered at that time to be an injustice we are recognizing at the same time the results which developed from the strike of 1919. I know nothing of the Winnipeg strike; I do not want to know anything about the merits or demerits of it. I considered the case as I found it, and since I find in reading the press lately and in the speeches made on the floor of this house that wittingly or unwittingly the case has been misrepresented in many respects, I think it only fair that I should be allowed a few moments to lay the case before the committee as I found it.

The statement that these men were taken back under certain conditions is true, but it is equally true that these conditions were never fulfilled. These men were taken back; they had to undergo a civil service examination in order to qualify, which examination entitled them to be placed in the lowest classification of the service. They should have been placed in that classification and given an opportunity under the merit system to work up to the higher classification which they occupied before the strike. That was not done. When they underwent the civil service examination and were put in the low classification, receiving the wages or salaries of the lower classification, to my mind they should have been kept there. When they went back into the civil service after passing that examination they were placed in a higher classification and called upon not only to do the work of the more highly classified officials which they were before the strike, but also to instruct the new men who came into the service and to help by their efforts to make the service more efficient.

Mr. DUNNING: And at a lower salary.

Mr. VENIOT: Yes, at a lower salary, at the minimum salary. That is where I find the injustice, I am not going to criticize the Postmaster General or the government of that day at all. That is not my intention. I state this merely because I want the facts laid before the country so that there will be no longer any misrepresentation. The case of these men may not end here; it may come up again, and it is for that reason, finding as I have found arguments based upon misrepresentations of this case that I wish to place these facts now before the committee. There having been so much misrepresentation; there having been so much propaganda for and against taking the Winnipeg strikers back; that having been carried on for a certain number of years without anyone having had the opportunity or perhaps the courage to lay the facts exactly as they are before the people; knowing that there is still a very bitter feeling in this matter; that there is still a strong opposition in the house coming from sources where perhaps the case is not well understood; feeling that before I go further in the matter I should give the house a greater opportunity of investigating and examining into the case and not ask it to take this action at this late hour when we are about to prorogue; and feeling that this case will perhaps come up at some later date, I thought I should ask one of my colleagues to move that the vote be reduced by the amount provided for salaries and allowances, namely $115,000. But I want it distinctly understood that I am not doing so on the arguments advanced in the house to-night in that regard, because many of those arguments were not founded upon fact. I do not say that there was intentional misrepresentation; I do not wish to insinuate anything of the kind, but I have the facts before me. I may also point out that I would not withdraw from the case because of a veiled threat that this house might be called upon to sit for several days yet. I will now ask my colleague to move in the matter.

Mr. ROBB: Nine years ago, in June, 1919, a regrettable incident in the city of Win-

nipeg stirred and divided all the people of Canada and the bitterness of that event is yet apparent even in this parliament. This is not the first time that an item similar to this has been under consideration by the government since we assumed the responsibilities of office in 1921 and the wisdom of the government in not allowing the item to get past the treasury board and in not bringing it before parliament has been fully justified, it seems to me, by the debate we have had in the house to-night. Surely we members of parliament are not again going to divide the people of Canada by continuing a debate which had such unhappy results nine years ago. So I believe in what I intend to do I am meeting the wishes of all, even those who are supporting the pleas of the workers, and it is in the general interest of Canada that we should no longer debate this question. I gather from the hon. member for Winnipeg North Centre (Mr. Woodsworth) that one of the reasons for which the strikers at that time were censured was that they wanted to go on a parade. Well, this house wants to go on a parade within the next two hours over to the other chamber, so I beg to move:

That vote No. 519 be amended by striking out the item of $115,000, and that all the words from "salaries" in the first line to and including "Civil Service Act" in line 15 be eliminated from the record.

Mr. WOODSWORTH: A fine example of the power of the financial soviet.

Amendment agreed to.

Item as amended agreed to.

Civil government—Auditor General's office—salaries, including the Auditor General at $10,000 additional to 7-8 Edward VII, chapter 6, and contingencies, $428,715.

Mr. BENNETT: Perhaps the Minister of Finance would not mind if I put on record a little matter that I should like him to look into. There seems to be a difference between the figures in the Canada Gazette and the figures in the Public Accounts with respect to public expenditures and income. Every month they summarize the preceding twelve months of revenue and expenditure and there is some slight difference between them. If the hon. gentleman can get an opportunity to look into the matter during the recess, I should like him to do so and we shall have a talk on the subject.

Hon. J. A. ROBB (Minister of Finance): I am glad my hon. friend has reminded me of that because it will be on the record. I have noticed the discrepancy.

Item agreed to.

Miscellaneous—to provide for salaries and expenses of the advisers engaged in tariff inquiry. Payments may be made notwithstanding anything in the Civil Service Act or regulations thereunder, $100,000.

Mr. BENNETT: This item, I believe, includes the salaries of the tariff advisory board and I propose to move that the salary of the chairman of that board be struck out and that the item be reduced by $10,000. My hon. friend, the Minister of Railways (Mr. Dunning) need not look around to see how amply he is supported behind, because I will make the motion when the bill is before the house. I desire to make the protest now to expedite the business of the house and I will make the motion later.

Mr. GARDINER: Does this item include an amount sufficient to supply members of the house with printed copies of the evidence taken before the tariff board?

Mr. ROBB: Provision is made in this item and in one in the supplementaries for taking and printing the evidence this year.

Mr. CAMPBELL: I notice that this item states that payments may be made notwithstanding anything in the Civil Service Act or regulations thereunder. Does that mean that these employees are not under the Civil Service Act?

Mr. ROBB: They are not under the Civil Service Act.

Mr. SIMPSON: I notice in an answer given by the Minister of Finance to a question asked by the hon. member for Pictou with respect to the submission of the two great steel companies to the tariff board, it is stated that some 350 other concerns had asked to be heard in that connection, and the Finance minister rather left the impression that these 350 firms were opposed to the submission of the steel company. I just wanted the minister to clear that up.

Mr. ROBB: No. Had my hon. friend been in the house when I gave the information asked for by the hon. member for Pictou, he would have observed that it was the hon. member for Pictou himself, by the form of his question, who may have left that impression. If my hon. friend will look up the record he will see that I said there were 350 odd firms who were interested in that application and wanted to be heard.

Item agreed to.

Unforeseen expenses, expenditure thereof to be under order in council, on recommendation of the treasury board, and a detailed statement to be laid before parliament within fifteen days of next session, $80,000.

Mr. SPENCER: Would the minister give us some details? I notice there is a decrease of $30,000.

Mr. ROBB: I have certain information which I shall be glad to make available to the hon. member, but which I would prefer not to put on the record, with regard to the distinguished visitors we had from overseas last year in connection with the diamond jubilee. There was a considerable expenditure owing to the number of overseas visitors.

Item agreed to.

Amount required to provide for grants to be made to the provinces of Nova Scotia, $875,000; New Brunswick, $600,000; Prince Edward Island, $175,000, pending consideration of provincial subsidies.

Mr. GARDINER: At this late hour I am not going to take any objection to this item, but I would inquire from the Prime Minister when we may expect some reconsideration of the grants to the several provinces.

Mr. MACKENZIE KING: It is the intention of the government to give that matter consideration during the parliamentary recess, and we hope to be able to make some report next session.

Item agreed to.

Government contracts, supervision committee, salaries, including L. R. LaFleche, secretary, $6,000, and that of L. H. Beer, salvage officer, $5,000, telephones, telegrams, travelling expenses, stationery, etc., $21,500.

Mr. BENNETT: I confess that I have made very considerable efforts to ascertain just what services have been rendered to this country in this connection, in view of the purchase prices paid for goods. The Minister of the Interior yesterday, I think, misunderstood certain observations that I made. If this purchasing committee is here for any purpose, it is to check government purchases. The war purchasing committee came into being during the war, and it did very valuable work under Sir Edward Kemp as chairman, and it was felt that if it was continued it might effect a great saving to the public revenues. I confess that I have found considerable difficulty in ascertaining just what services this organization is now rendering. I would like to know just what it does.

Mr. ROBB: That is a very fair question, and I quite agree with the leader of the opposition that we might perhaps use to a greater extent the supervision of this purchasing commission. They are operating to-day in just about the same way as they operated when the body was first organized. They are running up against the purchasing agents in all the different departments, but they are doing a good work. They arrange for the transfer of supplies between the different departments; there is also the salvage department, which disposes of certain salvage. The purchases authorized amounted to $308,000; transfer of surplus goods from one department to another, $49,000; sales to the public of salvage, $124,540.

Mr. BENNETT: I should like to put this on record. There is no branch of the public service in which a greater service could be rendered to this country than by a proper commission of this sort which would be the central distributing body with respect to supplies. Every great business now has a central purchasing department, and if this were done, I am satisfied that considerable money could be saved to the country; I am very certain of that from what I have myself observed. I think the Minister of Finance must have observed that their purchases have been very small, some $400,000, which indicates that they have not been doing much for $20,000 in salaries.

Item agreed to.

To assist in the suppression of the white slave traffic, $1,500.

Mr. GARDINER: What efforts are being made in this direction, and what results are expected to be acomplished from this expenditure of $1,500?

Mr. ROBB: This is a grant we give to the mounted police. I have no record of what they do with it.

Mr. SPENCER: Why is there a reduction of $1,000 in this item? It should be increased rather than reduced.

Mr. STEVENS: The morals of the country are improving.

Item agreed to.

Amount required toward defraying expenses of the Empire Parliamentary Association visit to Canada, $75,000.

Mr. BENNETT: This organization has been maintained since its inception as a non-partisan body, and its value lies in the fact that the chairman of one branch may be of one school of politics, and the chairman of another of an opposing school. This organization is coming to Canada as our guests, and

there are not lacking already some indications that with respect to the selection of men who will act for the press, for instance, they are all of one political school. This opposition has certainly not been consulted. My friends to my left may have been, but we certainly have not been consulted.

Mr. MACKENZIE KING: I may say to my hon. friend that I have not been consulted either. I think each of us has reason to be offended.

Mr. BENNETT: We are in the same boat.

Mr. MACKENZIE KING: I understand that the press gallery are arranging for their own representation. At all events, that I understand is what they have been asked to do, and so far as the government has to do with the matter we are quite prepared to accept whomever they may recommend.

Item agreed to.

To provide for representation at Tokyo, including salaries and allowances for Minister Plenipotentiary, secretaries, and staff, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments, $50,000.

Mr. MACKENZIE KING: This had better stand for the moment.

Mr. BENNETT: I will deal with Tokyo along with the other vote. We can pass this now, and I will make the motion later.

Mr. DUNNING: A separate motion?

Mr. BENNETT: Yes.

Item agreed to.

Miscellaneous—to provide for the repayment to the insurance adjusters of the proceeds from a sale of cargo which was washed ashore from the steamer Brockton and regularly disposed of to the credit of the Receiver General, $2,473.73.

Mr. ROBB: This is to cover a case where some flour was picked up at one of the Georgian bay ports. It was sold and the money placed in the hands of the Receiver General. The insurers have now proved their claim, and we propose to pay them the money.

Item agreed to.

To provide for the payment of salaries and expenses in connection with the operation of the Canadian Farm Loan Act; any payment under this item to be by way of advance repayable to the consolidated revenue fund from the revenues of the Canadian Farm Loan Board as and when they accrue, $50,000.

Mr. GARDINER: The Minister of Finance might give the committee some information as to what is proposed to be done under this vote.

Mr. ROBB: In the month of April this year five of the nine provinces had passed legislation to come under the Farm Loan Act. None of them, so far as I know, have yet appointed their commissioners. As soon as the session is over we propose to take the matter up actively with them.

Mr. BENNETT: Is that the reason for the delay?

Mr. ROBB: The legislation was only passed in April of this year.

Mr. BENNETT: This will enable it to function?

Mr. ROBB: Yes.

Mr. BARBER: What provinces have passed legislation?

Mr. ROBB: Speaking from memory, Nova Scotia, New Brunswick, Quebec, Manitoba, Alberta and British Columbia.

Item agreed to.

To provide for salaries and expenses of the advisers engaged in tariff inquiry. Payments may be made notwithstanding anything in the Civil Service Act or regulations thereunder—further amount required, $20,000.

Mr. BENNETT: What I have said in relation to the item before will apply to this also.

Mr. ROBB: Yes.

Item agreed to.

Public Works—chargeable to income—Nova Scotia—Truro public building—addition, $22,000.

Mr. GARDINER: What is the nature of thus public building?

Mr. ELLIOTT: An addition.

Item agreed to.

Public buildings—Ontario—Ottawa—purchase of property on Sussex street, $525,000.

Mr. STEVENS: Mr. Chairman, the item of $525,000 for the purchase of property on Sussex street refers to property known as the New Edinburgh mills. I wish very briefly to state certain facts, and then to submit to the government that they should give this matter further consideration before making the expenditure. In 1924 the pur-

chase of this property was under consideration, and the government declined to proceed with it.

My point is briefly stated in the following terms. In the first place the value of the property to the government is as vacant property only. That is the only justification for buying the property. On this property there has been erected a very large and extensive concrete and brick sawmill, box factory and woodworking plant. Obviously, this plant is of no use to the government at all. Unquestionably it was a costly plant to erect, and undoubtedly there still remains in it, as a woodworking plant, a very substantial value. The value is set by two very highly qualified valuators, Messrs. H. Gale Legg and A. E. Cross. Their valuation is well done, and I have no criticism of it. Briefly stated, these are the values: Land, $135,000; buildings, $475,000; I submit to the committee, however, that the only value we should consider is the land value, not the building value, because these buildings are of little use for the purposes suggested.

Mr. ADSHEAD: What is the water-power value?

Mr. STEVENS: I cannot go into details, but I will say this, hydro-electric power is available in constant form so cheaply that I doubt the value of the water-power as an economical unit in connection with the matter. The assessment is $178,000 on the land and $230,000 on the buildings. In the agreement to purchase will be found the following clause, and I wish to call this particularly to the attention of the government:

> The party of the second part in consideration of the covenants and agreements hereinbefore entered into and on the part of the party of the first part to be done and performed, promises and agrees that and so soon as the parliament of Canada shall have appropriated a sufficient sum for that purpose, to accept delivery to them of the aforesaid conveyances and moveable property and take possession thereof with the lands and premises herein described, and to pay forthwith to the party of the first part the sum of $525,000. . .
>
> It is mutually agreed by and between the parties hereto that should the parliament of Canada not appropriate the said sum at its present session, these presents shall at the conclusion of said session become null and void and of no effect.

My point is that the property at the present time is only under option, and while it might appear that by the passing of this estimate the government was irrevocably committed, I submit it still may retire from the purchase if so desired. A further point is that a part of this property is a lease of Green island, which is the property of the government. The building referred to by the Minister of Trade and Commerce (Mr. Malcolm) the other day as the one to be used for the statistical bureau is on the end of Green island. I have the lease of Green island under my hand, given by this government in 1904, being a renewal of a longstanding lease. In that lease is a clause reading as follows:

> And that if the said demised premises or any portion thereof be required for any purpose which the minister may deem to be in the public interest, possession of the same may at any time during the said period be resumed by His Majesty, his successors or assigns upon six months' notice in writing by the minister to the lessee to that effect, and in no such case shall the lessee have any claim to compensation on account of damage in any way resulting from such resumption or from the determination of this demise; but that the lessee may remove, within a reasonable time, any building or buildings which belong to or which may have been erected by it on the demised premises.

In other words, there is on this island a building which it is proposed to remodel and use for the statistical branch. I submit to the minister that he need pay nothing for that as this lease protects the government in that regard.

One further word in connection with the cost. I claim, Mr. Chairman, some knowledge of this class of business. It is in the line I have followed for many years, valuating property and so on. I have examined the property carefully, having in mind the statement of the Minister of Trade and Commerce the other day, and I submit this: It will cost from $150,000 to $200,000 expenditure on this property to make it suitable for the purposes suggested the other day—a statistical branch and national research bureau. There is no heating provided; no sanitary accommodation; there are just concrete pillars with a curtain wall of brick. The buildings are well constructed for woodworking but are not suitable for an office or as official buildings. They are not built for that; they are not suitable for the purpose at all, and I submit to the Prime Minister and his government that it will cost more to put these buildings into shape than it would take to construct another building back of Wellington street which could better house the statistical branch and give better service to parliament. I conclude with this one observation: I think it is possible and desirable to secure the lands for the purposes of beautifying that extent of the river to Rockcliffe park. If that is in mind, the land is suitable and desirable for the purpose. But its maximum value would be under $200,000. The buildings on that property, having that use in view, are merely an

incumbrance and therefore parliament is ill advised to vote $525,000 for the purchase of the property at this time.

Mr. ELLIOTT: I want to say just a word in answer to my hon. friend. I take it that we are on fairly safe ground in accepting his valuation of $200,000 for the land.

Mr. STEVENS: I said that was the outside; I wanted to be generous.

Mr. ELLIOTT: We will not quarrel on that point. I may say very seriously that I believe that this purchase has been made in such a way that it is unnecessary to defend it, and there is no need to quarrel with my hon. friend over a few thousand dollars. Let us take $200,000 for the land. I do not know what my hon. friend would say as to the value of the waterpowers, the boiler and all the machinery used in connection with the property. I am told on very reliable authority—and the valuations we have bear this out—that they are worth in the vicinity of $200,000.

Mr. STEVENS: That would be excessive.

Mr. GARDINER: What are you going to do with them?

Mr. ELLIOTT: We are going to use them for lighting, heating and various other services.

Mr. STEVENS: You might buy the hydro-electric for one-quarter of the cost that would mean.

Mr. ELLIOTT: That would be quite impossible.

Mr. BENNETT: How many horsepower will it develop?

Mr. ELLIOTT: It is generating now 800 horsepower.

Mr. STEVENS: That is the maximum; what about the minimum?

Mr. ELLIOTT: That is the minimum; the maximum would probably be between two and three times that amount.

Mr. BENNETT: Is the power lease sold?

Mr. ELLIOTT: Eight hundred horsepower of it was leased at $22 per horsepower. There can be no question that for the purposes for which the government require the property, these power rights and the machinery in connection with them are worth at least $200,000.

Mr. GEARY: Where do you get a maximum of two to three times your minimum?

Mr. ELLIOTT: If my hon. friend wishes I will give the figures.

Mr. GEARY: Do you increase your depth some way?

Mr. ELLIOTT: Perhaps I had better make a statement to the committee: For some years the Gatineau Power Company, Limited, supplied the Ottawa Electric Company, from power house erected on these lands, with 800 horsepower at the rate of $2 per horsepower per month bringing in a revenue of $1,600 per month or at the rate of $19,200 per annum. The Gatineau Company have developed and used power up to 1,500 horsepower and it is possible that, upon further investigation, additional power could be developed at special seasons. It is obvious, therefore, that an average of 1,100 horsepower could be obtained and if this power was disposed of as rated, it would yield an annual return of $26,400 or 1,100 horsepower at $2 per month. If an allowance of $6,000 is deducted for running expenses a net profit of $20,400 per annum would result. $20,400 capitalized at 10 per cent equals $204,000 the value of the power. The department is paying $20 per horsepower per annum for power. The valuation, then, was $150,000. Among the machinery there was one engine, practically new. I am not going to enter into any elaborate discussion with regard to the value of the property. My hon. friend values it at $200,000; plus a minimum of $150,000 in respect of the power we get $350,000. Then take the buildings. My hon. friend says that they have no practical utility for the purposes of the government. He also refers to the fact that the lease held by the government would enable the government to construct those buildings, or a portion of them, on the leased property—and that is only a part—without compensation. If he reads the clause in the lease he will see that the lessees have power of removal. I do not think anyone will argue seriously that this government or any other, or any individual, for that matter would attempt to drive the lessees to the position of removing the building. The valuations placed on the buildings by competent valuators are: In parcel No. 2, which my hon. friend who has had the details will perhaps understand better than the various other members of the committee, the valuation is $156,914; for parcel No. 3 the valuation is $219,311, and for parcel No. 4, $41,384. It is not necessary to go into details. These buildings are fireproof and are well constructed, and they are very suitable for the purposes for which the government intend to use them.

Mr. STEVENS: Don't say that.

Mr. ELLIOTT: I would not if I did not know it to be true.

Mr. PECK: I would like to ask the minister the reason for going so far away from the centre of the city?

Mr. ELLIOTT: I will be glad to answer that question. I was dealing with the point of value, but apparently my hon. friend is convinced, so I will pass on. I was just going to say that we have at least $350,000 of the $525,000 accounted for by the two items of land and power, which leaves $175,000 for the buildings which the valuators have estimated to be worth $273,000. For a little over $100,000 repairs can be made to the factory which will house the statistical branch, and thereby we will save about $60,000 a year in rentals. As far as the convenience of the location is concerned, it is on the street railway and is only a few minutes from the centre of the city.

Mr. GARDINER: What is the estimated cost of renovating these buildings?

Mr. ELLIOTT: The estimate for renovating the buildings required for the statistical branch is $108,000, so two years' rental will pay the whole cost of renovation.

Mr. GARDINER: What about the others?

Mr. ELLIOTT: We have no definite estimates on the others.

Mr. GARDINER: Have the others been acquired for any definite purpose?

Mr. ELLIOTT: Yes, they will be used for the research laboratories.

Mr. ROBINSON: I would like to ask the minister with regard to the Windsor post office site, as to whether or not he will soon be in a position to invite tenders for the new building. As far back as February 17 the Border City Star came out with a statement from Mr. Odette, who, I believe, was perfectly sincere, that the minister was ready to invite tenders, and again on May 26 I find another statement to the same effect. The reason I am asking the question is that at present I am sure he could get a better price for that property—namely $485,000, which is at the rate of $2,300 per foot—than he will be able to get some time from now, because business is moving south on Ouellette avenue, and there is a boom in real estate there at present. The party who has offered that price for the property is, I understand, willing to lease it to the government for three years, or until the new building is erected, which I suppose will be on Canadian National property. I know there has been a holdup with regard to the sale of that property since 1923, when Mr. Healy was a member of this house. He had an idea at that time about the new city hall, but I received a telegram from the mayor of Windsor yesterday as follows:

Present city hall site abandoned; council favours waterfront for post office.

Mr. ELLIOTT: I am not in a position to give a definite answer at present. The hon. member will readily understand that until a decision is reached it is quite impossible for us to call for tenders.

Mr. ROBINSON: Then all the articles in the Border City Star were incorrect and without foundation?

Mr. ELLIOTT: They must be if they differ from anything I say.

Mr. GOTT: I am glad the minister says these statements are incorrect, because there has been such a ballyhoo in connection with this post office that the people of Windsor are beginning to believe that the Minister of Public Works is not sincere at all. I would like to ask him one question and that is whether he is going to give any serious consideration in the near future to the construction of a new post office in Windsor?

Mr. ELLIOTT: Certainly; I am doing so now.

Mr. BENNETT: As I understand it, the point is that the government will not sell the property until such time as provision is made in the estimates for a new building, and there will be no such provision until next session.

Mr. ELLIOTT: That is right.

Mr. GOTT: In what way is the department giving favourable consideration to this matter?

Mr. ELLIOTT: I did not say we were giving favourable consideration, but my hon. friend knows perfectly well that very serious consideration is being given that matter. There is no doubt that they need a new post office in Windsor, but while a number of the people are agreed as to the site which should be selected, still there is a certain section of the people who do not think this is the best place for it. I want to say to my hon. friend that if he thinks I am going to make any statement of policy before it is decided upon, that is more than I can do.

Mr. GOTT: What the minister says is true; 100 per cent of the people of Windsor are in favour of a new building; the three sitting

members for that district favour it; the minister favours it, so why should there be any delay?

Item agreed to.

Manitoba

Dauphin public building—addition, $7.500.
Emerson—building for customs and immigration purposes, $32,500.
Transcona—public building, $20,000.
Winnipeg—hospital for Department of Soldiers' Civil Re-establishment, $250,000.
Winnipeg—immigration building No. 1—improvements and repairs, $6,500.
Winnipeg public building—improvements and alterations, $16,000.—$332.500.

Mr. GUTHRIE: A very substantial part of this amount is to be spent for a D.S.C.R. hospital in Winnipeg, but I do not know why such a hospital is necessary there nine or ten years after the war. There was a time when the department operated a very up-to-date hospital in that city; that building is still in existence and is now part of the Osborne barracks. I understand that it is a wonderfully equipped hospital, but has an average of only about six patients per day. Why it should be necessary to erect a new hospital for the department is something I do not understand, and I think the minister will have to explain this item to some extent. It is also said that a large medical staff is being carried in connection with the work of the Department of Soldiers' Civil Re-establishment, and in Winnipeg it is supposed that that staff will be made permanent if this item goes through. Why not use the Osborne barracks hospital, which is a military hospital practically unused and modern in every respect, instead of spending $250,000 on a new structure at this time?

Mr. ELLIOTT: I regret that my colleague the Minister of Health is not here at present; he would be able to give the reason perhaps better than I can. However, my recollection is fairly accurate, and I think the hospital to which my hon. friend refers has been taken over by the militia, so that other provision must be made for the patients now being looked after in civic hospitals. They have notified the Department of Health that the accommodation in the local hospitals is such that they can no longer accommodate the departmental patients, and other accommodation must be provided.

Mr. GUTHRIE: There is abundant room in the Osborne barracks hospital. It was built as a department of Soldiers' Civil Re-establishment hospital and, when there was no further use for it or not sufficient use to maintain it as a hospital, the patients were transferred to the civic hospital. It has been used as a military hospital by the permanent forces ever since the transfer, and there is an average of six military patients in it. I am informed that there is abundant room in it for all Soldiers' Civil Re-establishment patients now in the civic hospital, and we could save $250,000.

Mr. ELLIOTT: My information is that the property has not been utilized for hospital purposes for some time.

Mr. BENNETT: But it is available?

Mr. ELLIOTT: It has been taken over by the militia department and is being utilized for their purposes. It has not been available for hospital purposes for some time. There are approximately two hundred patients in Winnipeg for whom hospital accommodation must be provided. Accommodation is provided for sixty patients at Deer Lodge, and 140 are provided for in the civic hospital. .The civic hospital has given the department notice that they require all their accommodation and can no longer continue to accommodate the department's patients there.

Item agreed to.

Calgary—grain inspection building, $2,500.

Mr. GARDINER: I do not object to this amount, but I would remind the Minister of Public Works, after receiving the return showing the amount of rental paid in Calgary for buildings used for government purposes, that he should give serious consideration to the erection of a new post office.

Item agreed to.

Rents, repairs, furniture, heating, et cetera—Ottawa public buildings and grounds—Dominion public building, $316,500.

Mr. GARDINER: I should like to say a word or two about the sidewalks which have been constructed around the parliament buildings. The minister brought down a return regarding the contract, and I notice it calls for an inch and a half finish. If the minister examines the sidewalks I think he will find that the finish is very much less than that; I would say it is not more than a quarter of an inch. I should like to inquire of the minister if that is the manner in which such public works are usually carried out. If so we certainly are not getting value for our money.

Mr. ELLIOTT: The return which was furnished to my hon. friend some time ago shows that the contract provides that if the work is not done in accordance with the specifications the contractor will make it good.

The file which I gave him shows that the contractor was notified that the work was not up to specification, and it also contains a copy of a letter—I can show him the original—in which the contractor agrees to make good the walks which have proved deficient.

Mr. GARDINER: The minister must remember that the contract called for an inch and a half finish, and if that was carried out the sidewalks would not scale as they have done during this last spring. What are your inspectors doing to allow work like that to be passed? No doubt you had inspectors on the job, and if that is the class of inspector you have it is time you got others.

Mr. ELLIOTT: I will frankly say to my hon. friend that I do not think that job is a very great tribute to the inspector who was in charge of it. However, I am told that the requisite thickness was put into the work, but apparently the frost has affected it. The contractor has agreed to make it good; that is all I can say.

Mr. GARDINER: We will see what happens to it.

Item agreed to.

Harbours and rivers—Ontario, $716,989.12.

Mr. KAISER: I should like to ask the Minister of Public Works why the harbour at Oshawa has been overlooked. The government built half the harbour and then stopped work immediately after the last election, and nothing has been done since. Does the government propose to do anything to this harbour, or is its intention to let it go to waste? Many thousands of dollars of the public money are being wasted due to the fact that the work is not proceeded with. I would ask the Minister of Public Works if it is the intention of the government to do anything more with it.

Mr. ELLIOTT: My hon. friend is under a misapprehension if he thinks it is the purpose of the government to abandon work which has already been done. This matter has been given some consideration and it has been decided that nothing further would be done this year.

Mr. GARDINER: I should like to ask the minister why it is that such large amounts appear in the supplementary estimates. Was it not possible to get these items in the main estimates?

Mr. ELLIOTT: Perhaps the best answer I can give is to refer my hon. friend to the remarks of the hon. gentleman who has just spoken. He says there is not enough, and the same claim comes from all over the country. These items do not contain nearly all the requests made or nearly all that were perhaps necessary, but they are all we are able to provide.

Item agreed to.

Harbours and rivers—Saskatchewan and Alberta, $10,600.

Mr. KENNEDY: Has the minister been able to decide whether a telegraph line will be constructed from the Peace river to Fort Vermilion? It is very badly needed.

Mr. ELLIOTT: We will not be able to do it this year, in view of the fact that we have not been able to secure an appropriation.

Item agreed to.

Harbours and rivers—British Columbia, $241,100.

Mr. DICKIE: It is painful for me to halt this mad rush, but a number of items were recommended by your engineer in British Columbia and I notice that you have overlooked about nine different suggestions that he has made for money to be expended in the various islands in my constituency. I do not expect everything, but I hoped that when the main estimates did not provide for some of them I would find them in the supplementaries. However, my hope has been dispelled, and if the minister will just promise that anything that is really necessary for these island wharves will be looked after by the general vote, I will withdraw any opposition.

Mr. ELLIOTT: If the engineer to whom my hon. friend has referred had only nine of his recommendations turned down, he is more fortunate than most of the other engineers who have been making recommendations, because there is a much greater number made by most of them that we do not seem to be able to get funds for at the present time. But I will assure my hon. friend that, as far as it is humanly possible out of the general vote to meet the most urgent cases, that will be done.

Item agreed to.

Public Works—chargeable to income—Quebec—Ellis bay harbour improvements, $300,000.

Mr. ADSHEAD: There is an amendment of mine to this item.

Mr. ELLIOTT: Item No. 137 in regard to Quebec has been carried with the exception of the Ellis bay item, and in view of the discussion that took place and the views that were

expressed in various parts of the house I am requesting one of my colleagues to move that the item of $300,000 for Ellis bay be reduced to $200,000 and that the following be added to the wording of the vote:

Conditional upon the public being permitted to use the wharf for landing purposes.

Mr. SHORT: I would suggest that the Minister of Public Works treat this item in the same way as the Postmaster General treated the item in connection with the Winnipeg postal employees, because it is a contentious matter and it is liable to bring forth a reat deal of discussion. At this late hour that would be the best way to treat it.

Mr. ELLIOTT: This is a matter where there is a contract. A year ago the house committed itself to the expenditure in connection with Ellis bay.

Mr. ADSHEAD: In the estimates?

Mr. ELLIOTT: Yes.

Mr. BENNETT: How much is the contract?

Mr. ELLIOTT: Around half a million—$494,000. An amount of $187,000 worth of work has been done. The balance will be done this year and next year. It is thought, in view of the objections that were raised, it might be a good thing to defer the balance of $100,000 which we are cutting off until next year.

Mr. SHORT: Last year the department expended $150,000. Does the minister expect to expend $200,000 this year?

Mr. ELLIOTT: Yes.

Mr. GARDINER: Is there a contract in existence at the present time for the completion of this work?

Mr. ELLIOTT: Yes.

Mr. GARDINER: It is rather a crude way of doing business to make a contract of that description without the consent of parliament.

Mr. ELLIOTT: We had the consent of parliament last year to the initial expenditure. That is the practice that has been followed practically since confederation. Where we are committed to a work involving an amount larger than can be expended in one year, the department have found that they can get the work done for a much smaller amount per cubic yard by letting the whole contract, and that is the practice that has been followed by the various governments in administering the department.

Mr. GARDINER: What is the department paying per cubic yard under this contract?

Mr. ELLIOTT: Fifty cents per cubic yard for the removal of approximately 623,068 cubic yards of packed gravel and clay and $5.50 per cubic yard for 37,080 cubic yards of rock.

Mr. SHORT: Will this amount of $200,000 complete the contract?

Mr. ELLIOTT: No, it will take about $175,000 more.

The CHAIRMAN: It is moved by Mr. Adshead that the vote of $300,000 for Ellis bay be reduced by $290,000.

Amendment (Mr. Adshead) negatived.

Mr. CARDIN: I beg to move:

That the item for Ellis bay amounting to $300,000 be reduced to $200,000 and that the following be added to the wording of the vote. "Conditional upon the public being permitted to use the wharf for landing purposes".

Mr. GARDINER: What is the intention of the minister with regard to this being conditional upon the public being allowed to use the wharf? What does that mean?

Mr. ELLIOTT: It means that the public shall have all the advantage of this wharf as a public wharf so that vessels of all kinds, whether they are connected with the company or not, shall have the right to use the wharf the same as they can use a government wharf.

Mr. GARDINER: How many vessels will this wharf accommodate?

Mr. ELLIOTT: It is a very large wharf. I think it is over a mile altogether and it will accommodate a large number of vessels. Something like three hundred vessels outside of the company's vessels landed there in 1927.

Mr. GARDINER: What business would they be transacting there if they are not transacting business of the company?

Mr. ELLIOTT: Taking supplies, taking passengers, fishermen, and so forth. Then the harbour also provides a very good shelter. On various occasions, vessels have put in there for shelter, and on one occasion, I am informed by the man in charge of a boat that was in distress, that if it had not been for this shelter the passengers on the boat would probably have lost their lives. If anybody will look at the map, he can easily see that it is the most suitable harbour for a shelter in that part of the St. Lawrence.

Mr. GARDINER: I do not know that it is of much use for the minister to move for a reduction in this item. I think he might as well take the full amount, because he is going

to give this company a good slice anyway out of the public treasury for their own benefit. However, I shall be anxious to see what agreement is entered into with the company as to the rights and privileges of outsiders going upon the island.

Mr. GEARY: What did the company expend on the wharf?

Mr. ELLIOTT: The company built the whole wharf for $2,500,000.

Amendment (Mr. Cardin) agreed to.

Item as amended agreed to.

Reconstruction of the north shore St. Lawrence telegraph system from Murray Bay to Bersimis, $25,000.

Mr. LAVIGUEUR: I would remind the Minister of Public Works that we have been asking for a telephone service on the island of Orleans for a long time, and I hope that next session, or before, provision will be made for providing the island with a telephone service. There are six parishes on the island, and these people seem to be neglected by the government.

Item agreed to.

Combines Investigation Act, $30,000.

Mr. GEARY: Does this represent the work done last year in connection with the investigation held in connection with the trading in proprietary drugs? Is this a permanent staff?

Mr. ELLIOTT: This is the general staff. I think the work in connection with that inquiry was extra.

Item agreed to.

Administration, Employment Offices' Co-ordination Act, $17,000.

Mr. ADSHEAD: Can the minister tell us how many returned soldiers have been placed by the employment bureaus? There seems to be an impression that the employment agencies have not been giving the returned soldier a square deal. I am not making that charge, but I would like to know how many returned soldiers have been placed.

Mr. GEARY: I think the Minister of Labour is doing all right in Toronto in that respect.

Mr. ELLIOTT: The annual agreements between the Department of Labour and the provinces contain a special clause under which the provinces undertake to make special efforts to provide facilities for finding work for partially disabled ex-service men. The department has engaged an additional staff to undertake this work in a specialized manner in certain of the larger centres throughout the country. "Special handicap" sections were created, and they have done quite an extensive work in placing handicapped ex-service men, and they are meeting with a great deal of success through the cooperation of employers in employing these handicapped men. During 1926-27, 7,775 handicapped ex-service men were satisfactorily placed in employment.

Item agreed to.

Technical Education Act, $4,000.

Mr. ADSHEAD: Can the minister say anything about the extension of the Technical Education Act to the prairie provinces?

Mr. MACKENZIE KING: I think I have already given the house information on that point.

Mr. GARDINER: When does the act expire?

Mr. MACKENZIE KING: Next year, 1929.

Item agreed to.

HOUSE OF COMMONS

Salaries, $242,800; expenses of committees, clerical assistance, etc., $101,950; contingencies, $48,725; publishing debates, $60,000; estimates of sergeant-at-arms, $187,711.10.—Total, $641,186.10.

Mr. ROBB: I beg to move that the item of $48,725 for contingencies be reduced by $1,950, being the amount estimated to provide for purchase of 650 copies of the Canadian Parliamentary Guide.

Amendment agreed to.

Mr. KENNEDY: Do I understand that this is the vote to provide salaries for the staff of the House of Commons? If so, I would like to ask a question in connection with the members' stenographers staff. A petition was signed by about 165 or 175 members, and representations were made to the Speaker of the house, requesting an increase in the salaries of that staff. In view of those representations I would like to know if any increase has been decided upon, and if so, what?

Mr. SPEAKER: I have received representations from the hon. gentleman and from two or three others who presented a petition on behalf of the staff. Every year I am met with the same request on the part of temporary employees in the service of the House of Commons. After receiving a delegation composed of the hon. gentleman and five or six other members of the house, I promised to consult the secretary of the Civil Service Commission. I may say it would

be much more satisfactory to me if the whole service of the House of Commons was under the commission because, as I say, every year I am assailed by requests for salary increases. We have an excellent staff of stenographers. Some are paid $3.50 and others $4.50, and two chiefs receive $5, per day. Now, I cannot take upon myself to give an increase to all those employees, for I do not know their qualifications. I may say to the hon. gentleman that our stenographers receive on the average as much as, and in some cases more than, stenographers in the other departments receive. However, I have arranged with Mr. Smith, the very able director of the stenographic staff, to take this matter up with me after the session, and we will then see what can be done.

Mr. KENNEDY: I cannot agree with Mr. Speaker's statement. I was asked to give the question some study by the members in this corner of the house. I have discussed the matter with the secretary of the Civil Service Commission,—

Mr. SPEAKER: I have the correspondence.

Mr. KENNEDY: —I asked him in what grade most of the stenographers would classify under the Civil Service Commission.

Mr. SPEAKER: How does he know?

Mr. KENNEDY: He said they would mostly classify grade 2 and grade 3. I think it is possible for a grade 2 stenographer in the civil service to earn from $1,080 to $1,380 per annum, with two weeks holidays; and for grade 3 to earn from $1,380 to $1,620, or an average of about $1,500. Under the present conditions the earning of the stenographers must be about $1,200 per annum, or from $100 to $300 lower than the stenographers in other departments of the government who are doing approximately the same kind of work. The longer hours of work of the House of Commons stenographers must also be taken into account, running from seven to ten hours per week in excess of the hours in the other departments. It seems to me that the salaries of the stenographers of this house should compare with those received by the stenographers in the other departments. In my opinion we are voting salaries for the house stenographers that are lower than those paid to stenographers in the civil service doing the same kind of work, and if this is the case I think the Commons staff should be brought in line with the civil service staff generally.

Mr. LAVIGUEUR: Mr. Chairman, I support the position taken by the member for Peace River (Mr. Kennedy). The House of Commons stenographers are receiving a salary for only four or five months of each year, and when the session is over they have to try to find some other employment, which is not at all easy in July or August. I think they are perfectly justified in their demands for increased pay, and therefore I signed the petition.

Mr. WARD: I should like to ask His Honour through you, Mr. Chairman, if the report is correct that the salaries of the stenographic staff of the Senate have been raised.

Mr. SPEAKER: There is no Senate Board of Internal Economy to consult with us. There are only five or six stenographers there. But to give the increase which has been requested on behalf of the stenographers by some hon. members would require an additional sum of $26,000. I have not the money.

Mr. LAVIGUEUR: I am astonished that five or six stenographers in the Senate should receive an increase and the Commons stenographers should not. The work of the stenographers in the Senate is not to be compared with the work of those in the Commons. Because there is a large number of stenographers is no reason why they should not be put on the same footing as the stenographers of the Senate.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Health of animals, administration of The Animal Contagious Diseases Act and Meat and Canned Foods Act, and necessary buildings, $2,270,000.

Mr. PECK: Will the minister give me some assurance that I can go back to Peterborough with the information that the grant which has been made annually to the industrial fair will be continued this season? It is an important matter to the various fairs concerned, I know that in Peterborough provision has been made to spend the appropriation in prizzes. That has been customary. Will the grant be continued?

Mr. DUNNING (for Mr. Motherwell): I cannot add anything to what the minister himself said with regard to the matter when he was present. But I can undertake to say that the representations of my hon. friend will be called to the attention of the minister.

Mr. IRVINE: I do not wish to delay the committee and in order to save time I am going to read a letter which will outline to

the minister the facts which I wish to bring to his notice. I read the following letter:

Mr. Wm. Irvine:

Dear sir: In answer to your letter of March 30/28. As president of the Blindman Valley Cooperative Association I am speaking for 1,200 farmers who have expressed their desire to have the condemnation insurance either collected by the government on all hogs and cattle going through the yards and to the packer direct whether by farmers, drovers or packer agents and the buyer to be recompensed to the extent of his loss by tuberculosis or to have it abolished entirely, preferably the latter.

We are well aware this is not a government law but it is a practice carried on by the packers which makes it just as hard for the producer to bear, he being at the mercy of the packer who well knows what percentage of tuberculosis there are in the county hogs. Until the cooperative assocations came into being the packer was not deducting this insurance, but since the farmers have started shipping cooperatively the packer will pay his agents in full for their hogs and deduct the one-half of one per cent insurance from the farmer shipment.

Our association had several shipments of hogs inspected and had the inspector receipts forwarded to us and out of those shipments which cost us some hundreds of dollars insurance, the loss to the packer was only two or three pigs' heads, not carcasses, but the heads only.

Out of the same district the packer was buying at the same time from his own agents and is doing so at present time, not deducting any insurance. As he well knows there is no loss, but is taking the advantage of this insurance to the discomfort of the cooperative shippers. This is also the discussion arrived at the recent live stock convention at Edmonton, March 20, 1928.

Yours truly,

R. E. CHOWEN.

I want to ask the minister whether he knows just exactly how much was collected in connection with this insurance, exactly how much loss was sustained owing to disease, and whether he is willing that the government should take steps for some supervision over the collection of this percentage on diseased cattle and stock? Will he see to it that the practice is prohibited?

Mr. DUNNING: I am advised by the deputy minister that there is at present no provision enabling the department to deal with the matter mentioned by my hon. friend. I will undertake to see that the letter which the hon. gentleman has read is brought to the attention of the minister immediately on his return, in order that consideration may be given the point raised.

Mr. SIMPSON: There has been discussion from time to time during the session about the number of inspectors employed by this department. I took the trouble to look up the Auditor General's report for the year 1927, because I had intended to say something on this item. However, at this late stage of the session I think all I should do is place the figures on Hansard for the information of the house. Without including the inspectors in the civil service here in Ottawa and exclusive of the officials and men on the experimental farms of Canada, the number of inspectors is as follows:

		Year ending March 31, 1927	Year ending March 31, 1922
Dairying:			
Cargo inspectors	12		
Dairy and cold storage inspector	1		
Dairy promoters, graders and testers	89		
Inspectors	10		
		112	33
Fruit and Vegetable Inspector		120	67
Seed, feed and fertilizer:			
Inspectors and analysts		104	58
Live stock and health of animals:			
Live stock promoters and inspectors	65		
Promoters of egg production and inspectors	84		
Sheep promotion	21		
Stockyard agents	12		
Swine graders	27		
Veterinary inspectors (full time)	278		
Veterinary inspectors (part time)	15		
Lay inspectors	111		
Stock car inspectors	52		
Animal caretakers	9		
Animal pathologists	5		
District supervisors of meat inspection	5		
		684	623
Destructive Insect and Pest Act:			
Insect pest or plant disease investigators	124		
Plant pathologists	15		

		Year ending March 31, 1927	March 31, 1922
Destructive Insect and Pest Act:—*Con.*			
Assistant plant pathologists	13		
Entomologists	12		
Assistant entomologists	36		
		200	143
		1,220	924

A good deal has been said in the last few days about technical men employed by this department, and it has been said they are not receiving enough money. It seems to me that these outside inspectors do a great deal of overlapping; one man will go into a community for the purpose of grading eggs; another man will go in for the purpose of grading and testing butter; another to grade vegetables; another to grade hay and so on. Surely we can get men who have been raised on farms and who have a reasonable degree of education, who can go into a community and grade several of these different products. In this way we could afford to pay them better salaries and still cut down on travelling expenses. According to part A-55 of the Auditor General's report the travelling expenses of officials of the Department of Agriculture for the year ending March 31, 1927, amounted to $843,577.91. If we add to that the expense of delegates to conferences, the travelling allowances of judges at fairs, the travelling allowances to persons making milk tests, the travelling expenses of purchasers of stock in car lots and the travelling expenses of delegates purchasing rams, we have a total of $876,638.39. If we add to that the cost of new automobiles, repairs and renewals, which comes under the head of travelling expenses, we have a total of $902,595.43. If my information is correct we could save a very considerable portion of that sum if we cut out some of this overlapping.

The estimates of the Department of Agriculture since the present minister took charge, as shown in the general estimates, have increased from $5,179,094.50 in 1921-22 to $8,217,025 in 1928-29, an increase of over 58 per cent. An ordinary business concern would not have any objection to an increase of that kind if they were attaining corresponding results, but that is not the case. According to the Bureau of Statistics the value of dairy products for the year 1920 was $288,836,093, while in 1926, it had dropped to $249,710,000. The value of fruit production in 1921 was $45,262,788, and in 1926 it dropped to $21,611,379. The value of vegetable production including potatoes in 1921 was $108,047,600, while in 1927 it dropped to $80,241,000. The value of farm eggs in 1921 was $40,968,841, and in 1927 that increased to $80,110,000. The number of sheep on farms in 1921 was 3,675,857, while in 1927 it was 3,262,700.

I am not going to take up the time of the house with any more of these figures, but it seems the more inspection we have the smaller our production comes, according to the figures I have given from the official returns.

Mr. DUNNING: Of course my hon. friend knows that the minister is absent, and he also knows that if the minister were here he would be quite capable of giving an effective answer to the figures and arguments produced by my hon. friend. I might point out, however, with respect to the overlapping which my hon. friend alleges, that already the inspection of seeds, feeds, fertilizers, insecticides, hay and twine are conducted by the same men, and there are many other instances where inspectors do two kinds of work. It is not technically possible in some cases to do so, however.

Mr. SPENCER: I would like to support the remarks of the hon. member for Wetaskiwin with regard to this stock insurance. That condition has been very unsatisfactory in Canada. The farmer is charged the flat rate whether the stock are healthy or otherwise, and I think something should be done to better this condition.

Mr. GARDINER: I would like to ask the minister if he could give the committee any information as to the progress being made in experiments having to do with inoculation for the prevention of bovine tuberculosis?

Mr. DUNNING: It is almost eleven o'clock and we must make provision for going on later; therefore I move that the committee rise and report progress and ask leave to sit again this day.

Progress reported.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I move that this house be not adjourned at eleven o'clock p.m. this day.

Motion agreed to.

MESSAGE FROM THE GOVERNOR GENERAL'S SECRETARY

PROROGATION OF PARLIAMENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following letter:

Ottawa, 9th June, 1928.

Sir,

I have the honour to inform you that His Excellency the Governor General will proceed to the Senate chamber on Saturday, 9th June, at 11 p.m. for the purpose of proroguing the present session of parliament.

I have the honour to be, sir,

Your obedient servant,

James F. Crowdy,

Assistant Secretary to the Governor General.

I understand that His Excellency has graciously agreed to come at a later hour.

It is moved by Mr. Robb that I do now leave the chair for the house again to resolve itself into committee of supply.

Motion agreed to.

SUPPLY

DEPARTMENT OF AGRICULTURE

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

Health of animals, administration of the Animal Contagious Diseases Act and Meat and Canned Foods Act, and necessary buildings, $2,270,000.

Mr. DUNNING: In answer to my hon. friend's question, I am advised that certain experiments are now being conducted with a new serum both at Ottawa and in Alberta. The experiments are now approaching maturity, and let us hope the results obtained will enable a convention to be held towards the fall when the knowledge thus obtained can be disseminated.

Mr. LUCAS: Will the minister say how many animals are under observation in Ottawa?

Mr. DUNNING: About thirty.

Mr. SINCLAIR (Queens): I want to say one word in regard to the statement which was read into the record a few moments ago by the hon. member for West Algoma (Mr. Simpson). As an agriculturist I feel I have not the right to sit here and allow the statement to go without expressing an agricultural viewpoint. The inspections that are made by the Department of Agriculture are made at the request of the agriculturists of this country, and they are doing incalculable good in raising the standard of our product. Many of the inspectors referred to are self sustained, and the farmers are paying the cost of the inspection. They are asking the department to go further than the department is ready to go, and it is unfair to agriculture for a member of this house to put such a statement on record in the absence of the minister.

Mr. SIMPSON: The statement I put on record was from official figures.

Mr. SINCLAIR (Queens): From what figures?

Mr. SIMPSON: The Auditor General's report.

Mr. SINCLAIR (Queens): What you referred to are inspections and not inspectors. The inspectors work in the various branches of the department and make several inspections, and what my hon. friend refers to are the inspections. Many of these are self sustaining and paid for by the farmers and you will find the receipts credited accordingly in the report of the Receiver General.

Mr. SIMPSON: I entirely agree with the hon. gentleman that agriculture is a basic industry and we should vote all the money that is required and which will be properly spent, but my contention was that these inspectors were overlapping.

Mr. SINCLAIR (Queens): I must disagree with that.

Mr. MacNUTT: Since the hon. member for Algoma West (Mr. Simpson) has brought up the question of government inspectors under the Department of Agriculture, I would like to read a short editorial which appeared recently in the Eastern Chronicle published in New Glasgow, Nova Scotia.

The Chronicle is owned and edited by James A. Fraser, one of the most influential Liberals in that province, and the opponent of the hon. member for Pictou (Mr. Cantley) in the last election.

Mr. DUNNING: We will be very glad to have the hon. gentleman put it on Hansard, and we will take it as read.

Mr. SINCLAIR (Queens): We will take it as the opinion of a newspaper editor who does not understand agriculture.

Mr. MacNUTT: This is the article:

On the Farm

Visitor: Are those men I see about your place, your hired men?

Farmer: No, I have no hired men; those men are government experts. That one in the barnyard attends to the health of the cows and

sees that they are kindly dealt with; he was sent here by Industrial relations, Halifax. That one down at the gate is there to prevent me selling any vegetables except by weight. I have no scales, hence do not sell any vegetables. Last summer I did quite a business selling early vegetables to wayfarers, but not having scales this year I did not sell any. The man you refer to was sent here by Hon. Mr. Motherwell, Ottawa. He has one on each farm, 9,000 of them altogether, so it is said. Oh, yes, that man over in the turnip field is Dr. Melville Cumming. His job is to prevent turnips from growing big, and to see that one of them does not grow bigger than the other. Not a bad fellow, Melville; but his head gets, at times, not lousy, but buggy, and then he cuts up as queer capers as any of them. But of all the ministers, the Minister of Agriculture has them all beaten. He has his experts, wherever a stalk of grain grows—thousands of experts. The other day in the House of Commons when Motherwell was on one of his particular frolics, all the opposition members were after him; among them Col. Cantley, who said to him, "If you go on as you are going, there won't be a Liberal farmer in Pictou County at the next election." "So much the better for you," retorted Minister Motherwell. Members finally appealed to Hon. Mr. Lapointe to decide whether the foolish laws being passed by the minister were intra vires of parliament. Mr. Lapointe declined to commit himself, alleging that he likes freedom. "Oh," Motherwell replied in effect, "I dealt with his deputy and he assured me that this law to sell roots and vegetables only by weight would be all right until it was appealed against in the courts."

It did not appear that the Premier was present, but curious to relate not one of the Liberal members either praised or blamed the apparently mad minister for his foolish course. But in order to be fair we must relate that a farmer or gardener can sell a bunch of carrots or a bunch of onions without weighing it, providing the green tops are left on.

As a rule, a political party could carry on if the half-baked fools they sometimes elect would act half wisely in parliament. Ministers like Motherwell would kill any government even if the angel Gabriel was Premier.

Mr. WARD: Before this vote passes I would like to say a word regarding the grant to B fairs.

Some hon. MEMBERS: We have passed that.

Mr. DUNNING: That vote was passed long ago.

The CHAIRMAN: I must inform my hon. friend that we are now at vote 48.

Mr. WARD: I rise to protest against the way in which we are passing these items. Sitting in this end of the chamber we are unable to hear what is going on. The chairman speaks in quite an inaudible voice and we cannot hear. I want to protest against the treatment we have received at the hands of the Minister of Agriculture in respect to grants to the B class fairs. We have made repeated representations to him to continue these grants. In the judgment of those who have an intimate knowledge of fairs, the B class is the one fair upon which all other fairs rest. Had the Minister of Agriculture been here to-night and in charge of his estimates, I can assure you this item would not have passed. As he is absent we are perhaps in the position of being practically forced. I appreciate that the minister in charge of these estimates is not in a position to accept a reduction, and I do not wish to embarrass the government. I served notice on the Minister of Agriculture a week ago that when this item was before this house it was my intention to move that this item be reduced by $85,000, the amount that would be paid to A fairs. Perhaps it would be well to examine just why we are protesting against the action of the minister in this regard. As far as I know there is not an A class fair in Canada that has not a very large surplus.

Mr. FORKE: My hon. friend will pardon me, we have had a deficit at Brandon for years.

Mr. WARD: I think you will find that most A class fairs have surpluses, and I venture to say there is not a B class fair that is not suffering deficits. In most cases the directors are carrying a personal responsibility in order to manage the institution. We are asking that the grant of $1,500 which we have been receiving for the last two years be continued. It seems rather strange, Mr. Chairman, that an industry producing several hundred of millions of dollars of wealth in this country cannot pay the small amount of $33,000 to supply a grant of $1,500 to twenty-two B class fairs. While I do not intend to move a reduction of the amount now being paid to A class fairs, it is my intention next year to move that that amount be reduced by the amount paid to A class fairs. I regret very much that we have to go back home this year without this very necessary and needed grant to B class fairs.

Mr. McINTOSH: As a representative of the riding of North Battleford, I must stand up in this house to-night and protest against the action of the Minister of Agriculture in taking the stand he has in connection with class B fairs in Saskatchewan and outside the province. I believe this is one of the biggest mistakes any Minister of Agriculture has ever made in the history of Canada. I cannot understand how any Minister of Agriculture

can take the stand that class B fairs ought to be wiped out, so far as grants are concerned. In the province of Saskatchewan $5,000 is granted to the class A fair in Saskatoon and another $5,000 to the class A fair in Regina. Instead of following the sensible policy of decentralization, one of centralization is followed, and that policy is never the real policy of Liberalism. I want to protest to-night, as the hon. member for Dauphin (Mr. Ward) has protested, against eliminating these grants to class B fairs. I serve notice to-night, as a member from northern Saskatchewan that next year—

Mr. GARLAND (Bow River): No more guns; do not tote any guns.

Mr. McINTOSH: Even guns would not have any effect on my hon. friend. I want to serve notice to-night that I am absolutely opposed to a stand of this kind. If the grants to class B fairs are not to be considered, the ones being made to class A fairs must be removed. There is a well defined public opinion in northern Saskatchewan, so far as the minister is concerned, that great pressure has been brought to bear upon him and his deputy and others in his department by the class A fairs to have this grant eliminated and the class A grant stand. The deputy minister shakes his head, but he can shake his head for a long time because that public opinion is well maintained, and, so far as I am concerned, I believe there is something in it.

Before taking my seat, I would like to give a few figures which were secured from the director of agricultural extension of the province. The average revenue for the years 1921-25 for the class A fairs—Regina and Saskatoon—was $38,158, and the average revenue for the same period for the Saskatchewan class B fairs was $4,264. The average entry fees for the same period for class B fairs was $1,449, and for A fairs $3,166. The average amount received from concessions for the same period for B fairs was $1,867 and A fairs, $27,849. The average total for the class B fairs in Saskatchewan for that period was $7,581, and for class A fairs, $69,174. The average paid out in prizes for live stock in the class B fairs was $7,140 out of an average total of $7,581, or practically 100 per cent, while for the class A fairs there was paid out an average of $20,391 out of a total of $69,174, or barely 33 per cent. That shows the work the class B fair is doing in an agricultural way. They are the fairs of the farmers. The others are entirely different, and the reason I am standing up in the house to-night and defending the class B fairs is that I believe they are doing a great work in the development of agriculture. They can give to the development of agriculture in Saskatchewan a great contribution that the class A fairs can never give. Therefore if the class B grants are to be discontinued, my remarks to-night will serve as notice to the Department of Agriculture that I am going to work tooth and nail until the grants for class A fairs are also eliminated, so that we shall have the two on a strict basis of equality and that is the only fair, just and equitable policy to pursue.

Mr. DUNNING: Before the discussion goes any further, may I call the attention of the committee to the fact that following the discussion the other evening on this item when the minister was here and further discussion to-night, the vote was passed and we are now two votes past it. In fact we are supposed to be discussing just now insect pests. I cannot add anything to what I said a little while ago while the vote was under discussion. The further discussion will be brought to the attention of the minister and more than that I cannot say. I think we have allowed the discussion on insect pests to ramble into class B fairs and I know none of the supporters of the class B fairs wants them to be regarded as insect pests.

Mr. McINTOSH: No person in this corner of the house knew that we had passed the item in connection with class B fairs. If that is the kind of business you are going to do, whether the matter under discussion be "insects" or "fairs," Mr. Chairman, you had better speak out a little plainer.

Mr. DUNNING: My hon. friend surely knows that several members to-night discussed the question of class B fairs when the item was before the committee.

Mr. McINTOSH: The hon. member for Dauphin (Mr. Ward) discussed it before I did. If he was in order, I must be.

Mr. DUNNING: Long before the hon. member for Dauphin spoke, another hon. gentleman spoke on the question. An hon. member across the way commenced the discussion when the item was before the committee.

Mr. LUCHKOVICH: I understand that the minister said vote 44 in connection with grants to exhibitions was passed. When was it passed?

The CHAIRMAN: To-night.

Mr. LUCHKOVICH: Well, it was passed in such a clever way that I hope that all the

other estimates are not passed in the same way as this was.

Mr. DUNNING: I am going to object to that on a point of order. One or two members, when the item was before the house, spoke on it. I replied to the members in a very proper way and I resent the insinuation that the vote was put through in some clever sort of way. There was no cleverness about the matter at all.

Mr. LUCHKOVICH: There are quite a few hon. members interested in class B fairs and we have been waiting very patiently for the item to come up. I, for one, am very much surprised to learn that this item was passed.

Mr. DUNNING: My hon. friend cannot blame me for his being asleep.

Mr. LUCHKOVICH: I certainly was not asleep. I was listening and waiting very patiently for the item to come up.

The CHAIRMAN: I am sorry if hon. gentlemen did not hear the item called. It was certainly called and passed in the way we have passed other votes to-night, but I do not think it is fair to blame the chair for not announcing these items in an audible tone of voice. If hon. members would keep order in the committee, I am quite sure that I would be heard in all parts of the chamber.

Mr. FANSHER (Last Mountain): I have been listening for the item in regard to grants to exhibitions to be called and I have been in the chamber since these items respecting agriculture were started. I did not hear it called and I did not hear it passed. Once in a while I could hear hon. members talking, and that was all I could hear. This item is the most important item in the whole estimates of the Department of Agriculture. If we are going to crowd the estimates of the most important industry in Canada into the last few minutes at the close of the session, we shall have to see what can be done in another year. I do not want to prolong the discussion at all.

Mr. MACKENZIE KING: May I recall to my hon. friend the fact that the first estimates taken up this session were those of agriculture? There were several discussions in the committee on the estimates of the Department of Agriculture.

Mr. FANSHER (Last Mountain): I quite agree with the Prime Minister on that point, but we have only a few minutes to discuss the most important item of the whole estimates of that department. We can vote $18,000,000 for Defence. We can spend $300,000 on dredging in Ellis bay for a private company. We have a vote of only about $7,000,000 for agriculture and now we are cutting down on the best fairs we have in western Canada to which the young fellow can come along and put in an exhibit while, if he is cut out of that and has to go to the class A fair, he is too backward and bashful to put in an exhibit. We are crowding the most important matters into the last few minutes at the close of the session when we have no time to discuss matters which are vital to agriculture.

Item agreed to.

DEPARTMENT OF RAILWAYS AND CANALS

Loans to Canadian National Railway Company

Amount not exceeding $39,000,000 to meet expenditures made or indebtedness incurred (where amounts available from net operating income or investments may be insufficient) by or on behalf of the Canadian National Railway Company, herein called "The Company," or any company specified or referred to in chapter 172 of the Revised Statutes of Canada, 1927, and chapter 13 of the statutes of 1920 or now or hereafter comprised in the Canadian National Railways or by the company in respect of any railways, properties and works entrusted to it from time to time under the provisions of section 19 of chapter 172 of the revised statutes of Canada, 1927, or any one or more of such companies, on any or all of the following accounts, such expenditures or indebtedness being being herein called authorized expenditures:—

(a) Interest on securities, notes and other obligations; rentals for lease of lines;

(b) Equipment principal payments; sinking funds; miscellaneous maturing or matured notes and other obligations secured or unsecured;

(c) Operating income deficit, whenever incurred or ascertained;

(d) Construction and betterments, including coordinations; acquisition of real or personal property.

The amount herein authorized may be applied from time to time to meet authorized expenditures, in the discretion of the governor in council:—

(a) In respect of railways, properties and works entrusted to the company as aforesaid;

(b) In respect of railways, properties and works not so entrusted by way of loans in cash, or by way of guarantee, or partly one way and partly the other, subject, however, as follows:—

If by way of loans from His Majesty, the amount or amounts advanced to any one or more of the said companies shall be repayable on demand, with interest payable half-yearly at the rate fixed from time to time by the governor in council, secured if and when directed by the governor in council by mortgage or mortgages upon such properties, in such form and containing such terms and conditions, not inconsistent herewith, as the governor in council may approve.

If by way of loans from persons other than His Majesty (without the guarantee of His Majesty) the amounts, terms and conditions of such loans shall be such as the governor in council may from time to time approve.

If by way of guarantee, any such guarantee may be either a general guarantee covering the total amount of the issue, or by a separate guarantee endorsed on each obligation, and may be of the principal, interest and sinking funds (if any) of the notes, obligations or securities of one or more of the said companies specified by the governor in council, which notes, obligations or securities the companies so specified are hereby authorized to make and issue, and such guarantee may be signed by the Minister of Finance, or such other person as the governor in council may authorize, on behalf of His Majesty, in such form and on such terms and conditions as the governor in council may determine to be appropriate and applicable thereto. Any guarantee so signed shall be conclusive evidence for all purposes that the provisions of this enactment have been complied with.

Should temporary loans be made or negotiated before the lapse of this appropriation either from His Majesty or other persons, guaranteed notes, obligations or securities may subsequently be issued under the provisions of the preceding paragraph of this enactment to renew, refund or adjust such loans, or any part thereof.

Each company herein mentioned or referred to is hereby authorized to aid and assist, in any manner any other or others of the said companies, and, without limiting the generality of the foregoing, may for its own requirements and also for the requirements of any or all such other companies from time to time:—

(a) Issue notes, obligations or other securities, joint or several, at discretion, for the purpose of any guarantee made or to be made under the provisions of this enactment;

(b) Apply the proceeds of any such guaranteed issue, or the amount of loans received by virtue of this enactment, in meeting authorized expenditures on its own account or on account of any or all of such other companies;

(c) Make advances for the purpose of meeting authorized expenditures to any or all of such other companies, upon or without any security, at discretion.

No purchaser of such guaranteed notes, securities or obligations shall be under any obligation to inquire into the application of the proceeds of any guaranteed issue, $39,000,000.

Mr. BENNETT: I am in a very difficult position. I desire to expedite the business of the house and yet I must make certain observations with respect to this matter. I will endeavour to do so as briefly as possible because I am sure members of the committee are as desirous as I am to expedite the business, but I must make these observations. Yesterday evening the Minister of Railways said that it was essential that we should build a second hotel at Halifax in order to maintain the morale of the Canadian National employees.

Mr. DUNNING: I did not. The distinction is very important.

Mr. BENNETT: What is the distinction? I will endeavour to read exactly what he said. The minister means that he was told that that would be so. Is that what he means?

Mr. DUNNING: My hon. friend had better read the exact language.

Mr. BENNETT: He says at page 4026 of Hansard:

> Moreover, the president of the railway assures me, has assured me on more than one occasion, that the morale of the men engaged in working on the Canadian National system from coast to coast would be seriously affected if the Canadian National were compelled to back down with respect to the construction of a Canadian National hotel at Halifax.

That statement is one that I think should not be seriously considered by this house in determining what action should be taken, for it is a statement that must be regarded as entirely at variance with what we know. The truth is that in 1926, not 1927, discussions took place between the president of the railway company and certain financiers in Halifax looking to the construction of a hotel. In February, 1927, Mr. Pratt wrote a letter, which I read last evening, in which he said that the president and directors were interested in this undertaking. That is clear. What is more, it subsequently develops that by reason of the very action that he then took, the Lord Nelson Hotel company was organized. The Dwyer property on which an option was taken in the fall of 1926 was acquired, and it was arranged to build an hotel upon it. That is beyond all question.

Mr. RALSTON: If my hon. friend will permit me, he mentions the option of 1926. That option had long since expired.

Mr. BENNETT: It had long since expired, but is was renewed for the purposes of the Lord Nelson hotel.

Mr. RALSTON: To be quite fair, my hon friend should state that the option of 1926 had no connection with what took place in 1927.

Mr. BENNETT: Oh yes.

Mr. RALSTON: It was an entirely new transaction in 1927.

Mr. BENNETT: It will be observed that the Canadian National Railway Company in their report of 1928 commence their observations with respect to the hotel by saying:

> In 1926 a plan, which had been privately promoted for the erection of a modern hotel at Halifax, was presented to the board of directors for consideration. The plan was found to be unsatisfactory in its method of finance and was rejected. The need of more modern hotel facilities at Halifax was, however, apparent to the board, and it was recog-

nized that, with the establishment in the winter of 1928-29 of the new and important services of the Canadian National steamships between Halifax and the West Indies, this need would become still more pressing.

And it was in February, 1927, February, mark you, February 9, 1927, that Mr. Pratt wrote the letter which I read yesterday.

Mr. RALSTON: I was dealing only with the matter of the option, and I said that the option of 1926 had nothing to do with the purchase of 1927.

Mr. BENNETT: But there was a continuity with respect to the transaction.

Mr. RALSTON: There was no continuity; it was a brand new transaction. The site was not taken until October 17 or 18, 1927, and it was not inconsequence of the option of 1926.

Mr. BENNETT: That does not detract from what I am endeavouring to say. In the spring of 1927 the Canadian National indicated its interest in the undertaking of the construction of the hotel in Halifax, and when it is said that the morale of the road will be in some sense affected, let me say this. The Canadian Pacific Railway Company have made it perfectly clear that they will turn their stock over, as well as the $250,000, if the hotel wants it. So far as the Canadian Pacific Railway is concerned, they are prepared to back down and out and to disappear out of the transaction. The papers published all that. They had only $100,000 of preferred shares in the undertaking and in consequence of the Lord Nelson company being let down by the Canadian National, the Canadian Pacific took, it up.

I am going to point to one thing, in order that there may be no misapprehension. The report of the Canadian National Railways undertakes to indicate that the Canadian Pacific Railway did not care to take up the stock until September, 1928. It says on page 11 of its report:

> The decision of the Canadian Pacific to take up the preferred stock of the hotel company was made by the executive committee of that railway company three days later.

That is, three days after the Canadian National had determined to go into Halifax. That is not in accordance with the facts. The Canadian Pacific Railway Company, as the public records show, not their records at all, but two gentlemen whose word will be accepted in any court of law saw the president of the Canadian National, and he agreed to take the $250,000 and urged them to get the Canadian Pacific to take the $100,000.

Mr. DUNNING: My hon. friend said that the public records would prove it. What public records?

Mr. BENNETT: The records of the Lord Nelson Hotel Company, and the journey to Montreal of the president of that company, together with the delegation, which reported back, as was published in the press. What is more, the report of the Canadian Pacific Railway Company at page 7 says:

> Your directors, after discussion with the National railways and upon the strong recommendation of the latter, agreed to subscribe for $100,000 of the preferred stock in the Lord Nelson hotel at Halifax, Nova Scotia, the National Railways undertaking to recommend the government's approval of a subscription by that company of $250,000 of such stock.

It is admitted by the speeches of the two ministers that that recommendation was made to the government. The government was dissatisfied with it, and it was not carried into effect by the shareholders, the shareholders being the governor in council. A new plan was submitted, but the government was not satisfied with that; the shareholders again disagreed. Then it was that the president of the Canadian National journeyed down upon a special train to the city of Halifax, and made a speech about predatory wealth, and the new hotel was recommended, the new Canadian National hotel. It was after that, that the Canadian Pacific agreed to take $250,000 of preferred stock, and it was then that the report of the Canadian National endeavours to make it clear that the agreement to take $250,000 of preferred shares referred to the whole $350,000, which is not so, and never has been so, because Mr. Silver, the chairman of the Lord Nelson hotel, accompanied the Premier of Nova Scotia and others to Montreal and arranged with respect to the $100,000 subscription of preferred shares by the Canadian Pacific. There should be no difficulty in understanding clearly that point.

One other question arose last evening. It was said last evening that the rebate of a commission that Mr. Bain and others agreed to was a rebate that went to the company, and it is not clear that that was money that went back to the company for work in Canada of the Lord Nelson Hotel Company.

Mr. DUNNING: There is no doubt about that.

Mr. BENNETT: I have received a telegram from the president of the company saying that the newspaper reports did not make it clear that that money was not for the purpose

of paying the promoters, but was to go back to the hotel to increase their working capital.

Mr. RALSTON: That is exactly what I said.

Mr. BENNETT: I just mention that in order to clear up any misapprehension that might arise from the press reports, in view of the telegram I have received. I desire to make it clear that such was not the case on the statement that has been made.

I can sum up this matter in this way. My hon. friend referred to the question of impressing this house with his influence. Let me put it this way: When the president of the Canadian National discovered that the minister from Nova Scotia was against the participation of the Canadian Pacific in the hotel, he did what any president would do. He said: Now is my chance to get an hotel, and I am going to get it on my own, and it was the position taken by the ministers in question that put this country to that expenditure. The president of the Canadian National is not to blame; the blame rests with the ministers, and not with the railway company at all, because in this instance an arrangement was made by the government to turn down the proposal to build the hotel, even though it involved a loss of $100,000 for one hotel, and to build a hotel solely for the Canadian National system.

The suggestion that has been made that we should build bungalow camps and hotels that will bring us a more profitable return is one that is worthy of consideration. In this regard I cannot hope to go over this matter in detail. It is sufficient for my purpose to say, and say clearly, that I protest against the investment of capital which involves an admitted loss of $100,000 per annum, according to the reports made by the Canadian National's own expert. The report of the company itself for last year shows that the company did not make interest on a single dollar of capital invested in hotels, but had a deficit in operating the whole hotel system of $15,000. Here are the figures in that regard, to be found at page 8 of the Canadian National report: It says that the losses had been reduced to about $15,000, as compared with a loss of $35,000 for 1926. It is against this reckless waste of public money for the purpose of enabling a minister merely to control the situation in a province that I protest. I protest against it on behalf of the taxpayers who must find the money. Without going into details I have only this further to say. When the Vancouver hotel was brought up last night we had the tu quoque argument.

[Mr. Bennett.]

The Minister of Railways and Canals knows that the settlement was made because of promises by Mackenzie and Mann to the city of Vancouver under their agreement with the government in connection with the Canadian Northern British Columbia railway system, by which they were to build a hotel and do many other things involving an expenditure of millions of dollars. The settlement made by the Liberal government involved a vast expenditure of moneys in British Columbia and then the leasing of the hotel at a rental that would be sufficient to cover interest and sinking fund.

Mr. DUNNING: My hon. friend knows better than that.

Mr. BENNETT: That is the arrangement that was made. Mr. McCrossan, the city solicitor for Vancouver, came down here for the purpose, the arrangement was made and notified in the public press.

Mr. DUNNING: My hon. friend knows perfectly well that the Minister of Railways consistently refused to recommend to his colleagues any such arrangement. It was never so recommended and never so authorized by this government. Where is the order in council authorizing it? My hon. friend says this government did something. There is one way by which governments do things.

Mr. BENNETT: Will my hon. friend just sit down?

Mr. DUNNING: Yes, and I will get up by and by.

Mr. BENNETT: Now, having sat down—

Mr. DUNNING: I merely want you to speak the truth.

Mr. BENNETT: The hon. gentleman will withdraw that statement, even at this late stage of the session.

The CHAIRMAN: I did not catch the remark.

Mr. DUNNING: I merely request my hon. friend to speak the truth.

Mr. BENNETT: That is unparliamentary.

Mr. DUNNING: I think I may make a request.

Mr. BENNETT: I am not going to be bulldozed.

Mr. DUNNING: Suppose I ask my hon. friend to stick to the facts; is that better?

Mr. BENNETT: That is all right. This is not the Saskatchewan legislature. The hon. gentleman is learning something.

Mr. DUNNING: I am sorry I cannot return the compliment.

Mr. BENNETT: No, you would not understand it. Now, Mr. Chairman, in view of what has been said, we might as well take this thing seriously and leisurely.

Mr. DUNNING: That is right.

An hon. MEMBER: Haven't you been serious up to now?

Mr. BENNETT: Well, I thought the hon. gentleman the other day made admissions that were sufficiently serious for any of us in this house who understand the English language. Now, Mr. Chairman, I was proceeding to say that the Vancouver situation was a settlement of outstanding claims against the Canadian Northern Railway Company. Those claims involved this country in many millions of dollars. When the agreement was made for the building of an hotel it was signed and sent back to this city. The then Acting Minister of Railways (Sir Henry Drayton) at once had his attention directed to the fact that as the supply bill had not carried there was a question as to the legality of an appropriation by governor general's warrant to meet any possible claim there might be with respect to the hotel. In other words, there was no parliamentary sanction with respect to the money that would enable the hotel to be built. That is the position with respect to that. I have no hesitation in saying that I pointed that out. It was subsequently discovered by the legal gentlemen connected with the department to be a correct statement of the situation. The contract was not signed. It was not proposed to sign it when that was found to be the condition. Then the statement was made that the hon. gentleman referred to last evening as to whether he desired to sign it himself. That is the reason I have made the protest, and if this house does not prorogue to-night I will have an opportunity to deal with it more fully on Monday, but in view of the desire to prorogue I shall make no further observations at the moment.

Mr. DUNNING: My hon. friend has made one statement with respect to the Vancouver hotel which, under the rules, I am not permitted to describe correctly. It has a bearing upon my association with the negotiations with the city of Vancouver prior to the dissolution of parliament in 1926, and it has also to do with what the shadow government then in office did or did not do in reference to an agreement to build an hotel in Vancouver. My hon. friend stated in the plainest terms that the Liberal government had completed the arrangement. Those were his words.

Mr. BENNETT: That is what Mr. McCrossan, the city solicitor of Vancouver, said.

Mr. DUNNING: I sat down when my hon. friend requested it. Will he now kindly keep quiet?

Mr. BENNETT: I will see.

Mr. DUNNING: My hon. friend stated in the plainest of terms—I find he stated it on the word of somebody else outside this house altogether—that the government did so and so. Apparently he does not yet know, or would pretend that he does not know, that any action of that sort by a government is represented by an order of council which is of record. He knows perfectly well that if a decision had been taken by this government to lease or build any hotel at Vancouver, that decision would be found in the records of the Privy Council. There is no such order in council. My hon. friend knew when he spoke that there was no such order.

Mr. BENNETT: He did not. Now, Mr. Chairman, that remark will have to be withdrawn.

Some hon. MEMBERS: Sit down.

Mr. BENNETT: No, that remark is unparliamentary, absolutely, under the rules. There may be no misapprehension about that. It might as well be realized even if this house does not prorogue to-night.

Mr. DUNNING: I await your ruling, Mr. Chairman.

The CHAIRMAN: If the hon. gentleman says he did not have knowledge, certainly his word must be accepted.

Mr. DUNNING: I will accept his word. Of course I accept also the position in which he puts himself, that he knew—that is what he said—that a transaction had been completed by this government—

Mr. BENNETT: I said the transaction had been.

Mr. DUNNING: That the transaction had been completed by this government; and now he says he did not know whether an order in council had been passed in respect to it.

Mr. BENNETT: I do not know yet.

Mr. DUNNING: Let me go further. I trust I have cleared up that point. I have a particular interest in it, Mr. Chairman, for the reason that continuous and steady pressure

was brought to bear upon me as Minister of Railways and upon my colleagues by interested parties in the city of Vancouver on both sides of politics to complete the arrangements for the building and leasing of an hotel there. I never was satisfied with the arrangement, the government never was satisfied with the arrangement, and I never gave any encouragement to those promoting it that the government ever would approve it. My colleagues, every one, can confirm that. What followed when my hon. friends came into office? We have listened to a very ingenious explanation of a very extraordinary transaction from my hon. friend this evening. Suddenly the shadow government during the hundred days, in spite of the knowledge that my hon. friend says they had with respect to the illegality of financial transactions involving governor general's warrants—I say in spite of that fact, on the seventh day of August during that hundred days an order in council was passed authorizing the expenditure of three and a half million dollars of the money of this country on a hotel in Vancouver.

Mr. BENNETT: Hear, hear.

Mr. DUNNING: Passed by a government which, as my hon. friend stated to-night, knew perfectly well they had no authority to secure money by governor general's warrants for such purpose—nor indeed for any other purpose.

Mr. BENNETT: I did not say that.

Some hon. MEMBERS: Order.

Mr. BENNETT: No, I have a right to deny a statement I did not make.

Mr. DUNNING: What did you say?

Mr. BENNETT: I said that a question as to the legality of it arose, and it was subsequently reported by the legal gentlemen in charge that the decision was properly taken. That is what I said.

Mr. DUNNING: It is very strange, Mr. Chairman. My hon. friend now says that a question as to legality subsequently arose. I should like to ask how that government was doing business. Here is the order in council, very carefully and elaborately drawn up. Am I to presume it was not drawn up by legal officers, by someone who knew what the law was when it was being drawn up?

Mr. BENNETT: No, sir.

Mr. DUNNING: Are they to admit that they got someone to draw up an order in council for an expenditure of $3,500,000 without finding out whether or not the transaction would be legal after it was adopted? What does the order in council say? After reciting the problem of the old arrangement between the Canadian Northern Pacific and Messrs. Mackenzie and Mann, which my hon. friend, by the way, stated correctly this evening—an arrangement which we inherited when the Canadian Northern Pacific became a part of the Canadian National system, a problem which everyone has been seeking to solve for some years past—after reciting that, I say, this order in council goes on to state:

> That it is the opinion of the board of directors of the Canadian National Railway Company that, in view of the progress made by the Canadian National Railways in revenue receipts during the present year the whole cost of the construction of the proposed five hundred room hotel can be met from the estimates which were submitted to parliament at its last session and approved by the select standing committee on railways and shipping.

That statement is made in the order in council, and even if the estimates had been passed, which they were not, as my hon. friend indicates even if the estimates had been pased, that order in council discloses that the government passing it was willing to spend $3,500,000 for a hotel in Vancouver out of moneys voted by parliament for entirely different purposes.

Mr. BENNETT: Not at all.

Mr. DUNNING: That is the only conclusion we can come to. I had the privilege of placing these estimates before the select standing committee on railways and shipping at the session of parliament referred to, and I can say that the government of which I was then a member did not contemplate, nor did the management of the Canadian National Railways contemplate, the erection of an hotel out of the proceeds of these estimates. The matter was never discussed before that committee, never discussed in this parliament. The shadow government during the 100 days found the necessity, the political necessity—a word which my hon. friend is so fond of using—of rushing into a deal for the building of an hotel in the city of Vancouver. I say political necessity—

Mr. BENNETT: It was never executed.

Mr. DUNNING: The agreement was never executed but this order in council was passed to authorize the execution of it. The government went as far as it could in authorizing execution by passing this document which I hold in my hand. The actual execution of it

was in the hands of the minister who is here authorized, and of the Canadian National management, who also are here authorized to proceed immediately with it and to take for the purpose $3,500,000 of money which this parliament voted for other purposes and not for the purpose of the Vancouver hotel. As my hon. friend would say, "That is the position with respect to that". I am speaking with some feeling, I admit.

Mr. MACDONALD (Richmond): Always do.

Mr. DUNNING: Yes, I am speaking with some feeling because my hon. friend to-night sought to fasten upon me an arrangement which I never consented to, always protested against, and refused to have anything to do with. In fact, so far from accepting it, this order in council passed by my hon. friends opposite did not satisfy me and did not satisfy the government of which I am a member. I recommended the cancellation of it; my colleagues accepted that recommendation and it was cancelled. I will not go further into details as to what was contemplated as the result of this order in council. It is not an arrangement of which my hon. friend is personally proud, I know, and yet he was the finance minister of the government which authorized it by the document I hold in my hand.

Now with respect to the Halifax hotel—having cleaned up Vancouver as well as I am able—with respect to the Halifax hotel I have just this to say. With regard to Vancouver the charge is made against me by hon. members opposite and by their press that I had cancelled this order in council—this order I had been referring to, passed by my hon. friends opposite—that I had cancelled it at the behest of the Canadian Pacific Railway because they had an hotel in Vancouver. Nay, it was further stated by gentlemen who sit opposite and by their friends, that I had been bribed by the Canadian Pacific Railway by having an hotel built by them in the city which I have the honour to represent. That was published broadcast through the press of western Canada, at least that portion of the press willing to publish that sort of thing.

Mr. BENNETT: Were they sued for libel?

Mr. DUNNING: They were not sued for libel. I—well, I guess I had better not say it; I will stay within the rules. Now, the estimates presently under consideration by the house, recommended by Sir Henry Thornton and the management of the Canadian National Railways, include an amount of $100,000 towards the construction of an hotel in Vancouver. I can tell my hon. friends it will not be constructed on the plan they devised; it will be constructed in a business-like way. Now reverse the situation and let us go to Halifax. There my hon. friend is seeking to prevent the Canadian National from building an hotel. May I ask, is he acting in the interests of the Canadian Pacific Railway, as I was accused by his party of doing when I did what was my public duty in regard to the Vancouver matter? My hon. friend has himself on occasion, when I have taken a position with respect to the department and its affairs, intimated somewhat sneeringly that I am working in the interests of the Canadian Pacific Railway.

Mr. BENNETT: Name me an instance when that was said.

Mr. DUNNING: My hon. friend frequently did during last session. I am within the memory of the house, and my hon. friend will find it in Hansard of last session. It was possibly intended as persiflage, but not of a very pleasant kind.

Mr. BENNETT: You will not find it in the records of the house. I have said it to you personally on the street when we have walked down.

Mr. DUNNING: My hon. friend might search Hansard; I will help him. If he does he will find something which he would not like to see.

Mr. BENNETT: If personal observations of that kind are repeated in the house, well and good.

Mr. DUNNING: Be that as it may, all that I said last night with respect to the Halifax hotel stands to-day. I believe that Sir Henry Thornton is right when he says that whatever may happen to the other hotel the Canadian National hotel at Halifax will develop business and will ultimately succeed. To-night my hon. friend stressed the supposed loss of $100,000 a year which may be incurred in operation on the Canadian National hotel system. If we take his remarks seriously at all he must be arguing that therefore we should not build or own hotels. But he is too wise for that in reality; he knows that the value of a hotel to a railway system does not depend upon the earnings of that hotel but that it has a relation to the traffic handled by the railway. All our hotels are great traffic producers for the

road, and although on paper they may lose money in operation, they more than make it up in the contribution they make to the general well-being of the system, and I believe the Halifax hotel will be no exception in this regard.

Mr. RALSTON: I just want to say one word in order to put my hon. friend right in the matter of dates. He has suggested to-night that the subscription of the Canadian Pacific Railway was made before the announcement by the Canadian National Railways.

Mr. BENNETT: Not the whole subscription, but $100,000 of it.

Mr. RALSTON: Well, the whole or any part of it. I want to say to my hon. friend that if he will look at the record he will find that on July 6, the Lord Nelson Hotel Company advertised in the Halifax Herald, and in that newspaper appeared a letter signed by H. R. Silver, president, in which it is stated:

It is confidently expected that in the event of Canadian National Railway Company purchasing this amount of preference shares, the Canadian Pacific Railway Company will also subscribe for $100,000 par value of the preference shares on the same terms.

The Canadian National Railway Company did not subscribe, and I want to tell my hon. friend that the Canadian Pacific Railway Company did not subscribe at that time. On July 14 the announcement was made which I read to the house last night, to the effect that I felt satisfied in my own mind that the item would be placed in the estimates if the management of the railway recommended it. On July 20, Sir Henry Thornton stated that the board of directors of the company would put this item in the estimates, and not until September 26, over two months later, did the Canadian Pacific Railway announce having taken up that subscription. That announcement is contained in the Halifax Chronicle of September 28, in a letter from Mr. Beatty under date of September 26 to Mr. H. R. Silver which has the following to say:

Our executive committee to-day approved a subscription by this company to the preferred stock of the Lord Nelson hotel to the amount of three hundred and fifty thousand dollars par value, conditional upon the bonds and balance of preferred stock being sold.

Let that settle the matter of dates. The Canadian National Railways made their announcement on July 20 and the Canadian Pacific subscription and announcement were made on September 26, so when my hon. friend suggests that a portion of the subscription was taken up before he is palpably in error.

He is seeking to blame the minister; for what? I have told him the reason why this proposition was turned down; one reason was because it was too expensive. I quote the statement made by my hon. friend last night, in which he said:

That in my judgment was a proper view to take, having regard to the fact that the commission to be paid was much larger than should be paid for securing capital under these circumstances.

The other reason was that parliament had not authorized that expenditure, which was commended by my hon. friend. I do not know how he blames the ministers under those circumstances. The proposition was turned down on July 14 and immediately after that the announcement was made. I think with this matter of dates straightened out the house will have no difficulty in coming to a conclusion on the argument made by my hon. friend.

Mr. BENNETT: The only difficulty about it is that the statement of the hon. gentleman with respect to dates is not borne out by the record. Would my hon. friend mind reading the exact words of that letter again?

Mr. RALSTON: This is what I read:

It is confidently expected that in the event of Canadian National Railway Company purchasing this amount of preference shares the Canadian Pacific Railway Company will also subscribe for one hundred thousand dollars par value of the preference shares on the same terms.

The other letter, from Mr. Beatty, was as follows:

Our executive committee to-day approved a subscription by this company to the preferred stock of the Lord Nelson hotel to the amount of three hundred and fifty thousand dollars par value, conditional upon the bonds and balance of preferred stock being sold.

Mr. BENNETT: And the date?

Mr. RALSTON: September 26.

Mr. BENNETT: Previously the company had agreed to invest $100,000. Now I will read from the statement of the president.

Mr. RALSTON: I am giving the statement made by the Lord Nelson Hotel Company.

Mr. BENNETT: The statement made by the president of the Canadian Pacific Railway Company is as follows:

Your directors, after discussion with the National Railways and upon the strong recom-

mendation of the latter, agreed to subscribe for $100,000 of the preferred stock in the Lord Nelson hotel at Halifax, Nova Scotia, the National Railways undertaking to recommend the government's approval of a subscription by that company of $250,000 of such stock. This arrangement was not given effect to owing to government objection, and your company was pressed to increase its subscription to $350,000. Your directors considered that, in view of your ownership of the Dominion Atlantic Railway serving the important tourist centres of the Evangeline country and connecting through the Eastern Steamship Company with the port of Boston, the local project, which received general support in Halifax, should be assisted to the extent mentioned. The subscription was accompanied by an offer to the National Railways to transfer to that company or the government $250,000 of the preferred stock at cost up to July 1st next—in other words, renewing the proposal made by the National Company to this company.

Mr. RALSTON: That is the subscription of September 26.

Mr. BENNETT: No, renewing an offer to take $250,000 of stock if the Canadian Pacific Railway took $100,000.

Mr. RALSTON: That is the subscription of September 26.

Mr. BENNETT: No, that subscription was for $350,000. Does not the hon. gentleman see the position he is in now? There were two subscriptions, an initial subscription for $100,000 followed by one for $250,000, making a total of $350,000 as stated in the letter of September 26. Does the hon. gentleman say that the Canadian Pacific Railway Company never agreed to take anything except $350,000 in stock?

Mr. RALSTON: I say on the authority of Mr. H. R. Silver, president of the company whose stock was being subscribed, that it was expected that if the Canadian National would subscribe for $250,000 the Canadian Pacific would subscribe for $100,000. That is the letter which appeared in the paper.

Mr. BENNETT: And the company's report say they did agree to subscribe for $100,000.

Mr. RALSTON: I am taking the public announcement.

Mr. BENNETT: Mr. Silver confidently expected it in July, and his expectation was realized. The Canadian Pacific Railway Company agreed to subscribe $100,000.

Mr. RALSTON: My hon. friend will not find any agreement to subscribe $100,000 after July.

Mr. BENNETT: Does my hon. friend say that they never agreed to subscribe $100,000?

Mr. RALSTON: Yes, on the authority of Mr. Silver.

Mr. BENNETT: Then they agreed to subscribe $350,000 because the Canadian National would not subscribe $250,000?

Mr. RALSTON: Yes.

Mr. BENNETT: Then they must have subscribed $100,000 first.

Mr. RALSTON: No, because they subscribed $350,000 in September.

Mr. BENNETT: No; they agreed to make their subscription $350,000, because the president of the company in his annual report says that they agreed to subscribe $100,000.

Mr. RALSTON: All the president said was that on September 26th they agreed to take $350,000 in stock.

Mr. BENNETT: Of course, because the Canadian National did not subscribe the $250,000.

Mr. RALSTON: My hon. friend should not split hairs.

Mr. BENNETT: I am not splitting hairs; this is a question of fact. The fact is that the president of the Canadian Pacific Railway Company, in the presence of witnesses, agreed to take $100,000 in the hotel.

Mr. RALSTON: No doubt that is where Mr. Silver got his expectations.

Mr. BENNETT: He was surrounded by witnesses who went up as a delegation. The Canadian Pacific did not want to go into this venture, but the Canadian National urged them to, and they did it for the sake of Nova Scotia as a whole. The Canadian National did not take the $250,000, and the Canadian Pacific have been compelled to take $350,000, or else let the enterprise be abandoned.

Mr. RALSTON: That is my hon. friend's construction.

Mr. BENNETT: It says so. There is a further statement made by the president of the company.

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: Can we carry this item?

Mr. BENNETT: No.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: I have advised His Excellency that it will not be possible to prorogue this parliament to-night. The house therefore, will resume on Monday.

Mr. BENNETT: At what hour?

Mr. MACKENZIE KING: At eleven o'clock. I might say to the hon. members that with the exception of the one item we are discussing at present, we have concluded all the business of the session so far as the government is concerned.

PRINTING OF PARLIAMENT

Hon. CHARLES MARCIL (Bonaventure) moved:

That the third report of the joint committee of both houses on the printing of parliament, presented to the house on the eighth instant, be concurred in.

Hon. J. A. ROBB (Minister of Finance): This resolution involves an increase in salary for an official who comes under the Civil Service Act, and is subject to all the regulations of that act. I have nothing to say against this official, but I submit that if we are to permit officials whose case has been reviewed by the Civil Service Commission to go over the heads of the commission and of the treasury board and come to parliament, we are introducing a precedent which may have very far-reaching effects. On these grounds, Mr. Speaker, I submit that this resolution should not pass. Indeed I question whether it is in order.

Mr. SPEAKER: The motion is not in order, nor is the report, because a committee can take cognizance only of matters which are referred to it. The matter which is the subject of recommendation in this report was not referred to the committee by the house. In addition to that, the official referred to is an employee of the House of Commons and I was not consulted in the matter. The permanent employees of the House of Commons are under the Civil Service Commission, and the case of this excellent employee was reviewed by that commission. I regret to say that they did not find that he should get an increase, and then he went over my head and put the matter before the joint committee of both houses on the printing of parliament. I rule that the motion is not in order.

Mr. MARCIL: In justice to the committee I would say that this report has been adopted by the Senate, and we find ourselves in the peculiar position of having a report adopted by one house and rejected by the other. This official is paid out of the general vote for the printing of parliament. He has had no increase since 1915, and the committee recommended that he be placed in a higher class.

On motion of Mr. Mackenzie King the house adjourned at 12.05 a.m.

Monday, June 11, 1928

The house met at eleven o'clock.

UNOPPOSED MOTIONS FOR PAPERS

MARINE AND FISHERIES—BROADCASTING STATIONS

Mr. GEARY:

For a copy of all correspondence between the Minister of Marine and Fisheries or any officer or official of the Department of Marine and Fisheries and (a) broadcasting station CKCL (The Dominion Battery Company Limited), and (b) broadcasting station CKNC (Canada Carbon Company, Limited, Toronto), relative to the change of such stations from the 840 kilocycle channel to the 580 kilocycle channel.

CANADIAN NATIONAL RAILWAYS—HUDSON BAY RAILWAY

Mr. BLACK (Halifax):

For a return of a statement showing in full (a) the total amount spent from the year 1911 to date on the Hudson Bay railway by the Railway department; (b) the total amount spent by the Railway department in the port of Nelson; (c) the total amount spent on the port of Churchill by the Railway department; (d) the costs to the Railway department in full in the purchase and transport of all supplies to the ports of Nelson or Churchill in connection with the Hudson Bay railway and its terminals and their facilities; (e) the total amount expended by the Marine department in connection with the port of Nelson or Churchill and the Hudson Bay railway and in the survey of navigation in the straits or in Hudson bay and in the placing of aids to navigation in the Hudson straits or Hudson bay and at the ports of Nelson and Churchill; (f) the total cost of aerial surveys in Hudson straits and Hudson bay in connection with the navigation to the ports of Nelson and Churchill; (g) all other expenditures for any department of the government in connection with the Hudson Bay railway, its terminals at Nelson or Churchill and in the navigation of the Hudson bay and straits.

All such statements to include expenditures from the year 1911 to date, inclusive.

IMMIGRATION—DESTITUTE MENNONITES

On the orders of the day:

Mr. JOHN EVANS (Rosetown): I wish to direct the attention of the Minister of Immigration (Mr. Forke) to the fact that seventy-five families of Mennonites lately out from Europe have been left for some time without any means of support. The large land owners have moved to Mexico, and although their bishop has secured from $10 to $15 from the head of each family they are still without any means of support or of getting work.

Hon. ROBERT FORKE (Minister of Immigration): There is a special agent at present investigating the different Mennonite settlements and I have had no report from him in regard to the matter my hon. friend mentions. If such is the case I will look into it.

Mr. EVANS: The firm of Sibbald and Caswell, solicitors, of Saskatoon, have charge of the matter.

GRANTS TO AGRICULTURAL FAIRS

On the orders of the day:

Sir GEORGE PERLEY (Argenteuil): I am glad to see my genial friend the Minister of Agriculture (Mr. Motherwell) back in his place. It would have been very wise had he been present Saturday evening; he might have taken cognizance of some of the remarks that were then made regarding one section of his department.

Mr. SPEAKER: This is not a question on the orders of the day.

Sir GEORGE PERLEY: I want to ask the minister a question because I am interested in the matter myself. There was a good deal of criticism Saturday night regarding the repeal of grants to class B fairs. There is one of these fairs in my own county and I know what a good thing it is. Will the minister say whether he will change the arrangements in respect to these grants to class B fairs and give them the usual amount?

Mr. ROSS (Kingston): I want to ask the minister a question along the same line.

Mr. SPEAKER: Perhaps the minister will be allowed to answer one question first.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I read a synopsis of the discussion that took place last Saturday. There was a full discussion and it was intimated that consideration would be given by the government to the representations made.

SUPPLY

COOPERATIVE SOCIETIES AND CUSTOMS VALUATIONS FOR DUTY

Hon. J. A. ROBB (Minister of Finance) moved that the house go into committee of supply.

Mr. JOHN EVANS (Rosetown): Before you leave the chair Mr. Speaker there is one matter which I desire to bring to the attention of the government. It will not take more than five minutes for me to present the facts, seeing that the Minister of National Revenue (Mr. Euler) already has notice of my intention. I move:

That all the words after "that" be struck out and the following substituted therefor:—

"seeing that certain rules and regulations prevail in the Customs department by which appraisals are made which absolutely prevent the successful operation of cooperative societies for the distribution of supplies of certain industries—particularly Agriculture—and the necessaries of life—it is the opinion of this house that all goods imported shall be assessed at purchase price only unless such price is lower than the manufacturer or vendor charges in the country of origin."

I will not enlarge upon the amendment, but I wish to state briefly the conditions under which agricultural cooperative societies are now working. It appears that there is in the Dominion a distributing combine which has set up certain rules and regulations under which goods throughout this country shall be distributed. It appears that we are all classified under one of five or six classifications; at the bottom is the consumer; next to him comes the retailer, then the wholesaler, the jobber or dealer and the manufacturer. Under this rule a cooperative company is always classed as a consumer, and it cannot buy goods from the manufacturer at first cost, whether in Canada, in the United States or any other country in the world. We want all cooperative companies to have the right to purchase their goods at first cost. A cooperative conference will be held at Edmonton next month and the attitude of the government will be placed before that conference to show why cooperative companies in Canada have failed, why they are prevented from operating successfully at present, and the difficulties with which they will have to contend in the future if the present system is continued. We have been endeavouring for

a good many years, through farmers' organizations in the country, to distribute our goods at first cost; we have tried the distribution of agricultural implements but these regulations of the distribution combine, recognized by the Dominion government through the customs appraisers, have practically put us out of business. To-day we are still at the mercy of the distributing combine.

I have sent notice to the Minister of Customs with regard to this amendment and in view of the fact that the session is about to close I shall not enlarge on what I have already said.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, for many years the discrimination practised against cooperative organizations was merely on the part of wholesalers and manufacturers; in other words, for many years the cooperative organizations were not allowed to buy their goods at wholesale prices. Now we have come to a different period; the time has come when the cooperative movement is generally recognized as one of the outstanding features of this age. The remarkable success of the wheat pools in the west—

Mr. STEWART (Edmonton): May I ask my hon. friend a question? I think the mover of the amendment made the statement that cooperative societies could not purchase from the manufacturers. Is that correct?

Mr. EVANS: That is quite right.

Mr. STEWART (Edmonton): Does my hon. friend mean to say they are prohibited from purchasing from manufacturers?

Mr. EVANS: They will not sell.

Mr. STEWART (Edmonton): And is my hon. friend intimating that there has been discriminatory action on the part of the government?

Mr. CAMPBELL: I think I can answer that. I was going to say that for many years the manufacturers and the wholesalers did discriminate against cooperative organization.

Mr. MALCOLM: May I ask the hon. gentleman a question? I do not think he should make that broad statement in this House of Commons without illustrating his point and giving the names of manufacturers who did discriminate. I do not believe the statement is correct.

Mr. CAMBPELL: I might remind the Minister of Trade and Commerce that a good deal of evidence on this very point was brought out before the special committee on agricultural conditions in 1923. I was going to say that this condition does not exist to-day, or at any rate not to the extent which was the case many years ago. We have come to a period now when discrimination on the part of manufacturers and wholesalers against cooperative organizations has very largely disappeared. That is not our grievance at present. We find in the Customs department that there is a regulation which assesses goods brought in by a cooperative organization for duty purposes at the retail price in the country of origin. That is our grievance. It seems to me that with the cooperative movement recognized as it is to-day, and taking an outstanding place in the business of the country, the time has come when this discrimination should be removed. I do not propose to take up any more of the time of the house, but I think the Minister of Customs might very well give us some assurance that in the future this will be done.

Mr. STEWART (Edmonton): Will my hon. friend answer another question? Probably he is well aware of the conditions which existed when the Grain Growers' Grain Company were in the implement business. They were buying largely from American manufacturers and selling the implements to the farmers. I never heard that they were charged excessive duties on goods brought into this country.

Mr. EVANS: I would like to answer the Minister of the Interior in this way: No Canadian concern would sell to the United Grain Growers so they were forced to go to foreign countries to purchase their supplies. Every time they brought in a consignment of goods the dumping clause was applied, and the extra duty was always just about sufficient to cover the profit of all the concerns which stood between the manufacturer and the consumer. Under the rule of the combine of this country, which was recognized by the customs officials when making appraisals, the United Grain Growers could not get any different treatment, and because of this the duty that had to be paid on these implements in some years amounted to over 78 per cent.

Mr. SPEAKER: Order. Is the hon. gentleman replying? There is no reply allowed to the mover of an amendment.

Mr. EVANS: I was merely answering a question.

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend mentioned that the Minister of Customs had been given notice of this proposed amendment.

Mr. EVANS: Yes.

Mr. MACKENZIE KING: I do not know when the notice was given, but this is the first intimation I have had of any intention to move an amendment on going into supply this morning. Therefore I am a little surprised that my hon. friend has brought up his motion at this time. If it has been introduced for the purpose of bringing this matter again to the attention of the government in order that it may be examined with care I would say that I am sure the Minister of National Revenue will be glad to join with his other colleagues in seeing that that is done. I would remind the hon. gentleman, however, that his amendment as brought forward, constitutes a motion of want of confidence in the administration, and if we were to debate the motion probably we would enter on a prolonged discussion.

If what I have said to my hon. friend is sufficient to meet the purpose he has in view, with the assurance that this matter will be carefully considered, well and good; if not I think we had better vote at once on the question.

Mr. EVANS: I would be very pleased to let the matter rest there, on the understanding that the Minister of Customs will make a statement and give us some information in time to lay it before the conference which meets in Edmonton next month. Under these conditions I will withdraw the resolution.

Mr. SPEAKER: Is it the pleasure of the house that the hon. gentleman shall have leave to withdraw his amendment?

Amendment withdrawn.

SUPPLY

DEPARTMENT OF RAILWAYS AND CANALS

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

Loans to Canadian National Railway Company

Amount not exceeding $39,000,000 to meet expenditures made or indebtedness incurred (where amounts available from net operating income or investments may be insufficient) by or on behalf of the Canadian National Railway Company, herein called "The Company," or any company specified or referred to in chapter 172 of the Revised Statutes of Canada, 1927, and chapter 13 of the statutes of 1920 or now or hereafter comprised in the Canadian National Railways or by the company in respect of any railways, properties and works entrusted to it from time to time under the provisions of section 19 of chapter 172 of the revised statutes of Canada, 1927, or any one or more of such companies, on any or all of the following accounts, such expenditures or indebtedness being herein called authorized expenditures:—

(a) Interest on securities, notes and other obligations; rentals for lease of lines;

(b) Equipment principal payments; sinking funds; miscellaneous maturing or matured notes and other obligations secured or unsecured;

(c) Operating income deficit, whenever incurred or ascertained;

(d) Construction and betterments, including coordinations; acquisition of real or personal property.

The amount herein authorized may be applied from time to time to meet authorized expenditures, in the discretion of the governor in council:—

(a) In respect of railways, properties and works entrusted to the company as aforesaid;

(b) In respect of railways, properties and works not so entrusted by way of loans in cash, or by way of guarantee, or partly one way and partly the other, subject, however, as follows:—

If by way of loans from His Majesty, the amount or amounts advanced to any one or more of the said companies shall be repayable on demand, with interest payable half-yearly at the rate fixed from time to time by the governor in council, secured if and when directed by the governor in council by mortgage or mortgages upon such properties, in such form and containing such terms and conditions, not inconsistent herewith, as the governor in council may approve.

If by way of loans from persons other than His Majesty (without the guarantee of His Majesty) the amounts, terms and conditions of such loans shall be such as the governor in council may from time to time approve.

If by way of guarantee, any such guarantee may be either a general guarantee covering the total amount of the issue, or by a separate guarantee endorsed on each obligation, and may be of the principal, interest and sinking funds (if any) of the notes, obligations or securities of one or more of the said companies specified by the governor in council, which notes, obligations or securities the companies so specified are hereby authorized to make and issue, and such guarantee may be signed by the Minister of Finance, or such other person as the governor in council may authorize, on behalf of His Majesty, in such form and on such terms and conditions as the governor in council may determine to be appropriate and applicable thereto. Any guarantee so signed shall be conclusive evidence for all purposes that the provisions of this enactment have been complied with.

Should temporary loans be made or negotiated before the lapse of this appropriation either from His Majesty or other persons, guaranteed notes, obligations or securities may subsequently be issued under the provisions of the preceding paragraph of this enactment to renew, refund or adjust such loans, or any part thereof.

Each company herein mentioned or referred to is hereby authorized to aid and assist, in any manner any other or others of the said companies, and, without limiting the generality

of the foregoing, may for its own requirements and also for the requirements of any or all such other companies from time to time:—

(a) Issue notes, obligations or other securities, joint or several, at discretion, for the purpose of any guarantee made or to be made under the provisions of this enactment;

(b) Apply the proceeds of any such guaranteed issue, or the amount of loans received by virtue of this enactment, in meeting authorized expenditures on its own account or on account of any or all of such other companies;

(c) Make advances for the purpose of meeting authorized expenditures to any or all of such other companies, upon or without any security, at discretion.

No purchaser of such guaranteed notes, securities or obligations shall be under any obligation to inquire into the application of the proceeds of any guaranteed issue, $39,000,000.

Mr. BENNETT: This resolution, involving the expenditure of some $47,000,000, is a matter of very great importance. I have ventured to point out to this house that I think it should take the form of a separate bill, introduced and passed as a statute, and that question has not been discussed by members of the government or by the house.

Mr. DUNNING: Will my hon. friend just permit me one interruption? I know he wishes to state these figures accurately; the vote in question is for $39,000,000. The total of four or five votes is $47,000,000 including that to provide for maritime freight rates.

Mr. BENNETT: Apart altogether from the question of whether this vote should appear in the supply bill, there is another point which I think the Minister of Finance would do well to consider. This particular vote is for $39,000,000, but it does not indicate where the money is to be expended. It has been the custom of this parliament when granting money to indicate exactly what is to be done with it, but this estimate does not in any sense indicate where that money is to be expended. This is done in the Public Works estimates, in the National Defence estimates, in the Customs, and in other estimates. My contention is that these particulars should be set out in an act of parliament, and not in the proceedings of a select committee which does not bind this parliament nor bind the persons affected. I do know that the permanent officials of the Department of Finance have found the gravest difficulty because of this circumstance, through money that was intended for one purpose being applied, very properly, by the railway company to another, because there is no statutory or parliamentary restriction placed upon its use. I think the Minister of Finance should take this into consideration. I insist that we have the right, as parliament, to have these estimates contain a clear statement as to where the money is to be spent and the amount to be applied for each purpose, and its mere inclusion in a statement or report of the proceedings of a select committee does not in any sense meet the requirements of this parliament with respect to the expenditure of public money. We should have the details as given in other estimates.

[Mr. Speaker.]

The other evening I ventured to draw the attention of the house to the fact that obligations in respect to equipment trusts were being paid out of capital or money borrowed from the country, and the minister very properly observed that these moneys should be paid out of income. It will be seen from the statement of the National railway system for 1927 that the funded debt outstanding shows an increase of $55,901,492.03. Four and a half per cent equipment trust securities, series J, having a par value of $15,000,000, were issued, and it appears that various equipment trust obligations, amounting to $5,291,400, were retired out of capital. The proceedings before the select committee show that this was not an initial payment, because the initial payment for equipment is provided for in these estimates. I took the trouble to check this up with the Department of Finance. If the $5,291,400 were used to make a down payment, one could understand it, but in looking over the evidence before the select committee it will be found that this year a million dollars is to be used for equipment trust and $7,841,000 is required to make payment of equipment principal certificates during the next year. If the minister will say whether or not these are principal payments for new equipment, it will shorten the argument. If he will say whether they are principal payments on equipment already purchased, it will make it much easier.

Mr. DUNNING: They are both.

Mr. BENNETT: My impression was that it must have been both because it is too large an item for this year. This answers to some extent, the observation made by the minister the other evening that this should be paid entirely out of income.

Mr. DUNNING: My hon. friend misunderstood me there.

Mr. BENNETT: The hon. gentleman so stated in Hansard. He said the equipment item should be paid out of income after the equipment is purchased.

Mr. DUNNING: My intention was to state the common practice, that when equip-

ment purchased in this manner is retired from service it must be replaced out of the charge of revenue and not by the creation of an additional revenue charge. That was the point I had in mind the other evening, and if my language did not convey that, I wish it to be understood now.

Mr. BENNETT: The hon. gentleman said that equipment trust obligations should be paid out of income, that is, after the down payment is made and the certificates are issued which mature from year to year and should be paid out of income. I think that is a correct statement of what the minister said. I was pointing out that according to the return made and the evidence given before the select committee, a large sum is paid as principal, that is as capital, to retire certificates that are payable out of income, as is the practice with other railway companies. That matter was not gone into in any detail before the select committee.

This money is to be used for other purposes, one of which is the commencement of hotel operations at Vancouver. There is also a million and a quarter for a hotel at Halifax. I am bound to say that the intemperate language used by the Minister of Railways the other evening makes it necessary for me to deal at some length with the Vancouver situation. One would have thought, from what he said, that the Vancouver situation was brought about by what he termed the shadow government, and that we had incurred the obligation under an order in council. I am going to point out to the minister that either his memory was not to be relied upon with respect to the transaction, and no man's memory should be relied upon with respect to the hundreds of orders in council that are passed, or that in the endeavour to close this session on Saturday night he thought it desirable not to give all the facts. The order in council to which he referred was an order in council prepared by the president and chairman of the Canadian National railway system.

Mr. DUNNING: I quoted it.

Mr. BENNETT: The minister made a charge against the administration during the shadow days—I have taken his language from Hansard—having prepared an order in council for political purposes. I hold in my hand a letter written by Sir Henry Thornton, under date of August 3, 1926, addressed to the Hon. Sir Henry Drayton, K.C., Acting Prime Minister of Canada, and which was attached to the order in council:

I enclose herewith draft order in council with respect to the construction of a hotel in the city of Vancouver by the Canadian National Railways, and in support of this proposal I beg to advise as follows.

When the Canadian Northern Railway secured its entrance into that city, a contract was entered into between the city and the company under which the railway agreed to assume certain obligations which are set forth in the attached draft order. The fulfillment of these obligations would cost the railway company about $8,150,000. The city is prepared to forego them provided the railway company will construct, or cause to be constructed, a first class modern hotel in Vancouver, containing approximately five hundred rooms, and to maintain and operate it.

The abandonment by the city of obligations which approximate $8,150,000 is in itself a convincing argument, but it had the additional advantage of placing in the hands of the company a much needed facility and clearing up a controversy with the city which is rapidly becoming serious and if allowed to continue will unquestionably result in bad feeling with consequent loss of traffic.

From the point of view of the company's business, a hotel at Vancouver is probably one of the most important and pressing matters between the head of the lakes and the Pacific coast. I need not remind you how utterly we are at the mercy of our principal competitor in Vancouver in this respect, and I believe we are losing a good many thousands of dollars worth of business each year through absence of our own hotel facilities.

At a recent meeting of the board of directors of the Canadian National Railway Company, the opinion was unanimous that the company should, for the reasons given above, operate a hotel in Vancouver, and appropriate resolutions to bring this about were passed.

Will my hon. friend be good enough to listen carefully to the balance?

You will observe that the draft order in council indicates that the results from the operation of the railway this year are so satisfactory that the railway company can provide the necessary funds for the purpose from the estimates which were submitted to parliament at its last session and approved by the select standing committee on railways and shipping.

Mr. DUNNING: My hon. friend will surely admit that I quoted exactly what he is now quoting.

Mr. BENNETT: My hon. friend read the paragraph I have just read but he did not complete the letter. The letter continues:

I do not know that I can add anything to what has been said except to repeat with all of the emphasis at my command that a suitable hotel in Vancouver is necessary to adequately protect the company's revenue. Such a hotel would attract much additional business to the lines of the National railway and, in addition, would serve the rapidly growing needs of Vancouver for increased hotel accommodation. The present hotel accommodation in that city is entirely inadequate to take care of the large number of tourists who visit that city not only in the summer but during the winter to a considerable extent also.

I trust that the proposals herein contained will be expedited as rapidly as possible by the government, because if there is any material delay the opportunity of making a satisfactory settlement with the city will be withdrawn and an important traffic producing centre will be changed from a friendly district into one which will be distinctly hostile. Aside from all other considerations, this would incur a liability which the national railways, with its need for increased traffic, can ill afford.

Yours faithfully,

H. W. Thornton,
Chairman and President.

P.S.—I neglected to say that negotiations for a suitable hotel at Vancouver have been in progress with increasing activity for at least two years. Also the estimates of our hotel department indicate the net profit from operation will meet all capital charges and leave a small margin besides.

I read that communication because it was attached to the order in council. It was not referred to by the minister. It is the very basis upon which the order in council was framed from a draft prepared by the president and chairman of the company with his assistants. That was when Sir Henry Drayton was acting Minister of Railways and acting Prime Minister.

Mr. DUNNING: What is the date of that?

Mr. BENNETT: The third day of August, 1926. Let us look at the facts. If my hon. friend will turn to the statutes of British Columbia for the year 1913, he will find set out the agreement between the city of Vancouver and the Canadian Northern Pacific Railway and the Canadian Northern Railway. That agreement imposes upon the Canadian Northern railway system many large obligations and I suggested the other evening that these had been settled before the shadow government, so-called, came into power. My hon. friend disputed that, but the evidence of it is in the very order in council which he has produced but with respect to which he did not read the paragraph that is relevant to that allegation. I now propose to read the order in council as a whole, much as I regret doing so, in order that at least those who may not now speak for themselves, the former acting Minister of Railways, Sir Henry Drayton, who is not now in the house, and the Right Hon. Arthur Meighen, who was then Prime Minister of Canada, who is also not in the house, may have their position vindicated with respect to this matter, for be it known that only last session the Minister of Railways alleged that a certain letter, which I have not seen, had been written by Sir Henry Drayton with respect to the Carillon falls and a public statement was made in the Canadian Press that Sir Henry Drayton on his return from the West Indies went into the department and in the presence of the deputy minister, who is present here to-day, found the letter in question. I only want to say that the statement appeared in the Canadian Press.

Mr. DUNNING: The hon. member is wrong.

Mr. BENNETT: The hon. gentleman says that I am wrong. It would be just as well to make the correction now. I shall be glad to sit down in order that he may do so. It will expedite the business.

Mr. DUNNING: I will deal with the matter later.

Mr. BENNETT: Then I will also deal with it later. I will now read Privy Council order No. 1218, and I desire to direct careful attention to it:

The committee of the Privy Council have had before them a report, dated 3rd August, 1926, from the Acting Minister of Railways and Canals, representing:

1. That under date the 5th day of February, 1913, an agreement was entered into between the city of Vancouver, in the province of British Columbia, of the first part, and the Canadian Northern Pacific Railway Company, of the second part, and the Canadian Northern Railway Company, of the third part; the said agreement being hereinafter referred to as "the agreement", the city of Vancouver as "the city" and the said railway companies as "the companies".

2. That under the agreement the companies covenanted with the city, inter alia, to do and perform certain matters and things specifically set out in the agreement clauses numbers 12, 13, 14, 16 and 17 thereof, and in the whole generally in effect as follows:

(a) That the approach of the railway "through the high grounds lying to the south and east of the railway property shall be by means of a tunnel of double track capacity or two single track tunnels, the tunnels to be electrified and permanently maintained;

(b) That a permanent station be established at the south or east portal of the tunnel, and if the north portal is more than three-quarters of a mile from the Union station, an additional permanent station to be constructed at the north portal;

(c) That no engines in False creek shall at any time be operated by steam from coal oil other substances emitting fumes, gas or smoke to such an extent as to make a nuisance;

(d) That within five years from 1913 a 250-room first class hotel shall be constructed and thereafter permanently maintained within the limits on property other than railway property;

(e) That, if required, a spur-track crossing Main street to the city market be constructed.

That ends that.

3. That the companies have not carried out the provisions of the agreement, clauses 12, 13, 14, 16 and 17 thereof.

4. That the city is pressing for the immediate performance of the provisions of the agreement, clause 16 thereof, urging, that the present needs of the city require a larger hotel than the one proposed under the provisions of the said clause 16.

5. That the estimated cost to the companies of carrying out the works called for by the agreement, clauses 12, 13, 14 and 17 thereof, is $8,150,000.

6. That the board of directors of the Canadian National Railway Company is of opinion that the companies' liability under the agreement, clauses 12, 13, 14 and 17 thereof, is questionable, and that it is not in the public interest that the companies undertake to comply with the provisions of the said clauses of the said agreement, the agreement in respect of which was improvidently entered into.

7. That the cost of the construction of the proposed 500-room hotel is estimated at $3,500,000.

8. That during the past two years—

And I direct the minister's attention to this.

That during the past two years negotiations have, with the approval of the Department of Railways and Canals, been carried on between the authorities of the Canadian National Railways and the authorities of the city with an endeavour to effect a settlement between the companies and the city providing for the erection by the companies of a hotel within the limits of the city of approximately five hundred renting rooms to be operated by the companies and providing for the release by the city of the carrying out by the companies of the provisions of the agreement, clauses 12, 13, 14 and 17 thereof.

Now this is the really relevant section:

9. That the negotiations in the immediately preceding statement referred to have been carried on to a successful conclusion.

And they were carried on by the government antecedent to the advent into power of the Meighen administration.

Mr. DUNNING: Not at all.

Mr. BENNETT: After the advent into power of the Meighen government no negotiations were carried on with the city of Vancouver.

9. That the negotiations in the immediately preceding statement referred to have been carried on to a successful conclusion, the authorities of the city making stipulation that action under agreement reached through such negotiations be taken immediately, in which immediate action the authorities of the Canadian National Railways concur.

10. That the council of the city—

That is the city of Vanvouver—

—passed a resolution on the 15th day of April, 1926, (copy of the resolution hereto attached marked "A") making reference to the agreement, and, in particular, to clauses 12, 13, 14, 16 and 17 thereof and to the matter of hotel requirements in the city, and under said resolution resolved as follows:

"That, in consideration of the said railway companies, or either of them, immediately erecting, or causing to be erected by an arrangement with any other person or company, a first-class modern hotel containing not less than five hundred rooms, and forthwith to maintain and operate the same, the city hereby releases the company from its obligations under clauses 12, 13, 14 and 17 of the said agreement of 1913.

The agreement, which is marked exhibit "A," I hold in my hand. It reads:

Moved by Alderman Almond.
Seconded by Alderman Gibbons.

Whereas an agreement was entered into on the fifth day of February, 1913, between the city of Vancouver, of the first part, the Canadian Northern Pacific Railway Company, of the second part, and the Canadian Northern Railway Company, of the third part;

And whereas under the said agreement the said railway companies, and each of them, covenanted with the city, inter alia, to do and perform such matters and things as are more specifically set out in clauses 12, 13, 14, 16, and 17 of said agreement;

And whereas the said railway companies have not carried out the provisions of the said clauses;

And whereas the city has been, and is now, pressing for the immediate performance, particularly of clause 16 of said agreement, and has urged that the present needs of the City require a much larger hotel than the one proposed in the said clause;

And whereas the company has indicated its willingness to take immediate steps to procure the erection of such larger hotel and maintain and operate the same, but is desirous of being relieved of any obligations under clauses 12, 13, 14, and 17 of the said agreement;

And whereas it is not deemed that the undertaking provided for in said clauses are required for the present needs of the City;

Therefore, be it resolved that, in consideration of the said railway companies, or either of them, immediately erecting, or causing to be erected by an arrangement with any other person or company, a first-class modern hotel containing not less than five hundred rooms, and forthwith to maintain and operate the same, the city hereby releases the company from its obligations under clauses 12, 13, 14, and 17 of the said agreement of 1913.

Carried.

Certified a true copy of resolution passed by the council of the city of Vancouver on the 15th day of April A.D. 1926.

(Sgd.) Wm. McQueen,
City Clerk.

(Sgd.) Louis D. Taylor,
Mayor.

Who was in power then? What government had control here? Mr. Meighen's government was not in power; the so-called shadow government was not in power. There is the document attached to the order in council that at once destroys the statements made in this house on Saturday night as to whether or not the arrangements had been completed with respect to a settlement between the city of Vancouver and the government of this

country. There is the document and the order in council produced by my hon. friend the minister himself. He made reflections upon men who may not speak for themselves, who are attacked for having done things that they did not do, and for that reason it is essential that there should be placed on the record the facts with respect to this transaction.

Mr. DUNNING: Hear, hear. I heartily agree.

Mr. BENNETT: Let us go further with the order in council. Paragraph 11 states:

That it is the opinion of the board of directors of the Canadian National Railway Company that, in view of the progress made by the Canadian National Railways in revenue receipts during the present year, the whole cost of the construction of the proposed five hundred room hotel can be met from the estimates which were submitted to parliament at its last session and approved by the select standing committee on railways and shipping.

That is a repetition of the statement made in the letter of Sir Henry Thornton, the chairman of the board, in an official communication to the government as to where the money was to come from. He said, "Here is the money because we have done so much better than we expected that we will have sufficient in the $10,000,000 voted by parliament to make the $3,500,000 available for that purpose." Incidentally that supports the statement I made to the Minister of Finance, that if you desire to treat these funds as earmarked for a particular purpose, you must so state in the estimates. Paragraph 12 of the order in council reads:

That the chairman and president of the Canadian National Railways under a letter dated the 3rd day of August, 1926, addressed to the Honourable Sir H. Drayton, Acting Minister of Railways and Canals (copy of said letter hereto attached marked "B"), submitted the above arrangement, together with a copy of this draft recommendation to council—

It did not originate from the old shadow government at all. It was done by the chairman and president of the railway company and his directors:

—submitted the above arrangement, together with a copy of this draft recommendation to council covering the same, and advised in effect that the board of directors of the Canadian National Railway Company at a recent meeting of said board unanimously expressed the opinion that the companies should operate a hotel within the city and had passed appropriate resolutions to give effect to the arrangement and recommending confirmation of the arrangement generally hereinbefore referred to between the city and the companies in the matter.

The minister submits the above and, upon the advice of the Deputy Minister of Railways and Canals, recommends that approval be given to the recommendation of the board of directors of the Canadian National Railway Company to construct at the approximate cost of $3,500,000 to the Canadian National Railways of a hotel in the city of Vancouver of an approximate capacity of five hundred rooms, and to fully equip and thereafter permanently operate the same in consideration of the city of Vancouver releasing the Canadian Northern Pacific Railway Company and the Canadian Northern Railway Company of any and all obligations and liabilities under the provisions of clauses 12, 13, 14 and 17 of the agreement dated the 5th day of February, 1913, made and entered into between the city of Vancouver, party of the first part, and the Canadian Northern Pacific Railway Company, party of the second part, and the Canadian Northern Railway Company, party of the third part, and that authority be given to the said railway companies to enter into an agreement or agreements with the city of Vancouver to give full effect accordingly.

Not to the crown:

—and that authority be given to the said railway companies to enter into an agreement or agreements with the city of Vancouver to give full effect accordingly.

That is the position. The authority was given to the railway companies to complete the agreement, not to the crown:

—and that authority be given to the said railway companies to enter into an agreement or agreements with the city of Vancouver to give full effect accordingly.

(Signed) G. G. Kezar,
Acting Clerk of the Privy Council.

I have read the order in council, and I have read the letter of the chairman and president of the board together with the appropriate action taken on the 15th of April by the city council of Vancouver, and have done so because it does appear to me in view of the observations that were made here the other evening that it of first-rate importance that the facts as the documents indicated should be placed on the record. It is true that the agreement was not signed. Why? Although the right hon. the Prime Minister himself charged that reckless expenditures of moneys were being made by governor general's warrants during the regime of the so-called shadow government, I can say this, and the Minister of Finance will bear me out, that as Minister of Finance in that administration I took the statutes and set up a trust account with respect to every dollar of expenditure of every department in accordance with the provisions of the Audit Act and other enactments, and the Minister of Finance himself bore tribute to our care when he rose in this house in the next session to point out that every single departmental expenditure that had been made was within the terms of the trust thus set up at

my instance by the Auditor General of this country. The Minister of Finance will recall that circumstance in connection with the validation of governor general's warrants. It was thought that we were passing governor general's warrants in blanket form. That was not done. Each appropriation was treated as an appropriation bill, and the funds were marked as trust funds, set up as such in the books of the country, as required by the Consolidated Revenue and Audit Act of this Dominion. When this order in council came under my attention as it naturally would in the end, I having been absent in various parts of the Dominion in the meantime, I pointed out that under the provisions of the Consolidated Revenue and Audit Act there is no power to pass a governor general's warrant for $3,500,000 and that parliament had not made provision for that amount. The agreement was not signed. I must accept the responsibility for that, jointly, of course, with my colleagues.

Mr. DUNNING: My hon. friend said that the moneys were not to come from the crown. How would a governor general's warrant be necessary if they were not to come from the crown?

Mr. BENNETT: The hon. gentleman does not mean that seriously. The Canadian National was to get the money from the crown, and had to make an agreement with the city. That was stated in the order in council. The hon. gentleman can read what is written. Do not try to get away with inaccurate statements with respect to this matter this morning. The real truth is that the documents we have now negative entirely the statements made the other evening, and what is more, the money was to come from the crown as a loan to the Canadian National railway system.

Mr. MACKENZIE KING: Did not my hon. friend say the other day to the house that he thought the Canadian National moneys ought to be voted separately? Why, if they were not coming from the crown?

Mr. BENNETT: No. My hon. friend surely does not mean that. I said they were not supplied to the crown.

Mr. MACKENZIE KING: That is the same thing.

Mr. BENNETT: It is the exact opposite.

Mr. MACKENZIE KING: Where does the crown get its supply, except from parliament?

Mr. BENNETT: The Canadian National Railways is not the crown. Let us read the supply bill. The Prime Minister has stated the exact opposite of what is the fact, and I am glad that he has interrupted, because I shall now endeavour to make that point quite clear. Take the appropriation bill. It reads:

Most Gracious Sovereign,

Whereas it appears by message . . . . that the sum hereinafter mentioned is required to defray certain expenses of the public service of Canada, not otherwise provided for—

My contention was, and is, that with respect to the Ottawa Federal District Commission, with respect to good roads, with respect to other matters in which moneys are being expended for specific purposes, the expenditure not being under the control of this parliament, that is not supply for the crown, but loans made by the crown to various organizations, and should be the subject matter of special legislation, which the right hon. gentleman himself believes to be the proper procedure for in connection with the Ottawa Federal District Commission he introduced a special bill to deal with that situation, and with respect to other matters, with respect to the battlefields, and in other cases where money is loaned to other organizations to be expended by them, and the expenditure is not under the control of this parliament in the sense that we may direct it. And in this case, the money was to be loaned by the crown for the railway—$3,500,000, but the money was being expended by the railway companies, and the agreements were being made by the railway companies. That is the clear distinction, just as in the Federal District case, the money comes from the crown but is spent by that commission. We cannot direct its expenditure; they direct its expenditure. I thank my hon. friend the Prime Minister for directing attention to this point for apparently he was under the impression that I was contending for something entirely different from what I was in fact contending for. Now, that is the position with respect to the Vancouver hotel.

The hon. Minister of Railways and Canals after he came back into power cancelled the order in council to which I have directed attention. The question of the execution of the agreement turned entirely on the ability, of course, to get the money, and in my judgment as a lawyer, having regard for the conditions with respect to governor general's warrants, the sum of three and a half million dollars not having been voted or authorized by parliament, could not be withdrawn from the treasury by governor general's warrants, because the necessity for it was was not so urgent as to bring it within the terms of the statute, although possibly had it been done—

Mr. DUNNING: So I was quite right, in recommending the cancellation of the order.

Mr. BENNETT: Not at all. All the hon. gentleman had to do was to hold his order, because no agreement was executed. He withdrew the power to execute the agreement.

Mr. DUNNING: That is the whole point.

Mr. BENNETT: There is nothing else in the order in council except authority to the railway company to sign, and that authority was cancelled. At the next session of parliament the money was not found for that purpose, but this year, according to the evidence given before the select committee, a hundred thousand dollars was placed in the estimates for the Vancouver hotel, and I believe certain moneys have already been expended with respect to the site. I am not sure whether it has been secured by expropriation or otherwise, but a site was pointed out to me in Vancouver as being owned by the Canadian National Railways and intended for a hotel. I do not know whether that is so or not, but probably the minister can clear it up. I have not access to orders in council, naturally, and can only speak from what I find otherwise.

I think I have made it abundantly clear, Mr. Chairman, that these are the facts. They speak for themselves. They leave no room for inferences to be drawn. They indicate what did take place. At least, they indicate that Sir Henry Drayton and the so-called shadow government acted upon the recommendations of the responsible head of the Canadian National Railways, who believed the matter urgent, who believed that immediate action should be taken, and who believed that otherwise the settlement which in his wisdom he considered should be carried through would fail, because it was based upon immediate action being taken and was so stated. That is the case with respect to the Vancouver hotel.

Now I come to the Halifax hotel, and once more the dates which I have verified do not agree with those given by the Minister of National Defence (Mr. Ralston). They are entirely at variance with his statements, and I am certain now that in view of the evidence given by Sir Henry Thornton before the select committee, which is contradictory of the reports made by the Canadian Pacific Company and its directors, and is at variance with the statements made by the mayor, I think it is, of the city council of Halifax—I am certain, I say, that this matter can be cleared up only by the evidence being taken under oath before a select committee next session. This session no evidence was given under oath; a statement was made ex parte, and no cross-examination was had, except that Mr. Bell asked a few questions. The question as to what actually did take place must be considered. But these facts can be verified, because there are still living witnesses who are not connected with either railway system. They state that having come to Montreal as early as April, 1927, to obtain the assistance of the Canadian Pacific Railway to build a hotel, appropriate action was taken by the board of directors of the Canadian Pacific as appears in their minutes; further, that the matter was left entirely to the executive committee and the president, as matters of this kind are, and that in June—it is no good to call for documents; I do not have them.

Mr. DUNNING: I was talking to the Prime Minister about an entirely different matter.

Mr. BENNETT: I am coming to the allegations of my connection with the Canadian Pacific Railway.

Mr. DUNNING: I made none.

Mr. BENNETT: I do not know anything clearer than what was said the other evening. In June of 1927, action was taken in consequence of a delegation further discussing the matter with the Canadian National Railways that they should take part in this enterprise. In June, 1927, the president and chairman of the Canadian National railway system promised to take $250,000 worth of shares in the venture, and urged the delegation of three gentlemen to go down and see the president of the Canadian Pacific Railway and urge that his company take $100,000. The Canadian Pacific Railway finally agreed to take $100,000 prior to August 1, 1927, and definitely committed themselves to do so because the Canadian National system had agreed to take $250,000, subject to an order in council being passed. That was rejected in July for reasons stated by the minister. A new scheme was put forward, and the Canadian National Railways were asked whether they would put in $250,000. They replied in the affirmative, and the Canadian Pacific Railway $100,000 stood. Then it was that the gentlemen visited the minister at Yarmouth for the purpose of endeavouring to induce him to realize how essential it was that action should be taken by both systems to participate in the undertaking. The Canadian Pacific Railway at no time would have more than $100,000 out of a capitalization of several millions.

[Mr. Bennett.]

Mr. RALSTON: My hon. friend knows the figures. Why does he say several millions?

Mr. BENNETT: That is right.

Mr. RALSTON: The authorized capital is $640,000 of preferred shares and $600,000 of bonds, together with common shares of no par value.

Mr. BENNETT: $1,240,000 outside the common shares.

Mr. RALSTON: But I do not find any cash value for the no par shares.

Mr. BENNETT: I am coming to that. Those common shares were given as a bonus to the preferred shareholders in proportion to their subscriptions.

Mr. RALSTON: Surely my hon. friend does not call that "millions" of dollars. Everybody admits that the total cash to be expended on the proposition, even under the new scheme of financing was only $1,146,000 bonds and all.

Mr. BENNETT: If my hon. friend prefers I will say that it was less than two million dollars.

Mr. RALSTON: A million and a half would be better.

Mr. BENNETT: The original proposal contemplated a larger expenditure.

Mr. RALSTON: I beg my hon. friend's pardon; it contemplated exactly the same expenditure.

Mr. BENNETT: My hon. friend is wrong because the price at which the securities were originally to be sold would not have realized sufficient money. It was proposed to issue the bonds at 95 and the preferred at 90. However, the details of the financing are not important beyond this, that the word two means several.

Mr. RALSTON: It is the difference between a million and a half and several millions.

Mr. BENNETT: We will say it is less than two millions. I am perfectly content to make it a million and a half.

Mr. RALSTON: If you made it a million and an eighth it would be better.

Mr. BENNETT: I am perfectly content, it does not make any difference for the purpose of this argument. I point out that it was not a Canadian Pacific hotel. The Canadian Pacific had no interest in it beyond the $100,000, and the bonus of the common shares. The Canadian Pacific's interest in proportion to the Canadian National's was to be as 100 to 250. I am sure my hon. friend will agree with me as to that. Therefore it was not a Canadian Pacific venture; that is clear. They only came in because the Canadian National had suggested they should, controlling as they do the Dominion Atlantic railway running through the land of Evangeline. It was admitted they were interested in the tourist traffic to the extent of 100 as compared to the Canadian National's 250. That I think the records clearly indicate. My hon. friend the Minister of National Defence declined to go on with that venture in July. He says the cost was too great if the railway companies were to take $350,000 of shares, and he was correct in revising the finances.

Mr. RALSTON: I did not revise them.

Mr. BENNETT: Well, the suggestion was that it was too large.

Mr. RALSTON: I did not suggest anything. I said it was altogether too great.

Mr. BENNETT: Well, if the hon. gentleman did not revise the scheme at least he did not desire the hotel to be proceeded with.

Mr. RALSTON: I do not care what my hon. friend says so long as he states the facts.

Mr. BENNETT: That is, my hon. friend advised that the Canadian National hotel be built.

Mr. RALSTON: From first to last I was for the Canadian National Railway hotel. There is no misunderstanding as to that.

Mr. BENNETT: I am going to read the minister's statement as given out to the press. According to an official statement given by him and appearing in the Halifax Chronicle on September 24, he closes with these words.

Mr. RALSTON: Read it all.

Mr. BENNETT: I will read it all; I shall be glad to. The text of the telegram follows:

Further reference your telegram as I wired you I had not seen new proposal. Matter was given consideration by council this afternoon and it turns out that this proposal like the previous one, is for purchase minority shares in privately-owned hotel, proposed to be erected in Halifax. Council adhered to the decision reached in July 14 with reference to this same proposal, which decision was announced at the time, namely that large expenditures of this character, which are outside ordinary railway operations, should be included in the railway budget submitted to parliament. Since then, Sir Henry Thornton

has publicly announced the intention of the Canadian National management to include in the next Canadian National budget provision for railway terminal hotel at Halifax. Railway hotel is what I have been working for, and I will continue to support it strongly unless private interests think fit to take on project.

Those were the words of the government: "unless private interests think fit to take on project". Did they take it on? They did.

Mr. RALSTON: Read the other two telegrams.

Mr. BENNETT: I have not the correspondence. This I take from the public press.

Mr. RALSTON: It is in the public press.

Mr. BENNETT: I have not seen the others.

Mr. RALSTON: You have made some study of it.

Mr. BENNETT: I made a study of it because I wanted to find out what the minister said on September 24, and on that date he told the people through a telegram, made public in a journal, that he had been working for a hotel project and would continue to support it strongly "unless private interests think fit to take on project". Those words are not mine. Now, did they take it on? The hotel is in process of being finished; it will be finished in the next few months.

Mr. RALSTON: I am asking you to read the other two telegrams.

Mr. BENNETT: I do not have them, but if the minister will hand them to me I shall be glad to read them. If I had them I would read them. This one I had copied this morning out of the Halifax Chronicle; I sent my secretary to copy it for me. If there is other correspondence, well and good; at any rate I have not got it. Now I desire to point this out to the government: this private interest, the Lord Nelson hotel, had sought subscriptions from various people throughout the country. Insurance companies have bought the bonds; the banks purchased the bonds; private individuals bought bonds, individuals in Halifax and other parts of the country bought preferred shares in Halifax and in other parts of the country; corporations doing business in Halifax put money into the venture. And how does that venture stand to-day? The windows of the hotel are in and the structure is in process of completion. I do not know but I am informed that the hotel will be ready for occupation by Trafalgar day this year at least, which is now only a little more than four months off. Therefore, before a single dollar has been spent on the other undertaking we have this privately owned hotel practically completed. I thought the other day that some moneys had been spent on the other project, but I am informed that these moneys may be referable to the terminal and not to the hotel, because parliament had not given sanction to the work being carried on. The position, then, is this: Without any work having been done on our hotel, to be publicly-owned, this privately-owned hotel will be ready for occupation within the next few months, and we are now asked to put a million and a quarter into a public undertaking which will render that private investment a failure. My hon. friends may laugh and say, "Oh, well the Canadian Pacific can afford to do it. Sir Henry Thornton said they wanted to do it, and their directors have considered it". But here we have the language of a minister of the crown, "Unless private interests think fit to take on project". And they have taken it on; and now this house is asked to sanction putting into competition with that privately-owned hotel this public enterprise, on which no money has yet been spent. According to the report submitted by Mr. Pratt, the head of the hotel department, to Sir Henry Thornton, that privately-owned hotel, the Lord Nelson, will lose $100,000 a year. One of the newspapers this morning is of the opinion that I pose as an expert in hotels. Now, I do not know anything about hotels except that I pay large sums of money, thousands of dollars, into them annually. I do know, however, that the expert upon whose judgment we have a right to rely says that it will lose $100,000. So "that is the position with respect to that", to quote once more the language of the Minister of Railways.

I ask the government this question: Would a business enterprise put up another hotel in Halifax under these circumstances to compete against a new hotel just created? Would that be done in a city of 60,000 or less? We are now asked to spend a million and a quarter—or, according to the Minister of National Defence, $1,146,000—so that we shall have in Halifax two hotels costing over $2,000,000 altogether, one competing against the other. In other words, the taxpayers of this country will have to find a million and a quarter for the construction of an hotel to compete with a private undertaking carried out under the circumstances I have stated. We as a parliament are taking the money of the taxpayers as a whole and devoting it to the purpose of destroying an investment of part of our own taxpayers. That is what it amounts to. It must not be forgotten that the Canadian Pacific—I am carrying the figures in my head and I am of

course subject to correction—has paid into the country in taxes during the last three years an average of over $5,000 a day. I believe this is the figure mentioned the other day by the president. This means that one dollar out of every $175 of taxes collected in this country is paid by that enterprise; and every time $175 is lost in this new hotel one dollar is to be paid by that taxpayer, the rest by the taxpayers of Canada as a whole. I am content to have the Minister of National Defence or anyone else go out to secure votes and power under these circumstances. The people put their money behind a private hotel because they could not get the railways to build one. They had no desire to put their fortunes into the enterprise, but having done so in good faith, and the minister having stated that he was strongly for a railway hotel "unless private interests think fit to take on project"—private capital, I say, having practically completed that hotel before we have spent a dollar on the other undertaking, I protest against the House of Commons putting a million and a quarter into any enterprise to duplicate an existing facility which the minister himself said would not be done "unless" private enterprise undertook the work. That is my position, and I think it should be the position of every reasonable man. I appeal to the Prime Minister who desires, I am sure, that we should not waste our money, to consider the statements made to the president of the railway, given by an expert, with respect to one hotel losing $100,000. I do not pretend to know; I hope it will not be so. It is true, as was pointed out this morning, in the newspapers, that a single hotel, the Lord Nelson, might make money. But what will happen if you have two? This hotel is a 200-roomed building; the other is to have equal capacity. We have not seen the plans, but that is what the press states. And it is stated by Sir Henry Thornton that this is only about equal to the capacity of all the hotels at present in Halifax. I assume there is no question about that. There are of course several hotels in Halifax besides the Queen and the Halifax. We are now to have two new modern structures, one down at the ocean terminal and the other on Spring Garden road. The statement has been officially made that the Canadian National hotels last year lost $15,000 on operating account alone, paying not a cent of interest on investment, and now in a city of 60,000 we are asked to duplicate the Lord Nelson by putting up another hotel at the terminals for the purpose, not of carrying out an arrangement that has been made, but merely of adding this hotel to the terminals. I submit that it is not sound business, and no business man would do it. Would any one of the members of this committee here this morning sit down at the meeting of a board of directors and vote a million and a quarter dollars for this purpose? Would the Minister of National Revenue do it? Would the Minister of Railways do it? I am sure from what I know of the attitude of mind of the right hon. Prime Minister that he would not do it, but that is what we are asked to do. Once more I get back to where I started the other evening. We represent the shareholders of this enterprise. It is provided that the governor in council shall represent the shareholders; the governor in council means the government, and that means that as long as a majority of the 245 members of this house support the government, they represent the shareholders of this vast system, the greatest business in Canada to-day. As shareholders, we are asked to vote confidence in the directors appropriating $1,250,000 for that purpose. Why not wait and see the result of the operation of the privately owned hotel, before we vote further money? Why not see what the demands are and what the requirements are from day to day? It is said that there will be ocean traffic coming in and so on, but my observation has been that special trains are usually standing at the dock to take passengers away as quickly as possible, because the third class traffic must be moved out at once. I am sure hon. gentlemen realize the seriousness of this matter.

The Minister of Railways complained that it was suggested by members on this side of the house that the Saskatchewan hotel had been a bribe to him, because the Canadian Pacific hotel did not encounter competition at Vancouver. I am bound to say that I never heard that observation made by any one until the minister made it the other evening. The only observation I ever heard made in that regard was that the construction of the hotel at Regina served a very useful purpose to the gentleman whom he succeeded, which is an entirely different thing. I have never suggested that any bribe was offered to the Minister of Railways; he might as well say that the position I take to-day with respect to this matter is because I am friendly or favourable to the Canadian Pacific Railway.

Mr. DUNNING: I suggested that neither was creditable to any one.

Mr. BENNETT: The observations of the hon. member afford me an opportunity to say that prior to 1911 I was solicitor and counsel for the Canadian Pacific Railway Company. Before I was elected in that year I tendered

my resignation, and I have never since been appointed by that company. I have taken cases against them; I have been retained by their local solicitor to take, I think, two cases for them since that time. I have taken a case to the Privy Council against them since that time and I have taken one for them, but after I was elected leader of this party in October, 1927, I disposed of every single share of Canadian Pacific Railway stock which I owned, in order that I might be free from any influence of any kind. I felt the dangers of conflict between duty and interest. I knew the terrible urge of interest as against duty, especially when the interest is financial. I disposed of every share I had in that enterprise, and I had been an interested shareholder for many years. I took that action reluctantly, but I did it because I conceived that the contest between duty and interest should never arise while I had to discharge public duties such as those which now devolve upon me. Therefore I trust that I now approach this matter in a sense of fairness; I have endeavoured to look at it fairly. It has been my privilege during the years which have passed since I was a young man to sit upon the boards of many enterprises, banks, insurance companies, electric companies and other corporations engaged in various forms of industrial activity, and I have endeavoured to gain some little experience in matters of business. So I say to-day, without fear of contradiction, that I do not think there is living in Canada a board of directors which would ask its shareholders for $1,250,000 to put into an enterprise which would compete with a privately owned enterprise in a city with a population of only 60,000, where the public requirements were being amply met. At least any board of directors would delay action. Is there any business man here who would not do so? They would delay it until some future date, until they had further information; they would try to obtain all the facts and to secure a better appreciation of what the traffic might be, because as the minister said the other evening, we are experimenting with public ownership. I think it is true that we are experimenting; that we must give public ownership a chance. What chance are you going to give public ownership to succeed if you take the enormous sum of $1,250,000 from the taxpayers of this country, a very large sum involving an interest charge of at least $50,000 per annum, and put it into a venture where, as far as the report of the experts is concerned, a venture with a monopoly of that class of trade in that particular community would not make ends meet? Then there is the further fact that we are advised that the hotel operations of the system as a whole did not earn operating expenses last year by $15,000.

I may sacrifice the support of friends and of electors, but that will not deter me from contending against and protesting against the investment by the people of Canada, at the instance of this government, of $1,250,000 in a hotel enterprise at this time, in view of the evidence which is now before us. Go on with your terminals; finish them, because they have no relation to the hotel except as they may be connected with it hereafter, but let us wait to find the facts from the actual operation of the new hotel before we make this additional expenditure. I suggest in all good part, although it means perhaps the alienation of friends and of electors, that that course should be followed. I am sure that if the Minister of Finance had to deal with this as he has been dealing with joint stock companies all his life he would not ask his shareholders to sanction the raising of money for the purposes indicated unless he had some assurance of what the result of the investment would be.

Mr. DUNNING: I wish to congratulate my hon. friend upon the more moderate tenor of his remarks to-day, and I shall endeavour to emulate his example in that respect. In dealing with complex legal matters such as surround the negotiations with respect to the Vancouver hotel my hon. friend, with his great legal training, has of course a distinct advantage over me, and in diverting attention from the main issue with respect to the Vancouver hotel by reciting, as he did, the preamble to the order in council to which I briefly referred in its essential particulars the other evening, he recites what I presume to be well known to members of this house, because on more than one occasion the matter has been discussed in this house and has been very frequently discussed in the press, particularly that of the Pacific coast.

I refer to the difficulties which arose between the Canadian National and the city of Vancouver, due to the existence of an agreement between that city and Mackenzie and Mann and having to do with certain obligations assumed by the Canadian Northern Pacific Railway Company in return for certain concessions granted to the company by the city many years ago. My hon. friend quite correctly stated what those obligations were, and may I say to him that they did not change in the short space of time during which my hon. friends opposite were in power. The attitude of the city of Vancouver with regard to putting the agreement into execution

did not change during that time; their attitude continuously was one of constant pressure to have the agreement of the Canadian Northern Pacific Railway Company implemented by the Canadian National Railway Company. While we were in office during the month of April, 1926, there was communicated to me the contents of a resolution passed by the city of Vancouver, to which my hon. friend made reference this morning. That by-law or resolution, whatever it was, conveyed the unanimous consent of the Vancouver city council to abrogate certain sections of the agreement between the city and the Canadian Northern Pacific Railway Company, except that part concerning the hotel operation. The resolution provided that the railway company would enlarge the provision relative to hotel accommodation to the extent of five hundred rooms. My question to the management of the railway company in April, 1926, was, "Where do you propose to get the money to build this hotel? Your estimates are in and are before the House of Commons now, and there is no provision there for the erection of a 500-room hotel. Where do you propose to get the money?" The answer was that certain private parties were prepared to build a hotel in Vancouver to be leased to the Canadian National Railways, and that the Vancouver city council would regard such arrangement as a complete discharge of the obligations of the railway company with respect to a hotel. This was what my hon. friend had reference to the other evening when he said this government had encouraged these negotiations and had carried them on. I would inform my hon. friend that this government absolutely refused to consent to such an arrangement with respect to the hotel at Vancouver. That is a matter of fact. The very fact that no order in council was passed by this government giving approval to such a scheme is the best evidence I can offer in regard to that phase of the matter.

When we went out of office on the first day of July the city of Vancouver was quite certain that while we might agree in principle to the erection of a Canadian National hotel at Vancouver as complete satisfaction of what was involved in a former agreement with the Canadian Northern Pacific, we were not prepared at that session to make provision in the estimates for that purpose. The question between us and the city of Vancouver was not one of whether a hotel should be built, for the government agreed with the Canadian National management that the Canadian National should have a hotel at this great Pacific gateway. The question was, as it is with a great many other matters recommended by the Canadian National, how soon, having regard to the financial situation of this country, such and such an enterprise could be carried out. That was the position in regard to the building of a hotel, but I want to make it doubly clear that this government absolutely refused to have anything to do with the arrangement whereby private parties would put up a hotel which would be leased to the Canadian National at a rental sufficient to pay a handsome profit on the investment to the promoters, and to ensure them completely against any loss in conection with it. I pause to say that to my mind one of the greatest dangers—I have mentioned it in the house before—we encounter in connection with this great public ownership experiment we are conducting, is the effort made by philanthropically disposed private individuals or private corporations to erect some sort of structure, a hotel or something of that nature, for the Canadian National, or have the Canadian National invest something in their enterprise. and thereby completely guarantee its financial success so far as they are concerned. In other words, to have a substanial profit, in most cases, guaranteed by the people of this country. To my mind it is only in rare and exceptional circumstances that it is desirable for this publicly owned railway corporation of ours to enter into that kind of arrangement with private individuals. That is one of the reasons I never liked the Halifax proposal whereby the Canadian National would have invested $250,000 in a company which would be controlled by others. I may say in passing, the original arrangement with respect to Halifax was one which certainly involved the mulcting of private investors by the promoters of an extortionate amount. I use that term advisedly, and I believe my hon. friend the leader of the opposition will agree with that.

Mr. BENNETT: Not extortionate, because other promoters have received as much; it was too large a compensation for the services rendered, in my judgment.

Mr. DUNNING: My hon. friend will agree that it is much too large.

Mr. BENNETT: Yes.

Mr. DUNNING: If the word "extortionate" is felt to be too strong, I will agree with him that "much too large" is probably better.

Our hon. friends opposite came into office —not into power—around the 1st of July, and immediately I presume—and here I can only presume—the city of Vancouver and the private interests who were so anxious to con-

fer favours on the Canadian National, brought the same pressure to bear on my hon. friends as they had been exerting upon this government during the preceding month. What was the result? Conferences took place and it was quite evident to men possessing the astuteness of my hon. friends opposite that it would not be possible or practical or politically wise for that government to authorize the arrangement we had been continuously refusing to authorize. That must have been apparent, but it did not deter the ambitious gentlemen from the Pacific coast who were promoting this enterprise. They started advocating a different arrangement, and before this order in council was passed by the government the government was made aware by letter of the precise terms under which that hotel would be built, if authority were granted.

Mr. BENNETT: That is probably the reason it was not built.

Mr. DUNNING: But the authority was granted after the government knew the terms upon which the hotel would be built. A letter was received from Sir Henry Thornton addressed to Sir Henry Drayton, and my hon. friend was in error when he said Sir Henry Drayton was Minister of Railways; he was acting minister.

Mr. BENNETT: I said acting Prime Minister and acting Minister of Railways, both.

Mr. DUNNING: Sir Henry Thornton indicated under the date of July 29, 1926—and I would ask the house to remember that the writs for an election had been issued; an election was actually on in this country—the nature of the deal proposed for the construction of a hotel in Vancouver. On the 7th day of August this order in council to which my hon. friend has been referring this morning was passed.

Mr. BENNETT: Would you read the letter?

Mr. DUNNING: With the greatest pleasure.

Mr. BENNETT: It was the letter that was not carried out.

Mr. DUNNING: The letter which produced the order in council authorizing what was contained in the letter.

Mr. BENNETT: It did not.

[Mr. Dunning.]

Mr. DUNNING: But which was never implemented, because the people of Canada subsequently refused at a general election to endorse my hon. friends; that was the reason.

Mr. BENNETT: There was no agreement signed at any time either before or after the election, let us be frank about this. Giving authority does not mean signed.

Mr. DUNNING: My hon. friend must then admit that it was completely deceiving the people of the city of Vancouver and the private parties interested in it.

Mr. BENNETT: The order in council recites that $3,000,000 was available out of the $10,000,000, and I concluded, as a matter of law that it was not proper to do it by that order in council, and the Department of Justice or the legal department of the railway sustained that view.

Mr. DUNNING: My hon. friend is again confusing two matters.

Mr. BENNETT: Not a bit.

Mr. DUNNING: It will be interesting to him, I am sure, to learn that in spite of the fact, as he says, that money was not spent because it was not legal to do so, as he is now saying—

Mr. BENNETT: There was no agreement signed.

Mr. DUNNING: There was no agreement signed to have the money so spent under the authority of the order in council. My hon. friend is not speaking of the matter which I am discussing, that is the trouble. I am discussing the kind of arrangement which was authorized by that order in council, and I say "authorized" advisedly, because the letter indicating the nature of the deal reached the government of the day before they passed the order in council authorizing it. What does the letter say? It is as follows:

Montreal, July 29, 1926.

Dear Sir Henry:

Re Vancouver Hotel

We had a conference this morning with Mr. Evans and Colonel Ryan, Mr. L. J. Ladner also being present, and agreed as follows:

Who was Mr. L. J. Ladner? Mr. L. J. Ladner was a successful candidate in a Vancouver seat in the election then going on.

1. The railway company will purchase from Mr. Evans, Colonel Ryan and their associates the land representing the site of the hotel, at whatever the cost is to them as shown by their books; this to include purchase price, carrying charges and other items of expense to which they have been put. The total figure, it is anticipated, will be something between $400,000

and $45,000. In addition to this we have agreed to pay them $10,000 over and above the cost of the land and carrying charges as compensation for their services in securing the site. It is realized that since this project started the value of the site decided upon for the hotel has considerably increased, and that the promoters are entitled to a commission for securing the site at a reasonable figure.

2. Mr. Evans and Colonel Ryan presented to us an itemized statement of about $17,500 which included their personal travelling expenses, certain fees and other legitimate items of expense which had been incurred in advancing the proposition. We have agreed to pay them $15,000 in liquidation of this item, especially having regard for the fact that they used their good offices in getting the city of Vancouver to discharge certain of our obligations in return for the construction of our hotel.

3. The construction of the hotel is to be awarded to Mr. Evans, Colonel Ryan and their associates on the basis of cost plus 7½ per cent. We have made a careful investigation of the usual percentages for work of this sort, and we are told by competent authorities that 7 per cent would be fair and that 7½ per cent would be perhaps on the generous side. Again having regard for all of the circumstances we desired to deal fairly with these people, and have accordingly agreed to 7½ per cent.

4. The architects in Vancouver, Messrs. McCarter & Nairne, have prepared plans for the construction of the hotel and done a certain amount of preliminary work in connection therewith. We agreed to pay them a reasonable fee for their work and to retain them as inspecting architects:—

An hon. MEMBER: What has that to do with the matter?

Mr. DUNNING: My hon. friend asked me to read it and I want to read it in all fairness to the Conservative government which was considering the matter at the time.

—in other words they from now on will be our representatives in so far as the construction of the hotel is concerned. We reserve the right, of course, to alter the plans in any way we may see fit, and will probably have to secure further expert advice in this connection.

The above arrangements were entirely satisfactory to Mr. Evans and Colonel Ryan, and were agreed to by Mr. Ladner; in other words, the other side are quite content with the agreement reached to-day. A draft order in council will immediately be drawn up and sent to you: and as soon as it is passed we can make whatever announcement you think proper and get on with the work.

Yours sincerely,

H. W. Thornton.

P.S. I enclose two copies of draft order in council referred to above, which I hope you will have passed as soon as possible.

Mr. SIMPSON: Who signed that?

Mr. DUNNING: Sir Henry Thornton, of course.

Mr. BENNETT: This is splendid.

Mr. DUNNING: My hon. friend says, "This is splendid". It demonstrates one or two things. It demonstrates, first, that Sir Henry Thornton was pressing very hard for an hotel at Vancouver, not only on our government when we were in power, but on my hon. friend's government when they were in power; that Sir Henry believed it was in the best interests of the Canadian National that they should as soon as possible have an hotel in Vancouver. I assume it is the duty of the government of the day—and no one has been more emphatic in stating this than my hon. friend—to see that a proper arrangement is made. My hon. friend has depicted in strong terms my duty as Minister of Railways to look into the proposals no matter where they may emanate, he has pointed out time and time again that an ordinary business man would do this, and that the fact that anything is recommended by the management does not relieve me of my responsibility. If that statement on the part of my hon. friend is correct, it does not relieve him or the Minister of Railways of that government of his responsibility in respect to the matter. That is the whole point with respect to that.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Quite so. My hon. friend is learning the habit.

Mr. DUNNING: I admit that I can learn many things from my hon. friend, but I hope that I do not acquire that particular mannerism. What was wrong with the whole Vancouver matter had nothing to do with the contention of the city of Vancouver based upon the old agreement under private ownership with the city. It had to do with the manner in which it was proposed to carry out the new agreement. That is the whole point. I point out in that connection that while this order in council was cancelled as soon as we returned to power, we have not said to the city of Vancouver: "We will have nothing to do with you; go to court." We negotiated; we made the best bargain we could for the people of Canada with the city of Vancouver, and we ultimately reached an agreement, which has been duly authorized by the government, that the Canadian National Railways will build an hotel in Vancouver and will commence construction in the fall of the present year.

Mr. BENNETT: Is that on the same site as is mentioned there?

Mr. DUNNING: As regards the site, I will admit that due to what my hon. friends did when they were in office, we are in considerable difficulty, which I would prefer not to discuss here, because of the legal consider-

ations involved. I hope my hon. friend will not press me on that point and I shall not make any representations with respect to the site, not because I do not feel free to discuss it, except for the legal aspects.

Mr. BENNETT: If the minister says that it is in the public interest not to discuss it, I shall not proceed with that aspect of the matter.

Mr. DUNNING: I only wish to say that what was done with regard to the site was done by my hon. friends opposite. I will say that much and I believe my hon. friend will agree that that is fair. Beyond that I do not wish to go.

Mr. BENNETT: I cannot let that pass. It was done by the railway. The railway bought whatever site was bought.

Mr. DUNNING: Under the authority of this order in council—

Mr. BENNETT: Quite so.

Mr. DUNNING: —as part of the arrangement decided in this letter which I have just read and upon the basis of which the order in council was passed. How are we going at the matter? An agreement has been entered into and has been confirmed by order in council by the government, under which agreement, on account of the modification of some of the obligations on the part of the city of Vancouver, and the complete elimination of others, the Canadian National Railways are to construct an hotel in Vancouver, commencing construction in the fall of the present year, 1928. We come to parliament this session with $100,000 in the estimates of the Canadian National Railways for the purpose which I have just indicated. That amount of $100,000 is expected to be expended in the present calendar year and that provision is being asked for as part of the $39,000,000 appropriation which is now under consideration by the committee.

No, our condemnation, if condemnation it be, of the Vancouver situation, does not rest upon the dispute between the Canadian National and the city of Vancouver itself under the old agreement, nor upon whether or not an hotel should be built there by the Canadian National as a means of settling that dispute. It rests upon the means which were taken to carry out that undertaking. That is our quarrel with the whole transaction.

Mr. BENNETT: I think my hon. friend will admit that the Canadian Pacific construct some of their hotels on a cost plus basis.

[Mr. Dunning.]

Mr. DUNNING: I believe in some instances that is the case. Perhaps my hon. friend will be kind enough to tell me when the Canadian Pacific paid cost plus 7½ per cent for the construction of an hotel?

Mr. BENNETT: My recollection is that one of the contractors told me he was getting that now.

Mr. DUNNING: I would like to have some proof of that.

Mr. BENNETT: I may be mistaken, but I think that is what he told me.

Mr. DUNNING: My hon. friend will admit this, I am sure, that only under very exceptional circumstances would he adopt the cost plus method and that he would censure us very severely if we undertook as a general principle the cost plus basis for our public works.

Mr. BENNETT: As a general principle.

Mr. DUNNING: And particularly where the construction is of a standard type such as a hotel similar to that contemplated in Vancouver.

Mr. BENNETT: That is the reason it is done on the cost plus basis, because it is not standard.

Mr. DUNNING: We will leave it at that, and the next time I feel compelled to do something on the cost plus basis I feel sure that I shall have the support of my hon. friend if the matter comes up in the house for discussion. I try to avoid cost plus as far as possible, because there is always around it an element of suspicion in connection with public works. Private enterprise can sometimes make a better deal on a cost plus basis than public enterprise in calling for tenders, but always those opposed to the administration of the day will be suspicious of an undertaking involving the cost plus basis, except in very exceptional circumstances. Those circumstances do sometimes arise in connection with all public undertakings. After all, we must look at a matter of this sort from a broad standpoint, apart from the discussions that occur between my hon. friend and myself, and I ask this committee to consider whether, seeing that we have a publicly owned railway system extending from coast to coast, with harbour terminals on both the Atlantic and the Pacific, is it not desirable, having regard to modern transportation developments, that the railway system should have an hotel of its own at each of its ocean portals?

My hon. friend keeps talking about what private enterprise would do. By private enterprise the Canadian Pacific has built a very large hotel at Vancouver. It has also a heavy interest in a hotel at St. John, and in the Lord Nelson hotel at Halifax. My hon. friend says, if it is not good for the Canadian Pacific, it cannot be good for the Canadian National; that was the substance of his argument. As a matter of fact, the Canadian Pacific has been and is expending large sums of money on the building of hotels, although my hon. friend will be the first to admit that the Canadian Pacific hotels are not profitable undertakings, any more than are the Canadian National hotels. They may make a slightly better showing, but they are certainly not a profitable part of the Canadian Pacific Railway undertaking separately considered. My hon. friend says that business men would not do it because the hotel itself will not pay for some time. Well, the Canadian Pacific has built a large hotel in Toronto, and has recently built a large hotel in the city of Regina, and is undertaking enlargements of its other hotels, but the hotels as hotels, as my hon. friend knows, are not profitable.

Mr. BENNETT: Some of them are.

Mr. DUNNING: My hon. friend said that the Canadian National hotels were losing a lot of money. The Canadian Pacific hotels are not profitable either.

Mr. BENNETT: I think the report shows that they did not lose money on their entire hotel system.

Mr. DUNNING: They did not make money. My point is that the hotels in connection with the railways, considered by themselves, are not profitable undertakings. The Canadian Pacific considers it wise to build hotels, not because they want to go into the hotel business, but because of the value of the hotels as a traffic contributor to the railway system. My hon. friend's attitude this morning would be to debar the Canadian National in large measure from exercising the same kind of business foresight in that direction as the Canadian Pacific has been exercising for a number of years past, and is now exercising.

I desire to make only one more personal reference. My hon. friend spoke of a letter which was referred to during last session with regard to another matter entirely, and which he says that I stated a year ago in this house was not upon the files, but which was subsequently found to be upon the files.

Mr. BENNETT: Not the same file. I said a file. I was very careful. I said Sir Henry Drayton said he had found a letter on the files and the Canadian Press carried a despatch to that effect.

Mr. DUNNING: I do not wish to introduce the name of Sir Henry Drayton, who is not now a member of the house. I would not refer to it if my hon. friend had not introduced the matter, but he introduced it in a manner that would imply a lack of good faith or something not quite proper on my part.

Mr. BENNETT: No, as an illustration of how one may overlook things.

Mr. DUNNING: In regard to that I just desire to say this, and I can call all the chief officers of the department as witnesses with regard to the accuracy of my statement. When the matter was under discussion one year ago in this house, before making any statement in regard thereto I ordered the files searched and any documents brought to me which had any bearing on the subject. I was more astonished than anyone else at the time that there was no record of any communication from Sir Henry Drayton, as Acting Minister of Railways during that one hundred days, or from anybody else. I was astonished, and I asked the deputy minister to bring the files into my office, and we went through them together. There was no communication on the files, and every one of us who had anything to do with the search is prepared to swear to that. In speaking to my colleagues I remarked how strange it was that with respect to such a matter there should be no communication on the files. It is true that on the return of Sir Henry Drayton some three months later he asked to see the file, and at that time one letter was on the file. Neither Sir Henry Drayton himself nor the deputy minister nor any of the chief officials can explain why it was not on in the first place, and was on in the second place, but I think my hon. friend knows me well enough to know that there would not be any deliberate suppression of the letter on my part.

Mr. BENNETT: I entirely agree with that.

Mr. DUNNING: How the accident, if accident it was, happened I cannot say, but it is only fair to myself to say, however, that the letter in question had not any important bearing on the matter which was then under discussion.

I have only one word more to say in conclusion. I believe it will prove to be in the best interests of the Canadian National railway system to have hotels entirely under its own control at both the great ocean terminals of Halifax and Vancouver, and the present policy of the government is to bring about the ownership of terminal hotels by the Canadian National and operated by them, without any private interests in them whatever, at both Halifax and Vancouver.

Mr. BENNETT: What about St. John?

Mr. DUNNING: That is a matter for the future, except for this. My hon. friend mentioned the other day that some time ago the Canadian National did take a financial interest in a privately owned hotel at St. John, and wanted to know why that was not held for a vote of parliament. The amount was $22,500. That was the investment of the Canadian National in that enterprise, and while it is a little difficult to say just at what point parliamentary approval should be sought for a given sum, I feel sure that hon. gentlemen opposite will admit that there is a vast difference between an investment of $22,500, and an investment of a quarter or of half a million dollars. There must be some place where we shall say: "You must include that in your budget and it must be approved by parliament." We took that attitude in connection with the possibility of the investment of a large sum in a privately owned hotel in Halifax. I have no apologies to make for the owning and operation of its own hotels by the Canadian National railway system. I might mentoin that I have been advised only this morning that the Lord Nelson hotel, which has not yet been opened, is almost completely booked up for next winter. Does not my hon. friend appreciate—I am sure he does—how well located hotels tend to attract business to themselves? I have noted the experience in my own city of Regina, where private enterprise was erecting a hotel, and the owners thought it was particularly hard for them that the Canadian Pacific should come in and build a large hotel there. Does my hon. friend know what the result has been?

Mr. BENNETT: It is not the same class of hotel.

Mr. DUNNING: There might be some difference of opinion about that; but the owners of the privately owned enterprise deemed the Canadian Pacific competition so serious a factor as to unfairly prejudice their own enterprise. But what happened? That privately owned hotel has since extended its accommodation, and the Canadian Pacific hotel since its completion has done considerably better than the company anticipated it would. I am content to take the word of Sir Henry Thornton in this regard, that the Canadian National railways system needs in its own best interests hotels at Vancouver and Halifax owned and controlled by itself.

Mr. BENNETT: A terminal elevator is being put up at Victoria, and in connection therewith it has been stated that private enterprise is to construct the facilities to transfer cars from the mainland to the elevator. I should like to have the assurance of the minister on that point.

Mr. DUNNING: I know nothing of it myself. The Canadian National do operate a car ferry from Vancouver to the island, as my hon. friend knows. I cannot understand why private enterprise should want to go into that business from what I know of it. But I agree with my hon. friend that control of such facilities should be in the Canadian National Railway system itself.

Mr. BENNETT: And the minister will see that they are? Can we have the assurance of the minister that nothing will be done in respect to the acquisition of the Pacific and Great Eastern railway until the House of Commons again meets—because surely this house must have something to say as to that.

Mr. DUNNING: Surely my hon. friend does not mean that negotiations which have been going on for some time, and of which members of this house are well aware, should not in the meantime be advanced if possible. I said the other evening with respect to this question that no purchase could be completed without the approval of parliament, but it is quite possible under existing legislation for the railway to make such arrangements for the operation of the other road pending approval by parliament of a purchase agreement. So far as that is concerned my hon. friend need have no apprehension.

Mr. BENNETT: It involves fifteen to twenty million dollars I am told. I desire to ask the minister whether or not he would permit the agreement to be completed and signed? In that event we would, if not satisfied, have to move that it be not adopted —that is, a motion of want of confidence. My view is that just as was done here in this

order in council, the agreement should not be executed until such time as parliament has approved of it. In other words, the railway must not commit itself without the consent of parliament. Do I make myself clear?

Mr. DUNNING: Yes, except as to his reference to this order in council. This order in council does dispose of a matter which never had been voted by parliament.

Mr. BENNETT: My hon. friend misunderstands me. There should be no execution of the agreement, as there was not in that case, until parliament meets. Suppose the Pacific and Great Eastern and the Canadian National get together and arrange for the sale and purchase of the property for X millions of dollars; then I submit the agreement should not be executed by the Canadian National Railways until it has been submitted to this house and approved. In other words, we should not give approval after it is an accomplished fact.

Mr. DUNNING: I do not want any misunderstanding on so important a matter as this, relating not only to the Pacific and Great Eastern negotiations, but also to all the other negotiations which are now going on. This is what I apprehend will occur. My hon. friend will interrupt me if I am not stating it clearly. Negotiations will continue with respect to all these various propositions. Once the president and management of the Canadian National have reached an agreement which is satisfactory to them and to the prospective vendors, they will submit that agreement to the government for the purpose of finding out whether or not the government will approve of the terms and will recommend the agreement to parliament at its next session. Now, the proceedings may go as far as this point in some cases, not all—I cannot tell, but they may. The Canadian National Railways may negotiate an agreement which proves to be satisfactory to the government, and the government may then indicate its satisfaction and its intention to place the matter before parliament at the next session for approval. That may happen—I am not anticipating it will in many of these cases—but I do not want any misunderstanding as to what might happen with respect to, say, the St. John Valley railway or any of these other roads.

Mr. BENNETT: Quite so.

Mr. DUNNING: There is one exception which would apply to the roads connecting with the Intercolonial railway, possible acquisition of which is provided for by existing legislation.

Mr. BENNETT: Unless the statute is amended it would have to take the ordinary course.

Mr. DUNNING: Yes.

Mr. BENNETT: But to make it perfectly clear I would strongly deprecate the government passing an order in council approving negotiations unless parliament has had an opportunity to pass on them. The point I was endeavouring to make on Saturday and to-day is that before orders in council are passed the matters so dealt with should be submitted to parliament, as we did, for instance, with the Ottawa district commission—we should discuss the matters before the government has committed itself.

Mr. DUNNING: I will give consideration to it. I do not wish to be any more definite.

Mr. RALSTON: My hon. friend (Mr. Bennett) has made certain personal references to myself, which if it were not one o'clock I would reply to. In order that the resolution may carry, I forego my right to reply to those references. I may take another occasion to deal with them.

Resolutions reported, read the second time and concurred in.

PRIVILEGE—MR. LUCHKOVICH

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I rise to a question of privilege—

Mr. SPEAKER: Order. Being one o'clock—

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before you leave the chair, Mr. Speaker, might I suggest that the faithful who are assembled here would probably prefer to reassemble at two o'clock, rather than at three, to assure the prorogation of parliament sometime to-day at all events. If that is acceptable to the house generally, I should be pleased if Your Honour would so state.

Mr. SPEAKER: I think it would facilitate matters if we had concurrence now. It will take but a few minutes, and then the hon. gentleman may state his question of privilege.

Mr. LUCHKOVICH: It will not take very long, Mr. Speaker. On Saturday night when

the estimates of the Minister of Agriculture (Mr. Motherwell) were brought down, the chairman made this statement:

The Chairman: I am sorry if hon. gentlemen did not hear the item called. It was certainly called and passed in the way we have passed other votes to-night, but I do not think it is fair to blame the chair for not announcing these items in an audible tone of voice. If hon. members would keep order in the committee, I am quite sure that I would be heard in all parts of the chamber.

I asked him whether item 44 had been called, and this is the discussion that followed:

Mr. Luchkovich: I understand that the minister said vote 44 in connection with grants to exhibitions was passed. When was it passed?
The Chairman: To-night.
Mr. Luchkovich: Well, it was passed in such a clever way that I hope that all the other estimates are not passed in the same way as this was.
Mr. Dunning: I am going to object to that on a point of order. One or two members, when the item was before the house, spoke on it. I replied to the members in a very proper way and I resent the insinuation that the vote was put through in some clever sort of way. There was no cleverness about the matter at all.
Mr. Luchkovich: There are quite a few hon. members interested in class B fairs and we have been waiting very patiently for the item to come up. I, for one, am very much surprised to learn that this item was passed.
Mr. Dunning: My hon. friend cannot blame me for his being asleep.
Mr. Luchkovich: I certainly was not asleep. I was listening and waiting very patiently for the item to come up.

The Minister of Agriculture was not in the house at the time. I am referring to vote 44. I stated that I did not hear this vote called, and the Minister of Railways said that the vote was brought up. I notice from the votes and proceedings it would appear that this item did come up; but I have read Hansard very carefully and I fail to find anything there about the item. I do notice, however, that item 46 was dealt with at the time. It is said we were asleep. If we were, Mr. Speaker, then the reporters in this house also were asleep because they did not report anything about a discussion of item 44 at that time. I can quite understand how the chairman might initial an item and pass it on to the clerk; I understand that the other day the votes and proceedings showed that an item had been passed, but the chairman admitted that it was not passed. I know that the Minister of Railways is a fair-minded man, and I am sure when he called us sleepy—

[Mr. Luchkovich.]

Mr. JOHNSTON (Long Lake): I think I should correct my hon. friend. He said the chairman agreed that the item had not been passed, but I did not agree in that way at all.

Mr. LUCHKOVICH: It is in Hansard, although I have not time to look it up.

Mr. DUNNING: I know my hon. friend does not want to be unfair to me. If he will look at page 4111 of Hansard, in the second column at the bottom, he will find that under the health of animals vote Mr. Peck and two or three other hon. members discussed class B fairs. I replied for Mr. Motherwell:

I cannot add anything to what the minister himself said with regard to the matter when he was present. But I can undertake to say that the representations of my hon. friend will be called to the attention of the minister.

That was the discussion bearing upon the very matter to which my hon. friend is referring.

Mr. LUCHKOVICH: But I still repeat that nothing is stated in Hansard to show item 44 was passed, and I take this occasion to express my indignation with the way this item was put through, if it has been passed, as I hold it has not.

Mr. SPEAKER: I am informed by the Deputy Speaker that if the hon. gentleman will confer with the clerk of the house he will show him the scroll, which shows that the item was passed.

Mr. GARDINER: That does not solve the question. If the item was never called how could it be passed? The item was never called in this house.

Mr. SPEAKER: I am informed that the item was called by the Deputy Speaker.

Mr. LUCHKOVICH: It is not in Hansard.

Mr. GARDINER: I take it that the Hansard reporters would know whether this item was called. Many members on this side of the house as well as members opposite were waiting for an opportunity to speak on that item.

Mr. SPEAKER: It is in the scroll which I hold in my hand. At any rate, I cannot allow this discussion to go on. The scroll of the house and the votes and proceedings contain the item, and I am informed that it is in the supply bill.

Mr. DUNNING: If I might supplement your remarks in that regard, Mr. Speaker, in

any case the item was discussed later under another item; several members spoke on class B fairs then, so surely there can be no complaint now.

Mr. GARDINER: I just wish to make a statement with regard to your reference a moment ago, Mr. Speaker. When it is brought to your attention that members of this house take exception to a matter, and when we produce what we believe to be good evidence that something has not occurred I do not think you, sir, as the Speaker of this house, should take the position that merely because it is inscribed on the scroll is evidence of the thing having transpired. I do not think you are justified in taking that atttitude, and I wish to resent the statements you made.

Mr. SPEAKER: I do not wish to prolong this discussion, but if the hon. member will refer to Bourinot he will find that the scroll of the house is the evidence which is produced in the courts of the land as a true statement of what has happened in the house When I am handed these scrolls by the clerk of the house, when I am handed the votes and proceedings, when I know that the item is in the appropriation bill, and when in addition I have the word of the Deputy Speaker, it seems to me that my good faith must not be questioned. However, the incident is closed.

SUPPLY—CONCURRENCE

Mr. ROBB moved that the reports of the committee of supply made to the house on February 14 and 17, May 3, 4, 10, 11, 18, 21, 23, 25, 26, 29, 30 and 31, June 1, 2, 5, 6, 7, 8 and 9 be read the second time and concurred. in.

Motion agreed to.

PRIVILEGE—MR. THORSON

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, I rise to a question of privilege. I am quite willing to speak to it this afternoon if the house desires to adjourn now, I shall not be very long

Mr. SPEAKER: The hon. gentleman might bring up his question of privilege while the house will be awaiting the supply bill from the Senate. Meanwhile we might complete this procedure in order to facilitate matters this afternoon.

Mr. THORSON: Very well, provided I have an opportunity to speak to the question of privilege.

Mr. SPEAKER: Certainly.

WAYS AND MEANS

SUPPLY BILL

The house in committee of ways and means, Mr. Johnston in the chair.

Mr. ROBB moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the public service of the financial year ending 31st March, 1929, the sum of $244,477,639.96 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 359, for granting to His Majesty certains sums of money for the public service of the financial year ending the 31st March, 1929.

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

On schedule C.

Mr. BENNETT: What is schedule C?

Mr. SPENCER: We have not a copy of the bill before us; will the chairman tell us what these various sections are?

The CHAIRMAN: They are the estimates adopted by the committee of the whole.

Mr. BENNETT: Which supplementary does schedule C cover?

The CHAIRMAN: Based on supplementary estimates, 1928-29. The amount hereby granted is $10,468,611.91. Schedule D is based on further supplementary estimates, 1928-29. The amount hereby granted is $1,000,200.

Sir GEORGE PERLEY: What is schedule B, Mr. Chairman?

The CHAIRMAN: Schedule B covers the Canadian National Railways and the Canadian Government Merchant Marine.

Bill reported.

Mr. SPEAKER: When shall the said bill be read the third time?

Mr. BENNETT: At the next sitting of this house, this day.

At one o'clock the house took recess.

The house resumed at 2.30 o'clock.

PRIVILEGE—MR. THORSON

Mr. J. T. THORSON (Winnipeg South Centre): I rise to a question of privilege. On Saturday the leader of the opposition (Mr. Bennett) made certain remarks with regard to myself which are quite inaccurate. On page 4088 of Hansard he is reported as having made this statement with regard to myself:

> He himself is a member of the profession; he assisted in the prosecution of those who originated the effort to establish a soviet in the city of Winnipeg. He was one of the prosecuting counsel.

I might quote several other inaccurate statements made by the leader of the opposition with regard to the part which I played in the prosecutions which followed the failure of the strike of 1919 in Winnipeg, but I cite this merely as an instance of the many inaccuracies of which he was guilty.

Mr. BENNETT: That is not privilege. The hon. member can direct attention to specific items in regard to himself, but these blanket charges do not constitute privilege.

Mr. SPEAKER: Would the hon. gentleman quote the words, because strictly speaking, a question of privilege is only with regard to character. This may be a personal explanation.

Mr. THORSON: I made that remark in an effort to save the time of the house. There are several other inaccuracies which I shall now cite. Hansard, on page 4090, reports the leader of the opposition as saying:

> This was brought about to some extent, through the efforts made by the hon. gentleman who has just spoken, in the legal knowledge he brought to bear upon the prosecution of the offenders. His knowledge and training as a lawyer helped and assisted in the securing of a conviction against some of them.

Then at page 4091 Hansard reports him as follows:

> If the government had yielded readily to the pressure brought to bear upon it, it would have been unworthy of being a government, it would have been unworthy of supporting the prosecution carried on by the hon. gentleman as a lawyer.

At page 4092 Hansard reports my hon. friend as follows:

> My hon. friend put this case. He said: Other employers take back their people and give them positions. Let us admit all that. That has nothing at all to do with this case. This is the body politic fighting for its life. This is the nation fighting for its existence. This is the struggle between constituted government and bolshevism. It was a struggle between the municipal institutions at Winnipeg and the soviet form of government and that was the case put by my hon. friend in his prosecution. He may not have put it in those words, but that is the case he put and that is the case upon which a conviction was made.

The leader of the opposition in this manner attributed to me a leading part in the prosecutions that took place after the failure of the Winnipeg strike of 1919. I did not hold the exalted position which the hon. gentleman assigned to me. The case which went to the privy council was a conviction of one of the strike leaders for seditious conspiracy. That conviction was upheld in the court of appeal of Manitoba. An application was made to the privy council for leave to appeal. That application for leave to appeal was refused by the privy council. I had no part whatsoever in that particular prosecution. Subsequently a similar prosecution was instituted against six other men on a charge of seditious conspiracy. Five of these men were convicted and one of them, the hon. member for North Winnipeg (Mr. Heaps), was acquitted. With that prosecution I had nothing whatsoever to do. The only part which I played in the prosecutions after the failure of the strike at Winnipeg was in a very minor capacity. I acted as assistant crown prosecutor in the city of Winnipeg police court, and assisted in the prosecution of a number of men who were guilty of disturbances on the day when the shooting took place and the strike was finally broken. I took part in none of the major prosecutions with the exception of one. I was associated as junior counsel in the prosecution of Mr. F. J. Dixon, a respected citizen of Winnipeg for whom I have a high personal regard. Mr. F. J. Dixon was acquitted on the charge of seditious libel which was preferred against him. That was my connection with the prosecutions that followed the strike of 1919.

I am quite sure that the hon. leader of the opposition did not intentionally mislead the house, but I desire to put on record correctly the part which I took at that time. I am quite willing to believe that the hon. leader of the opposition when he spoke with regard to me as he did, spoke without knowledge of the facts.

Hon. R. B. BENNETT (Leader of the Opposition): The question of privilege to which the hon. gentleman has spoken is a question affecting the correctness of certain observations made with respect to a member of this house on Saturday last. After listening to the hon. gentleman, and reading from

Hansard the extracts to which he directed attention, it is reasonably clear that no statement was made that he appeared before the privy council or took part in the Russell case. He was prosecuting counsel in connection with one of the offenders, and I assure him that I knew he did not appear in the Russell case

Mr. THORSON: May I direct the attention of the hon. leader of the opposition to the first statement which I cited:

He assisted in the prosecution of those who originated the effort to establish a soviet in the city of Winnipeg. He was one of the prosecuting counsel.

He goes on to say:

I ask him to say to this house whether or not he thinks the conviction obtained in one of these cases was improperly obtained.

Then in the other statement which I quoted, at page 4092 of Hansard, he says:

It was a struggle between the municipal institutions at Winnipeg and the soviet form of government, and that was the case put by my hon. friend in his prosecution. He may not have put it in those words, but that is the case he put, and that is the case upon which a conviction was made.

The only major case in which I assisted resulted in an acquittal.

Mr. BENNETT: The hon. gentleman will see that the word "case" did not refer to a particular instance like the Dixon case.

Mr. THORSON: I think the leader of the opposition should now frankly accept my statement as to the part which I took.

Mr. BENNETT: I do. I entirely accept the hon. gentleman's statement, but I contend that his statement is not at variance in any sense with what I said on Saturday last. I merely said that he was one of the prosecuting counsel. I paid tribute to his ability. If the hon. gentleman thinks that I was in any way reflecting upon his connection with any specific case which went to the privy council or otherwise, I assure him that such was not my intention, and I gladly accept the statement which he has made.

WAYS AND MEANS

SUPPLY BILL—TARIFF BOARD

Mr. SPEAKER: Is the house ready for the question?

Hon. R. B. BENNETT (Leader of the Opposition): I have an amendment to move, Mr. Speaker. It does not involve much in money, but it involves a principle. I beg to move that:

The bill be not now read a third time, but that it be referred back to the committee of the whole with instructions to the said committee that it have power to reduce vote No. 309 by the sum of $10,000, being the salary of the chairman of the tariff board.

I shall endeavour to confine my remarks to a very limited space of time. I am in no sense reflecting upon the qualifications of the chairman of the tariff board. I dealt with that question on another occasion. I am merely directing the attention of this house to what I conceive to be a principle, the operation of which we had illustrated on Saturday last.

Succeeding governments have claimed the right to remove from office those who are partisans if it is established that they are partisans when they are occupying a place in the public service. Mr. Moore was a defeated candidate supporting this government in the constituency of Ontario in the last election. The fact that he was a candidate and defeated does not in any sense deprive him of the qualifications to serve the public in any capacity in which it may be thought he may be able so to do. I desire to make that perfectly clear. If the government feels that a defeated candidate is a satisfactory person for appointment to the bench, to the tariff board, or any other position, it follows that the government may make such an appointment, but when a gentleman who was a defeated candidate is appointed to a position in the public service, my submission is that he should terminate his political activities. By not doing so he is subject to dismissal, and the instance of the dismissal of the postmaster at Lafleche is an illustration of the position I take.

I submit to this house that since his appointment, Mr. Moore has continued to be a partisan, and by partisan I mean that he has taken active steps to promote his future candidature in the riding of Ontario. This is not simply hearsay. It is published in the public press with reference to his connection with one or two matters, and there are those who are well acquainted with the politics of the province of Ontario with whom he has discussed the probabilities of his success in the riding at the next election. My submission is that if a returned soldier in Lafleche saw fit to speak in terms not laudatory of the Prime Minister or in terms of criticism of the Liberal party, and thereby made himself liable to dismissal as a postmaster in the constituency of Willow Bunch, it follows that a gentleman, however eminently qualified, who was a defeated can-

didate at the last election as a supporter of the government, which appointed him to a very, very important position where freedom from political opinion is almost a sine qua non to the occupancy of the position, when we find that he is still engaged in political activities, he should either resign his position or be dismissed, if his partisanship can be established. While there is no member of parliament to make a charge to the administration which the administration would deal with, I do assure the right hon. the Prime Minister that were a commission appointed the facts could readily be established. I am certain as to that, because part of them are established already in the public press, and of his exercise of patronage, whatever little there may be left, in the constituency of Ontario.

I understand that since my observations on the budget the gentleman in question has taken less interest in political matters, and recently announced that he is out of politics, but I have lived long enough not to attach very much importance to that observation, remembering as I do. "When the devil was sick, the devil a monk would be; when the devil got well, the devil a monk was he." It is for that reason I make this motion, to vindicate the principle that those who occupy public positions to which they are appointed requiring freedom from political bias, which is the first essential to the successful discharge of their duties, should not be maintained in a position merely because they occupy a position to which a salary of $10,000 per annum and expenses are attached, as against one of those of whom we had the records some days ago who occupies a position as postmaster in a small community, receiving small compensation, and not being able to command the influence and power that attaches to one who occupies a more important place. It is for that purpose, and not because of the gentleman himself or of anything concerned with his past or present attainments, that I make this motion. For it is a striking illustration of a departure from principle if the same measure of justice is not meted out to him as was meted out to the returned soldier who happened to be a postmaster at Lafleche.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I am pleased to hear my hon. friend say that his motion is in no way actuated by the circumstance that the present incumbent of the office of chairman of the tariff board was a defeated candidate in the last election. I think when this matter was previously discussed reference was made to the circumstance that he had been in active politics, and therefore it was implied that he should not have been subsequently appointed to his present office.

Mr. BENNETT: That merely had to do wth the government making the appointment.

Mr. MACKENZIE KING: But at the moment my hon. friend says he understands that the present incumbent of that office is looking forward to being a candidate at the next election. If that be so, I must say that he is more in the confidence of the chairman of the tariff board and of those of the Liberal party who have to do with these matters than I am myself, because I have never heard, directly or indirectly, any intimation to the effect that that gentleman is contemplating such action. I think before my hon. friend suggests that a commission be appointed to discover whether or not this gentleman has such intentions, we ought to have something much more definite to go on than has thus far been brought forward. If my hon. friend or anyone else on the other side of the house will prefer a charge against the chairman of the tariff board which would justify the government in taking action of the character he has suggested, namely, the appointment of a commission to inquire into the facts, the government will consider the matter, and will I think consider it in a manner that will be satisfactory to the house. But I do say that a general statement, such as that which has been made by my hon. friend this morning, namely, that he has reason to believe there is an intention on the part of the chairman of the tariff board to run at the next general election, and that the latter is inquiring what his chances may be—

Mr. BENNETT: And exercising partronage.

Mr. MACKENZIE KING: I should like to know what patronage the chairman of the board has exercised. Let us have the facts. A general statement such as is now made, I submit, is no ground for an inquiry, and certainly is no ground for moving that the estimate be reduced on the third reading of this bill. I do not think I need say more, Mr. Speaker.

Mr. BENNETT: Do I understand the right hon. gentleman to say that a complaint similar to that which brought about the appointment of a commission to investigate the cases tabled this session will be regarded as sufficient to warrant the issue of a commission in this case?

Mr. MACKENZIE KING: I said that any hon. member of this house who will prefer a specific charge against Mr. Moore will be entitled to have that charge investigated in a manner satisfactory to the house.

Mr. BENNETT: That is not my question.

Mr. MACKENZIE KING: That is my answer.

Mr. BENNETT: My question is, whether or not the same complaint which brought about an investigation with respect to rural postmasters whose names are in the report on the clerk's table will bring about the issuance of a commission in this case. That was not done on the complaint of members of this house.

Mr. SPEAKER: The question is on the amendment. Shall I read the amendment?

Some hon. MEMBERS: Dispense.

Amendment (Mr. Bennett) negatived on division.

SUPPLY BILL—REPRESENTATION AT TOKYO

Mr. SPEAKER: The question is now on the main motion.

Sir GEORGE PERLEY (Argenteuil): I wish to say a few words in regard to item 342 of the estimates providing for representation at Tokyo. As we are approaching the end of the session I will not speak at any great length on this subject, although it is one I have thought a good deal about, and naturally so, inasmuch as for a number of years I was representative of Canada in London. With regard to this proposal to send a minister to Tokyo my main objection is that it creates a precedent. Canada has a representative at Washington. There were special reasons for a minister being appointed there. The United States is our great and friendly neighbour to the south, with whom we have more trade than with any other country in the world. There were therefore special reasons put forward on those grounds. A vote has also been passed for a representative of Canada at Paris, and there are special reasons why that too should be done. These are largely sentimental reasons. Two-fifths of our population are of French origin and it is a fine gesture that Canada should have a representative in Paris, Moreover, we have a good deal of trade with that country, and our minister should be able at the same time to attend to that trade.

Regarding this particular vote I do not raise any special objection to the appointment of a minister at Tokyo. Japan is our friendly neighbour across the Pacific, and I should have the same objection to the appointment of a minister from Canada to any other country, apart from the United States and France, as I now voice in connection with the proposed appointment of a minister to Tokyo.

My reason for this objection has reference to what I hope will continue to be the status of this country in relation to the other dominions of the British Empire or, perhaps I had better say, the British commonwealth, Under our present relations with Great Britain and the various self-governing countries that compose the British commonwealth, it seems to me that we should be ill advised to adopt a policy of appointing any more ministers from Canada than the two I have mentioned. When I say this I assume that we wish to keep the British commonwealth of nations intact and that we prefer to try to make permanent this wonderful organization which has grown up through the centuries, called the British empire or the British commonwealth. To my mind, the future holds only one of two alternatives for Canada. One of these is independence. I know there are some people in this country who desire that and who look forward to the time when it will come about. But I for one hope it will be very long delayed. The other alternative before us is to remain with Great Britain and the sister dominions as the British commonwealth. We are at this moment in fact a self-governing nation as far as it is possible for us to enjoy these rights under the present statutes of the old country. The rights of autonomy or self-government we certainly will never give up, but I firmly believe that the best chance Canada has for a full and satisfactory development in the future is in conjunction with Great Britain and our sister dominions. Now how can this problem be worked out? How can half a dozen separate nations, each with complete autonomy in relation to its own affairs, act together in their relations with foreign countries? I submit that this cannot be done in practice, if each part of the British commonwealth is to have separate and independent representatives in foreign countries. I take it that the government has definitely adopted a policy of this kind. The natural sequence to the appointment by Canada of a minister at Tokyo would be that Australia, South Africa and the other dominions would do the same, perhaps not immediately; but that would be the natural thing for them to do.

Can we imagine the curious state of affairs that would ensue under those circumstances? What would happen if the British commonwealth had half a dozen separate ministers in Tokyo? Let us suppose that some grave question arises affecting Great Britain, ourselves and our sister dominions; how would it be possible in practice for us to all act together? What course would be taken by this government and by the other governments? The obvious answer is that the governments would communicate with each other, put forward their views and endeavour to reach a common point of agreement, and after that each government would have to instruct its representative in Tokyo in identical terms in order to bring about the desired result. If that did not happen, if instructions went out to the different representatives in different terms it would mean the breaking up of the British empire. I claim that this position would be full of danger in time of stress; I do not see how it could be otherwise.

I will admit that the whole question of the foreign policy of this British commonwealth is very serious and difficult, if the commonwealth is to be maintained and made permanent. I have an idea of my own how this might be worked out, but I will not take time to explain it this afternoon. However, I do say that in foreign countries we must have one voice if we are going to preserve this commonwealth of nations; we must present a united front to foreign countries in all matters of foreign policy which affect every portion of the commonwealth. I do not think we should follow out the present plan; If we are to make a success of the British empire we must have some other method of choosing and appointing the various ministers or ambassadors at foreign courts in order that they may represent the whole empire. I know there has been some objection raised to the suggestion that the foreign affairs might be administered by a committee on which each part of the empire would have a representative; some people say it would be dangerous to give so much power to anyone, but whoever was representing Canada would be definitely under the authority and the instruction of the government here, and it would be just as easy to keep him in order as to keep the minister at Tokyo in order. If that were done we would have a central body which would discuss these questions when they arose; each would advise his own government by cable or otherwise regarding the actual facts and would receive instructions from his own government in return. Then they would sit down together to talk over the question and try to find a solution. We have adopted that principle on several occasions. I remember that in Geneva, when some question came before the assembly about which there was quite a difference of opinion among the delegates from the various parts of the empire, we sat down in a room for a couple of hours one day, threshed out the matter. and found a solution.

All I wish to say to-day is that I think the government have made a mistake in this proposal; I think they have been in too much of a hurry. It seems to me that this is one of the most serious questions which must be faced by the British empire. This problem of keeping the British commonwealth of nations together has been called insoluble, but I believe it can be solved with patience and good will. The vital need is that we should present a united front to all other countries. I suggest that before the government appoint a minister to Japan this question should be more carefully considered and that it should be discussed at length with the other parts of the British empire, with an effort made to arrive at a satisfactory solution which will conserve our rights of self government, which will give us a voice in the appointment of foreign representatives and which at the same time will make sure that this commonwealth will become permanent. So I suggest, Mr. Speaker, that the appointment of this minister to Japan be delayed and that the government take the first opportunity to try to thresh the question out, to find a solution of this most difficult problem.

Before I sit down I wish to express my feeling that this question should not have been brought up in this way. This appointment to Tokyo has been included as one of the items in the estimates, and until this time there has been no opportunity of discussion.

Mr. MACKENZIE KING: I beg my hon. friend's pardon; the estimate was called in committee, but at the request of the acting leader of the opposition it was held over for the express purpose of allowing the leader of the opposition to be here.

Sir GEORGE PERLEY: Quite so; I was here when the Prime Minister acquiesced in that request.

Mr. BENNETT: And on Saturday night we said that rather than take time then we would discuss it on the third reading of the supply bill.

Mr. MACKENZIE KING: Yes.

Sir GEORGE PERLEY: Now we have come to the end of the session, and no one

wishes to keep the house much longer. However, I consider this one of the most important matters to come up this year and I wish it could have been discussed at greater length. In Great Britain they try to keep all questions with regard to foreign relations out of party controversy. The leader of the opposition is kept well posted with regard to matters as they come up, so that if by the turn of the wheel he becomes Prime Minister he will be au fait with the situations which may arise. I am strongly of the opinion that the relations between the different parts of the commonwealth should be dealt with in that way; I do not believe the government of the day should take a step of this kind, which is really the adoption of a definite policy in regard to a very important matter, without having a full discussion beforehand. It is true that the Prime Minister will tell us that this house has the right to vote against this proposal, but as a matter of fact the house cannot do that without putting the government out of power.

Mr. ROBB: Yes, my hon. friend could vote against it without putting the government out of power.

Sir GEORGE PERLEY: I said the house could not vote against it without putting the government out of power, and in my judgment this is not the best way to deal with this matter.

Let us look at what has happened this session. On the question of increasing the salaries of our judges, a purely local matter pertaining only to this Dominion, the government were unable to make up their minds as to whether or not this should be done. They came to this house and asked for a committee to discuss the question, when it seems to me it was something the government should have decided for themselves. On the other hand, regarding the appointment of a minister to Tokyo, they did not appoint a committee for that purpose. That was a proper question to have discussed by all sides of the house before any action was taken. I go further than that; regarding the matter of the appointment of a minister to any of these foreign countries, other than the United States and France, I claim the proper method would be for the question to be brought before this house first and discussed; for the Prime Minister to rise in his place and say that every member of this house might consider and discuss it and vote as he thought best, and not tie the hands of the house as he has done by first making an agreement, subject to the approval of parliament, and bringing it down in an estimate which makes it impossible for the house to reject the idea without its being a vote of want of confidence in the government.

I do feel strongly that the government has taken a step in the wrong direction. I believe that the members of the government on the whole wish to preserve the British commonwealth, and to look forward to our full development as a self-governing nation within that commonwealth. That is my firm belief, but I feel that this action is on the path towards independence and if that policy continues, and other dominions adopt the same policy, I cannot see how it will be possible in the future for the various component parts of this commonwealth of nations always to act together without friction in regard to the serious matters of foreign policy. Therefore, I move, seconded by Mr. Ross (Kingston):

That all the words after "that" in the motion be struck out and the following substituted therefor, namely:

The bill be not now read a third time but that it be referred back to the committee of the whole with instructions to the said committee that it have power to reduce vote No. 342 by the sum of $49,000.

Mr. MACKENZIE KING: Before I take up the argument of my hon. friend with respect to the advisability of opening a legation at Tokyo, may I refer to the concluding part of his address in which he made mention of the fact that we were considering this item only at the last moments of the session. May I say to my hon. friend that no one regrets more than myself that it does so happen that we are, during the last hours of the session, endeavouring to discuss this all-important subject. I would, however, point out to my hon. friend and to the members of the house that it is not the fault of the government if there has been delay in the discussion of this matter. The government took the earliest possible opportunity to acquaint hon. members of its intention in this matter by making mention of it in the speech from the throne, and my hon. friend was one of those who, on the address in reply to the speech from the throne, made very much the same speech as he has made this afternoon. His hon. leader also spoke at considerable length and I venture to say presented the very arguments in the course of his address at that time which he will present this afternoon or on some other occasion when he may speak. As I recollect, the matter was very fully discussed on the address. May I quote the paragraph in the address: It has mention of other features which help to

explain the reason why the government is taking this particular step at this time. The paragraph in the speech is as follows:

As contemplated by the conclusions of the Imperial conference of 1926, provision was made on July 1 for direct communication between His Majesty's government in Canada and His Majesty's other governments of the British Empire. The further implementing of these conclusions which aim at more effective consultation through personal contact by the appointment to Canada of a representative of His Majesty's government in Great Britain is being discussed between the Secretary of State for Dominion Affairs in Great Britain, who is at present in Canada, and members of my government. By agreement between the governments of France and Canada and the governments of Japan and Canada it is proposed that each of these countries shall be represented in the other by a minister plenipotentiary.

So that, as early as January of this year, the house had before it, in a form which permitted full discussion and debate, the question of the advisability of opening a legation at Tokyo. Then a short time ago we had an amendment moved by the hon. member for Labelle (Mr. Bourassa) which was brought in on the motion to go into the supply of the Department of External Affairs. That amendment dealt with external affairs and was very largely concerned with just such questions as the one we are now discussing. The debate occupied considerable time and opportunity was given for hon. members to discuss their views on the subject of legations. Then we moved into the estimates of the Department of External Affairs, and those estimates, as I recollect, took two days of discussion, including the time occupied on the motion to go into supply. When these estimates were before parliament, among others assented to was the estimate for the legation at Washington, and the estimate for the opening of the new legation at Paris. I submit that it was quite permissible during the discussion on either one of these estimates, for hon. members to discuss, to the extent that my hon. friend has discussed this afternoon, the advisability of a legation being opened in any part of the world There was plenty of opportunity then. Then, again, some days ago when we were proceeding with miscellaneous estimates, we came to the item on Tokyo, and the acting leader of the opposition requested that the item be held over pending the return from a trip to the west of my hon. friend the leader of the opposition. It is quite true that in further discussing the items on Saturday my hon. friend the leader of the opposition, in order to help us expedite business, did not take up the discussion of the item at that time. I think he was guided in that purpose by the desire to assist the government in bringing prorogation about speedily, and I wish to thank him for his courtesy in that regard.

Mr. BENNETT: I said we would discuss it on the third reading.

Mr. MACKENZIE KING: My hon. friend made it clear that we would discuss the item on the third reading of the bill at the time of concurrence. If this item is being discussed at the last minute it was not from any desire of the government to avoid an earlier discussion, or because of any lack of opportunities for discussion.

May I say to my hon friend from Argenteuil (Sir George Perley) that his speech seems to me to be, in many particulars, as much in support of the policy of the government in opening legations as an argument against it. His first objection was that it was creating an unwise precedent. May I point out to my hon. friend that he preceded that remark by drawing attention to two cases where the precedent had already been made? A legation has been opened at Washington and a legation has been authorized for Paris, and therefore the precedent has already been established. The precedent was fully discussed when the question of representation at Washington was before the house, and it was again opened for full discussion when the question of representation at Paris was being discussed. My hon. friend says there is a difference between Washington and Paris and Tokyo. Certainly there are some major differences, but there are also important considerations which are applicable to all. My hon. friend spoke of the circumstance that the United States was a near neighbour. The United States is our nearest neighbour on the south, but Japan is our nearest neighbour on the west and France is our nearest neighbour on the east. One thing which I should like to draw to the attention of the house is the peculiar and rather remarkable position in which Canada stands in relation to the countries in which we are opening legations. I was very much impressed the other day by a remark of the hon. member for St. Lawrence-St. George (Mr. Cahan) who was referring amongst other things, I think, to the orient and speaking of the influence of Canadian thought on many public questions. He hoped to see Canada playing more and more a part in the councils not only of the empire but of the world, because he believed Canadian opinion would make for friendly relations as between the different countries,

and that we were in a peculiarly happy position of being able to interpret the views and opinions of other countries to one another. As he spoke, I thought of a remark a friend of mine recently made respecting Canada's position in that connection.

We are as intimately associated as possible with Great Britain; we are all part of the British Empire; we are all one in the political institutions we possess, and we are all one in our allegiance, our loyalty and our sovereignty. In regard to France we are in the exceptional position of being related by kinship, by past tradition, by sentiment and by language in large part. We have with France an association that no other country in the world begins to parallel. In regard to the United States we are so situated geographically that between us we occupy practically the whole of this continent. Our people are travelling back and forth across an invisible line and I imagine we in Canada understand the people of the United States better than they are understood by the people of any other country in the world. There again we are in a happy position with respect to our neighbour. Now it so happens that Japan is our nearest neighbour across the Pacific. Thus as a country we are situated, so to speak, in the centre of the four great powers that are instrumental in controlling world affairs as far as they relate to peace and war. In connection with the invitation that was issued by the United States in respect to the renunciation of war, that invitation was issued in the first instance to Great Britain, France and Japan as three of the great powers. We are in the happy position of having this close relationship and association with all of those great powers and one of the strongest arguments that could be urged for the opening of legations in those countries is that it will enable us as Canadians to gain the attention of those countries on matters that are of concern to our immediate neighbours, to gain a knowledge of the problems that are affecting them in relation to the problems that affect ourselves and that it will put us in a position to exercise, in a manner that will be helpful to all, that exceptional knowledge which we may come to possess in this way and the exceptional opportunity which is ours as well.

May I, just to hurry along, refer to the other points which my hon. friend has brought up? He said that the alternatives as to the future of Canada were alternatives of independence and continuance in the British Empire. I hope my hon. friend in his remarks did not wish to infer—and I do not think he did—that in taking a step of this kind there was anything which savoured of a desire for independence on the part of this country.

Sir GEORGE PERLEY: I had no idea of suggesting that the right hon. gentleman had any desire for independence, but I did say that I thought this path he was taking, if followed through, would lead there.

Mr. MACKENZIE KING: My hon. friend is straying up the wrong path when he speaks in that way. I submit that quite the contrary is the case. I submit that the action which the government is taking is along a line which is going to help to maintain our relationship within the British Empire, a line which might I think come to be directed in another way were we to pursue the avenue that my hon. friend has been advocating. That point I want to make perfectly clear in dealing with these questions of foreign relations and we might as well face the broad issue at once. We are as respects methods of representation face to face with the alternatives he has suggested. One is the old conception of a centralized single control, no matter by what other name you may describe it. The other is the method of a joint control. The centralized control conception had its day for some years in the advocacy of an imperial parliament by imperial federationists. Anycne who opposed the idea of an imperial parliament was described as a separatist or out for independence just because he could not approve a parliament highly centralized. To-day you will not find any advocates of imperial federation. Then the next attempt we had was to bring about an imperial council, to have some body sitting in London as a council which would be able to control the affairs of the empire. I doubt very much whether anyone to-day would advocate that method of centralized control. Now there is proposed another step in the same direction. My hon. friend would have us represented in different parts of the world by one of those centralized bodies who would act for the whole. The way to maintain the British Empire in its foreign relations is not by monopoly of control on the part of any one part of the empire, but by a joint control on the part of all.

Sir GEORGE PERLEY: I was advocating joint control.

Mr. MACKENZIE KING: When my hon. friend looks into his own argument he will see that it comes down pretty much to a single control.

Sir GEORGE PERLEY: No.

Mr. MACKENZIE KING: His whole argument was this: How is it going to be possible for half a dozen people to represent the different parts of the empire at Tokyo? How can the British Empire be represented at Tokyo by half a dozen representatives from the different dominions? Half a dozen representatives means joint control. One representative means a monopoly of control on the part of that portion of the British Empire which places that particular representative there. There is no more reason why there should not be single and united action on the part of a group of men in Tokyo than that there should be single and united action on the part of a cabinet. Indeed the rest of my hon. friend's argument—and that was the point I wanted to make—was a direct proof of the accuracy of what I have been saying. He spoke about all the different dominions being represented at Versailles; he said: We got into our quarrels there amongst ourselves; we went into a room and threshed those things out for a whole day at a time, I think he said.

Sir GEORGE PERLEY: Not a whole day. An hour or two.

Mr. MACKENZIE KING: Well, that is not so bad. At Geneva the representatives of the different dominions and the British government, after an hour or two of threshing out differences came to one opinion and acted with a united front. Why can they not do that in Tokyo just as well as in Geneva? Certainly differences will arise and they will be solved exactly as all differences are solved under our British institutions. They will be solved by collective opinions to which individual opinions will give way. I submit very strongly that such a method of representation is a method that is going to help to keep the British Empire united, because back of whatever expression of policy is put forward where different parts are affected there will be the knowledge that that policy is part of the united opinion arrived at by the different countries that are there represented.

May I say to my hon. friend there is another feature to be thought of in connection with the representation of different parts of the empire, at particular centres? Not only is there the benefit of consultation among all the groups immediately affected, but there is also the creation of new ties and links of empire. May I point to what is taking place in the United States at the present time? In the United States we have the British ambassador, Sir Esme Howard, working in cooperation with the Canadian minister and the minister from the Irish Free State. Does my hon. friend mean to tell me that Ireland and Canada and Great Britain are not being united more closely than they have ever been in the past, by virtue of these three gentlemen working together in Washington. I say to him that the fact that you have there at Washington these three representatives of different parts of the British Empire conferring together on matters respecting their respective countries, is the surest way of bringing about that unity of opinion that is going to prevent differences within the British Empire. What is the alternative? The only alternative is to have some single minister who acts for all the others, and if a mistake is made, who is going to be blamed for the mistake? My hon. friend says that you could easily deal with a single minister and bring him back. I would like to know how you are going to deal with him. If the British ambassador at Tokyo made a mistake, for instance, on a matter very seriously affecting British Columbia, does my hon. friend mean to say that just by some action of this goverment we could deal with that British minister? I say to my hon. friend that one of the ways to prevent friction arising within the empire is to see that with respect to its external affairs, the different parts of the empire are represented by ministers who are responsible to the government of the country which they represent, and who may be recalled by them if the necessity arises. Let me give my hon. friend, not my view, on that point, but the view of a British ambassador himself, the ambassador at Washington, given since the present legation has been opened. What he says applies equally to Tokyo, Paris and elsewhere. Sir Esme Howard speaking before the Canadian Club at Vancouver in May, 1927, had the following to say:

> Now may I say one word more with special reference to the relations of Canada to the United States of America. In the last few months, as you are aware, a new step has been taken in the relations of Canada and the United States by the appointment to Washington of a special Canadian diplomatic representative in the person of my friend Mr. Vincent Massey. Whenever I have been asked, long before the appointment was made, what I thought about it, I have always been able, fortunately, to say quite unreservedly that in my humble opinion it would be an excellent thing to have a Canadian representative at Washington. Canada has now so many and so important questions to treat with the United States governmen

that it is certainly better that these should be treated by someone who being a Canadian will be better prepared to handle them than any regular British representative could be. The matter was I think largely a question of expediency and opportunity. The question presented itself thus. How soon will it be worth while for the Canadian government to bear the expense necessary for setting up a legation at Washington? The Canadian government has decided that that time has come and, if I may say so without impertinence, I think the establishment of the legation was a wise move, and that nothing could have been happier than the choice of Mr. Massey to launch the ship. Proud as I was to represent Canada at Washington, I always felt that some day—perhaps in my time perhaps later—Canadians might feel rightly or wrongly that their business was not being handled properly by the British embassy. Now that I have passed the buck to Mr. Massey he will get all the blame if there is any going and I shall be able to sit back quietly in my chair unperturbed and at ease.

May I say that that is true equally of our representation at Tokyo, and perhaps even more true in that case, seeing that in relations with the orient there are in some particulars questions which affect this Dominion to a greater degree perhaps than any other part of the British Empire. I think it is all important, and for the good of the empire, for the preservation of the empire and for the unity of the empire, that there should be representing Canada at Tokyo someone who knows Canadian problems, who understands the situation, for example, in the province of British Columbia with respect to immigration, with respect to trade, and with respect to the hundred and one other questions that have already arisen and are appearing in our relations with Japan, who will be able there, in Japan, not only to make known Canadian opinion, but be in a position also to give us through Canadian eyes a knowledge of the questions that are arising in Japan itself, and of the atmosphere in which they are being discussed. That is the point I would like to make. I am afraid that in hurrying over this subject so rapidly I am not developing it as well as I should.

I would say to my hon. friend that already the method of having different parts of the British Empire represented at a single centre for the purpose of conferences on matters affecting the empire as a whole, but having special reference to their own particular part, has already been tried out and has worked very successfully. It worked out at Versailles, dealing with the great question of the settlement of the war, at which conferences all parts of the British Empire were represented. It has worked well at the conferences at Geneva, and at the different conferences that have been held at Washington. Wherever there have been conferences at which all the different parts of the British Empire have been represented the result up to the present moment has been success, success and success. We have sufficient in the way of evidence to believe that in connection with these legations, if they are established, the same methods and the same attitude will prevail, and prevail for the good of all.

In regard to my hon. friend's reference to independence, may I say that he has got hold of the wrong word. It is not independence, it is self-dependence we are thinking about in the appointment of these legations, self-dependence and self-reliance in larger measure as we have increased responsibilities and increased obligations. My hon. friend, I presume, would be agreeable to having all our foreign business conducted at the expense of Great Britain.

Sir GEORGE PERLEY: No.

Mr. MACKENZIE KING: What is his alternative? It is to tax the Canadian people and pay part of the expenses of the British officials to look after our affairs?

Sir GEORGE PERLEY: Certainly not.

Mr. MACKENZIE KING: Then the other way is to let the British government do it at its own expense?

Sir GEORGE PERLEY: My suggestion was that we should have some system whereby each part of the empire would pay a share of the expense and each part would have a say as to the appointments, and that the foreign staff should no longer be appointed solely by the foreign office of Great Britain.

Mr. MACKENZIE KING: My hon. friend will strive from now till doomsday but never succeed in working out a plan of that kind. You will never get the foreign office in Great Britain to allow this country to say who is to run that office in any particular, any more than you could get the people of Canada to agree to allow somebody to come here from the Old Country and say how the affairs of this Dominion shall be run.

Mr. ADSHEAD: Does the Prime Minister know whether the statement that was made by Mr. Asquith that the foreign policy of Great Britain could never be shared by the different parts of the empire, but must be dictated by Downing street, has ever been refuted by any responsible statesman?

Mr. MACKENZIE KING: I think we might say such an opinion by whomsoever expressed has been refuted by experience.

I do not think it would now be maintained that Downing street was claiming the right to determine the foreign policy for all parts of the empire. The facts are quite the contrary, and that is recognized by the British government itself. Take the different treaties that have been negotiated by this country and by this government; they have been negotiated with the full approval of the British government. That of itself is an answer to my hon. friend's question.

With respect to the introduction of this policy, may I say that before the government decided to open a legation either in Paris or Tokyo, the government had one of its ministers, the leader of the government in the Senate, visit England and confer with the Secretary of State for Foreign Affairs in Great Britain, advising him of Canada's wish and intention in the matter, and also of the desire of the Dominion to have the good offices of the British Foreign Office in obtaining the necessary introductions for a discussion of the opening of legations in Paris and Tokyo with the foreign ministers of the countries concerned. Sir Austen Chamberlain offered every facility he could possibly offer, and I would like to take the opportunity of expressing the appreciation of our government of the helpful cooperation of His Majesty's government in Great Britain in this matter, and also of the services of the British ministers at Paris and Tokyo in having the representations of our government made known to the ministers of foreign affairs of both France and Japan. What we have done, we have done with the full knowledge, consent and approval of His Majesty's government in Great Britain. Indeed it is exactly in accord with the procedure laid down at the last Imperial conference.

I do not wish to take up too much time. I have a note on one or two other points that I thought might later be taken up. I will hasten to anticipate them.

The hon. leader of the opposition when he spoke previously, developed at some length a doctrine of sovereignty, and I think rather stressed the point that the oriental mind would not be able to distinguish our action in appointing a minister to Tokyo.

Mr. BENNETT: In the light of international law.

Mr. MACKENZIE KING: May I say to my hon. friend that I do not think we need worry about the oriental mind. It is the Tory mind that cannot understand these problems. It is the Tory mind that cannot get out of its ambit the view that all these matters relating to our external affairs must somehow or other be dealt with as my hon. friend who has just spoken (Sir George Perley) has said, by some individual other than a citizen of our own country.

Mr. BENNETT: He did not say that.

Mr. MACKENZIE KING: Let me put this question to the hon. gentleman: Does he think other parts of the empire would be content to have Canadians manage their external affairs?

Sir GEORGE PERLEY: Yes, I think it would be quite proper for a Canadian to be the representative of the whole of the British dominions at Paris or Washington or Berlin.

Mr. MACKENZIE KING: How much support does my hon. friend think he would get for that proposal in the British parliament?

Mr. BENNETT: Sir Robert Borden was discussed as an appointee to Washington.

Mr. MACKENZIE KING: Yes. But what was the view of this parliament with respect to Sir Robert Borden or anyone else acting as British minister at Washington?

Mr. BENNETT: As a minister for all the commonwealths.

Mr. MACKENZIE KING: Put it that way. The view held here when the subject was discussed was that it would be a most lamentable and unfortunate position for this country to be put in to have one of its distinguished citizens representing at Washington not only Canada but all other parts of the empire, for the simple reason that if a mistake were made there with respect to the affairs of another part, this country would be held wholly responsible. May I put the question concretely to my hon. friend: Assume for a moment that Sir Robert Borden were acting as the minister at Washington for the whole of the British Empire, and Sir Robert were to take a course of action on some subject that was not in accordance with the will and wish of the government of Great Britain; who would recall Sir Robert? Would he be recalled by the British government, by this government or by the Australian government? I submit you can have power only as you pay the bill, that the country responsible for raising the taxes must have the power of carrying on its own business and controlling its own agents, and that you will get into an endless mix-up if you try to divide authority in the matter of control.

With respect to sovereignty, in the management of our domestic affairs we have sovereign power already. We have sovereign

power in regard to external affairs in so far as they relate to this Dominion. The Imperial conference has distinctly stated that Canada's position in that regard is precisely the same as that of Great Britain herself. I know my hon. friend does not wholly subscribe to the doctrine of equality of status, and I am not going to discuss that question to-day, but I do want to give to this house once for all a statement that I propose to rely on in the days to come as my authority respecting Canada's position in the matter of equality of status when dealing with this question. I hold in my hand a volume entitled, Our Inheritance, being a collection of speeches and addresses delivered by the Right Honourable Stanley Baldwin, M.P., Prime Minister of Great Britain—a book which I think every citizen of the British Empire will be proud to read. Among the addresses are several delivered in Canada and one which Mr. Baldwin delivered within the walls of these houses of parliament on the occasion of the visit of himself and His Royal Highness the Prince of Wales to Ottawa last year. My hon. friend the leader of the opposition was there on that occasion, and heard this speech delivered. I shall not read the whole speech, but just one or two passages dealing with the significance of the Imperial conference of 1926. Mr. Baldwin spoke in the presence of all the members of the Privy Council on all sides of politics who were able to attend, and in the presence of other distinguished citizens and visitors. He said:

> I had the great honour of being chairman of that conference, and I think that it marked an epoch in the relations between the various parts of the British Empire. . . . .
>
> So perhaps it may be of interest, not only to you but also to Canada generally, if I try to explain very briefly how I personally interpret the main results of the conference.
>
> Its most important work was, by common consent, the unanimous report of the committee on inter-imperial relations, a committee which had the good fortune to be presided over by one who was a master of language no less than of thought—Lord Balfour.
>
> What that committee did was to attempt to define in a phrase the living relationship of all parts of the British Empire to one another, and to begin to work out the practical application of that relationship.
>
> The phrase to which His Royal Highness has already alluded has been widely quoted, and I think I can say without fear of contradiction that it will go down to history. You will pardon me if I repeat it here:

And this is the phrase which His Royal Highness himself gave to that gathering on the same evening:

> "Great Britain and the dominions, are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs—"

Mr. BENNETT: That is in the report.

Mr. MACKENZIE KING:

> "—though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations."

That paragraph, as my hon. friend the leader of the opposition remarks, was quoted by His Royal Highness from the report of the committee on inter-imperial relations. Then Mr. Baldwin goes on to say:

> This formula is founded on two principles, the essential equality of status of all the self-governing parts of the empire, and the unity of the whole empire under the crown. . . . .
>
> We may well be content with the declaration thus unanimously completed and agreed.

The words I particularly direct attention to are these:

> To define in a phrase the living relationship of all parts of the British Empire to one another, and to begin to work out the practical application of that relationship.

I submit, Mr. Speaker, that with respect to domestic affairs we have full and complete sovereign power; that with respect to our external relations, our powers are just as complete as they are with respect to our domestic affairs; the same is true of the powers of the British parliament as to their domestic and external affairs; the same is true of all the self-governing parts of the British Empire. That being so, we believe we should now work out the application of a living relationship that is fundamental. When we have great questions arising between ourselves and a country such as Japan—which we have—we feel that the practical application of this living relationship which Canada bears to the British Isles is to associate with the British ambassador at Tokyo a minister from Canada who will understand Canadian problems and be able to interpret them direct to the Japanese, and also to the other representatives of the British Empire who may be associated with him at Tokyo. We believe there is no danger of the Japanese or the oriental mind mistaking in any particular what as a consequence is involved with respect to sovereignty. Indeed, I think my hon. friend would be the first to admit that the Japanese are not oblivious to what has taken place at Washington; they are not oblivious to what has taken place at Paris. If the oriental mind is to get wrong impressions with respect to Canada's relations with the other parts of the empire, or of possible independence, that difficulty will have arisen already. But I do not think that any people anywhere will be quicker to appreciate the accuracy of the relationship which exists than will the Japanese nation itself.

Now, in the paragraph from the speech from the throne which I read, reference was made to the importance of personal communication, of personal contact in international relations. I submit, from what little experience I have had thus far in dealing with these external affairs that too much importance cannot be attached to immediate personal contact between representatives of different countries when considering in common some large problem of mutual concern. May I cite a matter which comes to my mind. Hon. members will recall a speech made in this house, in the course of the debate on external affairs, in which a friendly nation to my mind had reason to feel it had been insulted, at least indirectly, by the remarks of a certain hon. gentleman. I will not say more than that. The remarks, however, I may observe were made in application to the people of the orient. Those of us who are assembled here know how easily the hon. gentleman who spoke rolls off some of his various remarks, and we know how much to discount his language. But words of the character to which I refer sent across the Pacific and repeated in another country, as coming from one who has been not only mayor of a great city in Canada for seven years or more in succession but also a member of this parliament for several years, are likely to assume a significance in the orient which they do not begin to assume here. How are you to explain to the oriental people or to any people the significance of many such public remarks which do more mischief in international relations than anything else? Yet a thing of that sort can be explained in a moment, through personal contact, where it could not be explained by weeks of correspondence.

I desire for a moment now to stress the importance of the trade which is growing up with the orient. Do hon. members realize that Japan is our third or fourth largest customer in the matter of trade? The exports to Japan in 1926 amounted to $35,000,000, and in 1927, to $30,000,000; the reduction in 1927 is to be accounted for by the war in China as well as commercial depression in Japan. In 1926 Japan was our third best customer, our exports to that country being exceeded only by those to Great Britain and the United States. In 1927 she was our fourth largest customer. Our exports to Japan are 300 times as great as they were thirty years ago. And our imports from Japan, while only about one-sixth of our exports are still large enough to give Japan rank as sixth in the list of countries from which we purchase goods. It is a striking fact that our exports to Japan in 1926 were greater in value than were our exports to the United Kingdom and France combined in the first year in which we sent a High Commissioner to London and an agent to Paris.

May I now refer to what I believe to be the true significance of the step we propose taking in this regard? Action in this field is a natural and necessary development of self government. The different self-governing units of the British Commonwealth have great traditions and many interests in common. But they have also distinct problems to solve. As Canada has grown in population, industrial development and foreign trade, it has become necessary for her to make provision for her special interests abroad. We began by sharing in making commercial treaties with foreign countries, and later in making them ourselves. We are now participating directly in general treaties affecting wider political interests. We are sending representatives to Paris, Washington and other places to deal with special and individual problems arising between foreign countries and ourselves, and the natural, necessary and inevitable development is to send as conditions warrant permanent representatives to the capitals of foreign countries.

As a concrete indication of the advantage of the step we now propose, may I say that since this government decided to ask parliament to appropriate a sum sufficient for a legation in Tokyo, the government of Japan has asked its parliament to appropriate a similar amount for the opening of a legation in Ottawa. The discussions which took place with regard to the opening of these legations were supplemented by discussions with respect to the great question of immigration from the orient, more particularly immigration from Japan. As a result of these discussions, and largely as an expression of good will on the part of Japan herself at this new step which is about to be taken, we have succeeded, as I mentioned to the house the other day, in materially modifying the agreement which was formerly concluded between this country and Japan. Japan has to-day undertaken to restrict the total number of immigrants coming to this country per year as agricultural labourers, domestic servants and the wives and children of Japanese immigrants resident in Canada to 150 persons. Moreover, Japan has agreed that, as respects these persons leaving their country to come to Canada, our own minister in Japan shall vise their passports, so that in future there shall be no question about the genuineness of any passports presented or accepted. Japan has also agreed that, despite

the provisions of the commercial treaty in existence which gives certain rights to her people in travelling to and fro, our own officers of the Department of Immigration shall apply to Japan the immigration laws of Canada in the same manner as they are applied to all other countries, regard being had of course to the limited restriction of numbers to which I have referred.

I should not be doing justice to the attitude of the Japanese government in the negotiations towards this end if I did not express, on behalf of the government of Canada, our high appreciation of the manner in which the negotiations were conducted on behalf of Japan by Mr. Tomii the present Consul General of Japan at Ottawa. These negotiations were carried on largely between Mr. Tomii and myself, they were further carried on of course by immediate reference on my part, to the other members of the Canadian government, and by reference to the Japanese government on the part of the Minister of Foreign Affairs in Japan. I wish to say that throughout the entire negotiations every effort was made by the Japanese representative here to have it clearly understood on the part of Canada that Japan was seeking only the friendliest relations with this Dominion and that she was prepared to go to very great lengths in the matter of accepting conditions which in some respects are wholly unwelcome to her as an evidence of the international goodwill which it is her hope and ours that these legations in Tokyo and Ottawa respectively may serve to maintain.

Hon. R. B. BENNETT (Leader of the Opposition): The right hon. gentleman (Mr. Mackenzie King) has very correctly indicated that in committee the other evening we dispensed with discussion of this matter in the hope that we might be able to complete consideration of it before prorogation, which was expected to have taken place on Saturday night. That is the only reason why the matter was not discussed at length in committee of the whole when the estimates were under consideration.

There would not appear to be very great difference between the right hon. gentleman and ourselves with respect to one matter, although there are very vast differences between us in another regard. The Prime Minister (Mr. Mackenzie King) has referred to what he calls the Tory mind. May I point out that it was the Tory mind in Canada that gave this country trade commissioners. It was the Tory mind that conceived the idea that this country should be represented by Canadian rather than by British trade commissioners in every part of the world. It was the Tory mind, speaking through a Tory government that made possible the development of this trade in Japan to which the right hon. gentleman has referred. And other trade commissioners were appointed by this so-called Tory administration. Of course, there are no Tories in the world now; everyone knows that. There are no Tories nowadays; there have not been any Tories since the days of Peel, who coined the phrase "Liberal Conservative", for the reason that the toryism of Wellington had ceased to exist, as Trevelyan tells in his History of the Nineteenth Century. The word "Tory" disappeared with the death of Wellington and Lord Eldon. That is the fact, as the right hon. gentleman no doubt knows. There are great differences between us, I say, with respect to some matters, and I cannot better summarize our position than in these terms.

First, we say there is no complaint that existing arrangements for the transaction of Canadian diplomatic business at Tokyo are unsatisfactory. We have no minister at Tokyo, yet the Prime Minister tells us that he has just concluded a most satisfactory arrangement with respect to Japanese immigration. That in itself is conclusive proof that existing conditions are satisfactory. In the old province of Quebec they have a maxim which hon. members from there will bear me out is correctly stated in these words, "Whenever no change is necessary it is necessary not to change." Therefore, there being no necessity for change, and the Prime Minister just having indicated the satisfactory character of existing diplomatic arrangements, which enabled him within the last few weeks to conclude arrangements entirely satisfactory to Canada, there is no necessity for the contemplated change.

Secondly, in dealing with our relations with other states it is essential to the maintenance of the commonwealth of free communities known as the British Empire that there should be but one foreign policy. I think no one will dispute that. How is it possible to maintain unity among the free communities which we call the British Empire if Australia has one foreign policy, New Zealand another, Canada another and the remainder of the British Empire another? It follows beyond question that if we are to maintain the life of the free communities as an empire—the British Empire—there must be but a single foreign policy.

Thirdly, this leads us logically to the next point, that independence of action in diplomatic matters is not compatible with the ideas of partnership and of a united empire

We say we are a partnership of free peoples. Has any hon. gentleman in this house ever heard of one partner sending one representative, another partner sending another representative, and another partner still another representative with respect to business matters? How is it possible in a partnership consisting of four people for each partner to have his own special representative for the transaction of business with distant peoples? The partnership deals as a unit with respect to business and speaks with a single voice, and when it fails, so to speak as a unit, disruption and dismemberment are inevitable.

Fourthly, that leads us logically to the next statement, which is this: The appointment of a minister by Canada implies by international law that the Dominion is a sovereign state. We are not, and that implication will create misunderstandings at home and abroad. The Prime Minister dealt with that matter, and all I wish to say in answer is to read from a recent authority on international law. I quote Oppenheim, section 64, "Conception of the State":

> A state proper—in contradistinction to so-called colonial states—is in existence when a people is settled in a country under its own sovereign government. The conditions which must obtain for the existence of a state are therefore four:
>
> There must, first be a people. A people is an aggregate of individuals of both sexes who live together as a community in spite of the fact that they may belong to different races or creeds, or be of different colour.
>
> There must, secondly, be a country in which the people has settled down. A wandering people, such as the Jews were whilst in the desert for forty years before their conquest of the Holy Land, is not a state. But it matters not whether the country is small or large; it may consist, as with city states, of one town only.
>
> There must, thirdly, be a government—that is, one or more persons who are the representatives of the people and rule according to the law of the land. An anarchistic community is not a state.
>
> There must, fourthly and lastly, be a sovereign government. Sovereignty is supreme authority, an authority which is independent of any other earthly authority. Sovereignty in the strict and narrowest sense of the term includes, therefore, independence all round, within and without the borders of the country.

Mr. MACKENZIE KING: "In the strict and narrowest sense of the term."

Mr. BENNETT: Yes, with respect to the other matters. I repeat:

> There must, fourthly and lastly, be a sovereign government. Sovereignty is supreme authority, an authority which is independent of any other earthly authority. Sovereignty in the strict and narrowest sense of the term includes, therefore, independence all round, within and without the borders of the country.

[Mr. Bennett.]

Mr. MACKENZIE KING: Yes, that is only in the strict and narrowest sense.

Mr. BENNETT: Yes, but you must deal with it in every sense. That is the very point I desire to make. We are not a sovereign power even for domestic purposes, and I can best illustrate that statement by a reference to one house of this parliament. The Supreme Court of Canada has decided that women may not be appointed to the Senate, and we have not the power to change our constitution in that regard. That must be done by an amendment to the British North America Act.

Mr. MACKENZIE KING: It is a matter of method, that is all; the power comes from us.

Mr. BENNETT: No, the legislative power is exercised at Westminster, not at Ottawa, and the same thing applies to other matters which were dealt with the other day by the hon. member for St. Lawrence-St. George (Mr. Cahan). The Merchant Shipping Act is another example; there can be no such thing as domestic sovereignty so long as this parliamment occupies under the constitution, and the statute which created it, a subordinate position with regard to any matter. We may not change the constitution of the Senate; we are not a sovereign power even for domestic purposes. With respect to foreign matters it is admitted that we are not a sovereign power, because only an independent state may be a sovereign power, and not being an independent state we are not a sovereign power in foreign matters in the proper and legal sense in which that term is employed. The Prime Minister has said that Mr. Baldwin stated that we had equality of status. Mr. Baldwin's say-so is no more authoritative than that of the Prime Minister; It is no more authoritative than that of any member of this house, because the word of no single man can change the legal position. This constitution is divided into three parts, the legislative, the executive and the judicial. The judicial interprets the constitution and determines what is our position; that judicial determination does not rest upon resolutions of the Imperial conference, which cannot be even considered by it. When our constitution is construed and our powers determined by the courts, it has been decided time after time that such a resolution cannot be considered, and that even a resolution of this parliament has no authority before a court. The parliament of Canada and the parliament of Great Britain each speaks as a parliament assembled; in England it is His Majesty, by and with

the advice and consent of the Lords and Commons, while here it is His Majesty by and with the advice and consent of the Senate and the House of Commons, and unless there is action taken by appropriate legislatures and parliaments the equality of status of Canada cannot be established.

To what equality are we looking? Great Britain has an independent status; do we desire to be placed in a similar position? If so this is a step in that direction. That is our position with respect to it, and the people must decide upon this matter as they decide upon all other matters, after it has been properly and clearly presented to them. It will be recalled that I mentioned in the debate on the address in reply to the speech from the throne that I believe every student of international law, even the casual reader, would admit that there is no equality of status as between Canada and Great Britain and that there can be no such thing in international law as equality of status between Canada and Great Britain until such time as this country has the powers of a sovereign state and absolute independence both within and without our country. Then, and then only, may we have equality of status. I have said, and I repeat, that as far as I am concerned I propose to die protesting against that independent condition being achieved. That is all I can say with respect to that.

I submit further that such appointments make for separation as against solidarity. How must this Britannic commonwealth of nations speak with respect to foreign policy? As I have said, it must speak either as a unit with a single voice or as individual partners with many voices; it must speak with one voice or many. Can it speak on matters of foreign policy with more than one voice? It cannot and remain united. When it speaks with many voices then you have disunion and you destroy the solidarity we now possess. The difficulties which arose in connection with the making of the Versailles treaty were matters which could be taken up easily and decided this week or next week, or hour by hour or day by day. It took a long time to negotiate the treaty and they discussed matters and arrived at compromises and conclusions. The Assembly of the League of Nations at Geneva does not always arrive at the same conclusion. There was a vote recorded last year in which Canada voted one way and another part of the British Empire voted another way. My friend the Minister of the Interior knows that is so, for he was present, I think, on that occasion. So you see you can hardly compare that—

Mr. MACKENZIE KING: That did not disrupt the empire.

Mr. BENNETT: It did not, nor is it likely to. The League of Nations is nothing more than an organization set up by various countries in the world, and has nothing to do with the question of peace or war, or the status and position of this country or any other. I put this question to the right hon. the Prime Minister: How can you have at any capital ministers from Canada, Australia, New Zealand and South Africa together with a minister from Great Britain? How can they differ and have unity in the empire?

Mr. MACKENZIE KING: Why should they always differ?

Mr. BENNETT: The point I am coming to is this; I do not think they would always differ, I hope they might always agree, but this empire should have but one representation of its foreign policies. It can never speak with many voices, it must always speak with one. In every great capital where it is necessary that there should be representatives of Canada, Australia, New Zealand and South Africa, there should be an ambassador who speaks for the empire. Who is going to speak for the partners who comprise our commonwealth of nations? Not Sir Austen Chamberlain, as was said the other day. Suppose a difficulty arose in France. Sir Austen Chamberlain consults the French foreign minister and he determines upon a course of action, so far as he is concerned, speaking for Great Britain, Australia and New Zealand. But Canada has a representative there, and he says, "No, I do not agree to that; I will have to wire my home government." He wires his home government at Ottawa and they do not agree. Then what happens? It means one of two things; either Sir Austen Chamberlain speaks and says, "I cannot speak for Canada;" and simply speaks for the rest of the empire. Are we ready for that?

It means that if the Canadian representative in Tokyo is confronted with a problem that affects Canada and other parts of the commonwealth of nations, and the ambassador of Great Britain agrees upon a given line of action, and there are no other representatives of any part of the king's dominions there except the ambassador of Great Britain and the Canadian minister, and the Canadian minister says, "I cannot agree to what you propose doing," the ambassador of Great Britain must agree with our minister or no action can be taken. What if we are faced with a condition similar to that which confronted Mr. Ambassador Goschen, at

Berlin, or Sir George Buchanan at St. Petersburg? You cannot take weeks to decide a diplomatic matter, you can only take hours. The ambassador of Great Britain says, "I can speak for everybody but Canada." Can we then remain within the empire, remain a partner of the commonwealth of nations called the British Empire? We cannot. There is no difficulty in understanding that.

That is the reason we proposed, and it was not an improper proposal, that we should establish at Washington, as was originally intended, not our own embassy or our own legation, but that our representative should work with the ambassador of Great Britain. I had even hoped that the time would come when the British commonwealth of nations might be represented in foreign countries by Canadians.

Gentlemen here have visited foreign lands as I have, and have experienced the same pride as they looked upon the union jack and the coat of arms of his Britannic Majesty's embassy. We go into the embassy and over the entrance are the arms of his Britannic Majesty and the British flag. What is going to be put over the Canadian legation door?

Mr. STEWART (Edmonton): Does my hon. friend intimate that Sir Robert Borden advocated that the Canadian representative should be attached to the British embassy at Washington?

Mr. BENNETT: I do not think the word "minister" was used. It was intended that our representative, as the minister probably knows, should find quarters in an addition to be made to the embassy of Great Britain at Washington. That was the original idea,—that they would work together so there would be no chance of any disagreement.

Mr. STEWART (Edmonton): You do not get that idea from his public utterances.

Mr. BENNETT: You should have got it in this House of Commons. What will you find upon the shield outside the Canadian legation? His Majesty's government in Canada with the British flag and the Canadian flag. Let us look at this thing as practical men. We go down to Washington to-day and we find a Canadian flag and the Canadian arms. That is easily understood on the American continent; but you get out to Tokyo and there is a British embassy with the British shield and British flag upon it, and at another place is the Canadian legation with the Canadian arms and Canadian flag. A question comes up which affects every partner in the British commonwealth of nations. What is the ambassador of Great Britain going to do about it? He arrives at his conclusions as to what should be done, and he goes to the government he is accredited to with his determination. The Canadian minister is advised. If we are going to act in unity with him, then we should be side by side and acting as one people speaking for the whole commonwealth, and not for that partner called Great Britain or that partner called Canada. The Prime Minister says there will be no difficulty because you can compromise and agree, but the world's history is filled with the record of cases where they did not agree. The disagreement of ambassadors brought about wars in times past. Look at the great congress of ambassadors which was supposed to preserve the world's peace after the treaty of Vienna and the Napoleonic wars. This congress was to keep the peace of the world, but differences arose, the first I think being in connection with Brazil.

Let us look at these matters frankly. We are predicating this experiment upon the possibility of men always being able to agree. It is illogical to conclude that this commonwealth of nations can speak as several entities when we know that in matters of foreign policy it must speak with one voice or perish. There can be no division when you come to a question of foreign policy. The king cannot be neutral in one country and at war in another. We cannot be at peace and war at the same time, and this commonwealth of nations must speak with one voice. It cannot speak with one voice if power is given to the representative of Canada or any other part of the commonwealth to speak with a dissenting voice. This is the real reason I make a protest against this expenditure.

Then there is the further question of the expense involved at this time for no corresponding results. What do we offer as a substitute? We say trade commissioners, high commissioners if you will. The trade with Japan has not been brought about by diplomatic interviews. Their business is not trade, it is diplomacy. Ask the Minister of Trade and Commerce if the business, with the United States has been improved by the Minister at Washington or through trade commissioners. A trade commissioner's business is trade, not diplomacy, and your trade commissioners bring about the expansion of business. We could keep up five trade commissioners at $10,000 per year for what this one minister is to cost us. Think what that would mean. It would put trade commissioners in different parts of the world, an additional one in China, two more in Japan, if you will, to

expand and develop our oriental trade through the means we have found so satisfactory in the past. We suggest, so far as it is possible for us to do this, that contact and communication by Canada with foreign powers should be maintained through a single office speaking with authority as a single voice representing all communities of the commonwealth. If necessary Canada can have representation in those offices for discussion, for the presentation of her views; but the league or commonwealth of the British communities is the greatest assurance the world has of its peace to-day, and now we are going to make it possible that some man with a strong determined view, yielding not to pressure or to compromise, may for this country speak with a voice different from that of the other communities of the empire and thereby imperil its solidarity and unity and destroy the whole idea that underlies this free community of nations we call the British Empire.

For that reason, without elaborating the matter further at this late hour, I am compelled to place myself on record as against these proposals with all the implications that are involved—and the implications are more powerful still—the implications of protection in a foreign land, when Canadians rush to their own flag to find protection in their own legation. Where are our fleets? Where are our police? Armies are but policemen; where are they? Where are our police patrols—our cruisers abroad? Where upon the high seas are our destroyers, as Kipling says, "the stripped hulls, slinking through the gloom"? In the east to-day we find ferment, great conflict of ambitions between China and Japan. Some day China will be consolidated; some day their internal differences will be settled. Then we have those ambitions clashing in Manchuria, and we know what has taken place there. Manchuria is our great rival in the production of wheat for the great flour mills of Japan. Questions of trade we can understand; but when other moments come; when difficulties arise; when British subjects rush for the protection of their own country, to their ministry, to their legation, the implication is at least that we can afford some protection. What protection can we afford? None. This is putting on show, a pretence, without having behind us power, authority or means with which to assert ourselves should difficulties arise. And the same reliance which in days gone by we have had to place upon the fleet and might of England, the taxpayers of England, to protect the lives and property of our citizens, we shall once more have to place upon them as against this bogus representation of nationality, this false representation of sovereignty which we do not possess and which places us in the eyes of the world in a position wholly unwarranted either in fact or in law.

Amendment (Sir George Perley) negatived on division.

SUPPLY BILL—CANADIAN NATIONAL RAILWAYS —HALIFAX HOTEL

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I want to say a word, on the third reading, with regard to the item which was under discussion this morning and as to which I stated that I would forego my right to speak at that time in order not to delay the passage of the bill. I will take the time of the house very shortly, but I feel that there should be placed on record one or two matters with regard to the observations made by my right hon. friend this morning so that my remarks may be read along with his.

First, with regard to a suggestion which my hon. friend made to effect that definite subscriptions had been made by the Canadian Pacific, I now have information which shows that the subscription must have been of the most informal kind, because, as I now ascertain, the scheme of capitalization of the present Lord Nelson hotel project was not completed until October 7, 1927. I find that the original capitalization of that company as it appeared on the records in Nova Scotia in 1926 was 8,250 preference shares and 16,500 no par value shares. I find that that same capitalization continued, no change being made until a special resolution was filed on October 7, 1927, when for the first time on the official records appeared the capitalization which had been the subject of all the discussion and advertisements during the summer, namely, a capitalization of 6,400 preference and 3,200 no par value shares. I refer my hon. friend to that when he suggests that some subscription was made, as he said, prior to August 1st. I point out to him that if such a subscription was made it was not made to the present shares on which the operation of the company is founded. This indicates to me, and, I think, to the house, that there had been an entirely informal and tentative dealing with this matter until some time after the Canadian National Railway announcement.

Mr. SPEAKER: Might I inform the hon gentleman that there is no amendment, but perhaps it is a question of privilege or personal explanation.

Mr. RALSTON: There is the matter of the third reading.

Mr. BENNETT: I think my hon. friend is wrong in going on, but I did not want to take the question up myself.

Mr. SPEAKER: The hon. gentleman may proceed.

Mr. RALSTON: I understood the motion was for the third reading and I am speaking on that. I will not be long and I think what I have to say should be put on record. Further, my hon. friend has intimated that there was some disposition on my part against this proposition, and that objection should have been removed when the change in the financial arrangement was made. May I point out that when the change in the financial arrangement involved a payment of something like 7.31 per cent on the money going into the company, and when this country can borrow money at 4¾ per cent, it seemed to me that it was not good business to take part in a proposition in which the financing cost as much as that.

In the matter of control, as I also intimated, there was no control whatever by the Canadian National. The whole purpose of the hotel was to be a feeder to the railway. That purpose was gone completely if the control was held by individuals who had not the interest of the railway at heart, but whose first endeavour was to earn interest on the bonds and dividends on preferred stock. The advertisements disclose that the chief ground upon which the public were asked to subscribe was that the railway had subscribed to this undertaking and it was further pointed out in the advertisement that the public subscription would be annulled unless the railway subscription were gone on with, indicating clearly that the whole basis of the financial scheme was that the railway should support it. If that was so and the railways were to stand behind the scheme, and if the scheme was really dependent on the railways, then it seemed to me that there was no reason why the company should pay the $94,000 to underwriters which was required under that scheme. It seemed to me that the situation was this. If the project was going to be successful, there was no reason why the railway should not take it on entirely as a railway proposition, and if it was not going to be successful the railway would eventually have to take it over anyway to save their investment and to see that the interests of the road were protected.

My friends opposite have been very solicitous in suggesting hands off the Canadian National Railway, but they only wanted hands off the railway when the situation was that the railway was, for want of something better, acquiescing in a scheme which they desired, but when the railway propose a scheme that is more for the interests of the railway, the suggestion is now that the management of the Canadian National Railway in that respect shall be blocked and throttled.

There is one other thing to which I want to refer, and that is the telegram read by my hon. friend which was sent by myself to Mr. Silver in which at the end of the telegram I said something to the effect that I would continue to support the Canadian National railway hotel unless private interests saw fit to take the project over.

Mr. BENNETT: What was the date of that?

Mr. RALSTON: September 23. I asked my hon. friend to read the other two telegrams.

Mr. BENNETT: He did not have them.

Mr. RALSTON: Mr. Silver's telegram of September 24 reads:

Telegram received. Regret your decision which people here find hard to understand, as it is felt that the participation of all transportation lines entering Halifax is essential to any modern hotel proposal irrespective of who builds it. This is the broad view held by other transportation companies, and it was thought would appeal to you especially as your objections have been so fully met. You, of course, are entitled to your personal views, but in the interests of the province generally, don't you think the proposal which has been approved of by the responsible heads of the two great transportation systems, and I am informed the Minister of Railways also, is worthy of consideration from the broad standpoint of the benefit the immediate construction will be to the whole province?

I wired him on September 25, as follows:

Wire received. Regret do not see how government's position can be made any plainer than in my wire. Participation of both railway companies is not a new feature. It was involved in scheme first submitted, but that is not the point of government's decision. Let me repeat that the decision of the cabinet was not to approve large expenditures like this for matters outside ordinary railway undertakings without their being submitted to parliament in railway budget. This decision was arrived at and announced on July fourteenth, and therefore do not see how there can be the difficulty you suggest in understanding the situation. Your information is quite incorrect when you suggest that Minister of Railways did not share this view; he concurred in it fully. Concerning approval railway heads, may I refer again to Sir Henry's statement published in Herald July twenty-first to effect that C.N.R. hotel was in accordance with original desire of management and that appropriate amount for this purpose would be submitted in next railway budget. It is because considerations which

are simply local have not been allowed to govern that the conclusion arrived at has been reached, and you may be assured that the action in this matter is governed by broad viewpoint of interests of the province generally.

I point out to my hon. friend that the suggestion which was made at the end of the telegram to which I referred was a purely negative suggestion. I want to say to him that it was not intended at all as an undertaking or an assurance. It was simply a reservation. It was in order that there might be no danger in the future of somebody in Nova Scotia coming along and demanding: Now you support and see that there is built a Canadian National railway hotel in Halifax, notwithstanding the fact that there may be a privately owned hotel as well. It was in order that I might have the opportunity of seeing what the views of the Canadian National railway were and of considering the new situation if it arose that I was very careful indeed to make that reservation. I regret if anybody took it as an undertaking that I would not support a Canadian National railway hotel if it was decided that the interests of the railway required one, but I do not think anybody was misled in the slightest because I find that almost immediately Sir Henry Thornton himself made a statement, on September 27, which is reported in the Halifax Herald of September 28 is follows:

Montreal, September 27—It was officially announced by Sir Henry W. Thornton, chairman and president of the Canadian National railways, to-day that the Canadian National system will erect its own hotel in the city of Halifax. Owing to preliminaries involved no further announcement will be made at this time.

As I have pointed out, express notice had been given previously by Sir Henry Thornton and myself repeatedly that a Canadian National railway hotel was in contemplation. Hon. gentlemen will find in the statement made by Mr. Silver himself as late as October 15, that he rather expected the Canadian National railway hotel would still be considered, and it was with his eyes wide open that he went ahead in connection with the Lord Nelson hotel. Mr. Silver makes this announcement. He says:

The announcement of Sir Henry Thornton yesterday would appear to be in line with previous announcements made by him, and there does not seem to be any sound reason to believe that a government-owned hotel will be considered until after the next session of parliament.

In view of that fact, President Silver said, the Lord Nelson hotel company were going right ahead with their plans and will immediately proceed with construction.

No one could have had his eyes more wide open than Mr. Silver on that occasion. It was simply a case of competition, a case where the Canadian Pacific Railway felt that an opportunity had come to them so that they might take stock in that hotel and get it started, and they were able to get it started more quickly than the Canadian National. As I have said, no one was misled; they had before them the statements made back in July and before the company was organized on the present basis at all, that there would be submitted to parliament at the next session an estimate for a Canadian National railway hotel in Halifax, which estimate is in the supply bill now before us. They also had my interview with the Board of Trade in August. May I say further that all the announcements of Sir Henry Thornton had been made and the plan for the combined station and hotel was known before the Lord Nelson contract was authorized. According to the press the contract was not authorized by the directors at least until as late as October 15, the site was not approved by the directors until October 17, the contract for the excavation was not closed until October 19, and as I indicated previously the capitalization had not been legally fixed and recorded until October 7, some time after Sir Henry Thornton announced definitely that he would build a hotel.

Just one word on the merits, and I have finished. One thing which influences me and which will influence this house and be regarded in this country as important is this, that Mr. Silver himself in advertising the Lord Nelson hotel securities in July points out:

Based on comparisons with other hotels of approximately the same size, it is estimated on the most conservative basis, that the gross earnings for the first full year's operation will be $246,456 and the operating expenses, taxes, insurance, and so forth, will amount to $105,225, leaving a balance of $141,231 available for bond interest and preferred stock dividends which amount to $83,800.

That would indicate at least that Mr. Silver did not entertain the same gloomy views which my hon. friend the leader of the opposition has suggested.

Mr. BENNETT: I did not suggest that he ever entertained gloomy views. I gave the statement of Mr. Pratt to the president of the railway company.

Mr. RALSTON: That would suggest that Mr. Silver did not entertain the gloomy views which my hon. friend thought were entertained by Mr. Pratt.

Mr. BENNETT: Not "thought were entertained by Mr. Pratt," but were entertained by Mr. Pratt.

Mr. RALSTON: My hon. friend said that the combined capacity is 400 rooms. My hon. friend is wrong.

Mr. BENNETT: That is what Sir Henry Thornton says.

Mr. RALSTON: The proposal is that this shall be a combined station and hotel, that there shall be 160 rooms, not 200, and the combined capacity of the two hotels will be 360 rooms, and that is I understand less than the present hotel capacity in Halifax to-day? Further than that my hon. friend the Minister of Railways mentioned this morning that there are indications already that the Lord Nelson hotel will be booked up to capacity. Let me read from the bond circular of the Lord Nelson hotel which corroborates that exactly. They say:

> Already it is considered that the demand for such accommodation will be greater than the Lord Nelson can supply, without consideration of the stimulus such hotels invariably have on further travel.

I do not think there will be any doubt that with the statements of Mr. Silver concerning the Lord Nelson in the original prospectus and in the bond circular no gloomy views need be entertained as to the Canadian National hotel succeeding. My hon. friend overlooks that this is a station as well as a hotel, that there will be located at the terminals, where the steamship and the rail traffic all meet, a station and hotel combined to take care of the traffic.

I think my hon. friend realizes full well, as no doubt does this house, that the management of the railway have in view their experience in meeting competition from the other railway at Quebec, for instance, where large tourist parties have actually been taken from them on account of the Canadian Pacific Railway hotel there. They will soon have to face similar competition on account of the new Canadian Pacific hotel in Toronto, and there is the same experience in Regina, in Calgary and in Vancouver. And it does seem to me, sir, that it is only fair to the people's road, as I said the other night, that power should be given to the Canadian National Railways to compete in the matter of hotel accommodation in Halifax when it is so vital to traffic going all over the system. It does not concern Halifax alone. I presume I would be popular in some quarters in Halifax if I opposed this hotel, but I am not looking for popularity by so doing. But I believe it is in the interests of the whole province of Nova Scotia that not simply one but both these great railway systems should be allowed to provide hotel accommodation which will be feeders to their lines not only in the province but all over Canada.

Mr. BENNETT: On page 150 of the evidence given before the select standing committee on railways and shipping there is the following:

> Mr. Bell (St. Antoine): I was wondering whether there was business for two hotels in Halifax.
>
> Sir Henry Thornton: That is a matter of opinion. I might observe for what it is worth, that the capacity of the two hotels under contemplation represents the combined capacity of the present existing hotels in Halifax. Without any reflection whatever upon those hotels, they have not been regarded as adequate, nor of a satisfactory character for the hotel trade in Halifax. In other words, this is a substitution of what might be described as really modern hotel accommodation, in an equal quantity to that which existed before, and which has not generally been regarded as of a modern character. It only represents about three hundred rooms.

It only represents about three hundred rooms Sir Henry Thornton says; not 160.

Mr. RALSTON: What does?

Mr. BENNETT: This new hotel.

Mr. RALSTON: My hon. friend is wrong. It means two hotels.

Mr. BENNETT: It could not be two.

Mr. RALSTON: There cannot be any question about that.

Mr. BENNETT: I am reading from Sir Henry Thornton's evidence.

Mr. RALSTON: But there must be a mistake. The plans for the Canadian National Hotel are for only 160 rooms.

Mr. BENNETT: Sir Henry Thornton told the committee:

> It only represents about three hundred rooms.

The Lord Nelson hotel represents 193 rooms. That is the position in regard to that. My hon. friend said that the Canadian National was preparing to meet hotel competition in Calgary. I do not see it in the estimates. Is that settled?

Mr. RALSTON: No, I said they had had experience of trying to meet hotel competition in Calgary.

Mr. BENNETT: I am grateful for that. I did not so hear it.

Motion (Mr. Robb) agreed to and bill read the third time and passed.

PRIVILEGE—MR. LETELLIER

Mr. J. E. LETELLIER (Compton): Mr. Speaker, I rise to a question of privilege. Before the house rose at one o'clock the hon. member for Vegreville (Mr. Luchkovich), on a question of privilege stated that item 44 of the agriculture estimates had not been called by the hon. chairman in committee of supply. It does appear in unrevised Hansard of Saturday last, as follows:

The following items were passed in committee of supply:

Agriculture

And on the following page in the last paragraph under that heading I find this:

Live stock, including grants to exhibitions, feeder shows, etc., $1,480,000.

This is the item that appears in the agriculture estimates. Surely, Mr. Speaker, this should be sufficient to establish that this item was called and voted in committee of supply on Saturday last.

Mr. LUCHKOVICH: The hon. member says that item 44, with regard to class B fairs, had been discussed, as would be seen in Hansard. May I point out that what appears in Hansard is simply a list without any record of discussion in the house. I was very sorry on Saturday night that the Minister of Agriculture (Mr. Motherwell) could not be here. Regarding his absence, I might express myself in rhyme:

Oh where, oh where is our Minister of Agriculture gone?
Oh where, oh where can he be?
With the B fair grants cut short and the grant to Toronto cut long,
Oh where, oh where can our Minister of Agriculture be?

We are going to fight this thing to a finish and I can tell the Minister of Agriculture that we shall meet him at Philippi.

Mr. LETELLIER: I may say that I did not use the word "discussion;" I said that the fact had appeared in Hansard. I may also point out that the question was raised the other night by the hon. gentleman who has just spoken.

QUESTION

BOVINE TUBERCULOSIS—COMPENSATION FOR ANIMALS DESTROYED

Mr. CAHAN:

1. Is it the intention of the government to pay to owners of animals which are destroyed because they are affected with tuberculosis the full value of the animals so destroyed by order of the government's inspectors?

2. Has the government paid the owners of animals which were recently destroyed for such cause in the county of Compton in the province of Quebec?

3. If not, when will such payments be completed?

Mr. MOTHERWELL:

1. No. Sections 6 and 7 of the Animals Contagious Diseases Act limit the valuation of an animal and the compensation that may be paid. The compensation is two-thirds of the appraised value up to the limit allowed by the act.

2. Compensation was awarded and payment made or will be made when the owner has fulfilled the requirements of the regulations, such as the disinfection of the premises where his animals are kept.

3. Answered by No. 2.

MESSAGE FROM THE GOVERNOR GENERAL'S SECRETARY

PROROGATION OF PARLIAMENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following message:

Ottawa, June 11, 1928.

Sir,

I have the honour to inform you that His Excellency the Governor General will proceed to the Senate chamber on Monday, June 11, at 5.20 p.m. for the purpose of proroguing the present session of parliament.

I have the honour to be, sir,
Your obedient servant,
James F. Crowdy,
Assistant Secretary to the Governor General.

At 4.55 p.m. the sitting was suspended until 5.15 p.m. this day.

The house resumed at 5.15 o'clock.

ST. LAWRENCE WATERWAY

BEAUHARNOIS POWER COMPANY

Hon. R. B. BENNETT (Leader of the Opposition): There was a question I wanted to ask the Minister of Railways (Mr. Dunning) during the progress of his estimates, but in order to expedite matters I refrained from doing so. I observe by the Gazette that an application is to be made by the Beauharnois Light and Power Company to divert certain waters of the St. Lawrence into a canal. I am advised that the effect of this would be to destroy the Long Sault rapids which are now navigated by ships. I propose to ask the minister whether or not in his opinion the department would have the power to deal

with the matter in that way and thus prevent further navigability of the rapids, destroying the scenic attractions that go with them, without the consent of parliament?

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): In the first place, the question is not properly addressed to me, inasmuch as the Navigable Waters Protection Act is under the administration of the Minister of Public Works. There is of course a very important legal question—almost an international legal question—involved in my hon. friend's query. I appreciate his thinking me sufficient of a legal expert to be able to give an opinion on such a matter, but I assure him I do not aspire to such eminence.

Mr. BENNETT: I think my hon. friend admitted it.

Mr. DUNNING: No, no. However, my hon. friend's question will appear in Hansard in the natural course of events, and will be directed to the attention of the Minister of Justice.

Mr. BENNETT: And of the Minister of Public Works?

Mr. DUNNING: Yes.

Mr. CAHAN: It may have escaped the attention of some hon. members that all the documents relating to that diversion have been brought down. There are some very interesting documents among them which would take a considerable time in order to be duly appreciated.

PROROGATION OF PARLIAMENT

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

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

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

In the Senate chamber, His Excellency the Governor General was pleased to give, in His Majesty's name, the royal assent to the following bills:

BILLS ASSENTED TO

An Act for the relief of Dorothy Estelle McCutcheon.
An Act for the relief of Adelaide Marie Moore.
An Act for the relief of Delia Elizabeth Davies.
An Act for the relief of Edith Duff McCoo.
An Act for the relief of Kathleen Marion Baldwin.
An Act for the relief of Frederick James Lee.
An Act for the relief of Laveania Maud Kelly.
An Act for the relief of Arthur John Evans.
An Act for the relief of Margaret Constance McIntyre Fairbanks.
An Act for the relief of Lina Elizabeth Foster.
An Act for the relief of Ruby Jean Standing.
An Act for the relief of Albertine de Varennes.
An Act for the relief of William Bye Fasken.
An Act for the relief of John Alexander Parsons.
An Act for the relief of Martha Golding.
An Act for the relief of Reginald Key.
An Act for the relief of Madeline Massey Knox.
An Act for the relief of James Parker.
An Act for the relief of Dorothy LaBelle.
An Act for the relief of Richard Henry Orr.
An Act for the relief of Marjory Sterne Boyd.
An Act for the relief of Florence Louise Parsons.
An Act for the relief of George Daniel MacDonald.
An Act for the relief of Evelyn Conner.
An Act for the relief of Annie May Caldwell.
An Act for the relief of Florence Marjorie Cressman.
An Act for the relief of Esther Buck Scott.
An Act for the relief of Norah Jones.
An Act for the relief of Albert Wood.
An Act for the relief of Louisa Baldock.
An Act for the relief of Albert John Morison.
An Act for the relief of Amelia Judd Wasserman Berliner.
An Act for the relief of Ernest Edmund Parrington.
An Act for the relief of Margaret Beaton Hale.
An Act for the relief of Annie Constance Vipond Coleby Lazier.
An Act for the relief of Gladys Caroline Isbell.
An Act for the relief of Victoria May Hardwick.
An Act for the relief of Annie Alice Tushingham.
An Act for the relief of Rita Peden.
An Act for the relief of Lorne William Paterson.
An Act for the relief of Albert William Hornby.
An Act for the relief of Marguerite Adele Berwick.
An Act for the relief of Harriett Ellen Isabel Kirkpatrick.
An Act for the relief of Martha Evelyn Taylor.
An Act for the relief of Winnifred Clark.
An Act for the relief of Marie Eremca, otherwise known as Marcia Eramko.
An Act for the relief of Albert Glenn Steinberg.
An Act for the relief of Charles Frederick Spittle.
An Act for the relief of Helen Lazelle Margaret Zeller.
An Act for the relief of Rachel Pearson.
An Act for the relief of Ida Myerson.

An Act for the relief of Arthur Wellington Henry.
An Act for the relief of Dorothy Warren Gorrie.
An Act for the relief of Stanley Edmunds.
An Act for the relief of Irene Frances Phebe Fricker.
An Act for the relief of Jean Maxwell Douglas.
An Act for the relief of Constance Brown Kinsman.
An Act for the relief of William Wilbur Blackburn.
An Act for the relief of Viva Venetta Rahmer.
An Act for the relief of George Ranney Price.
An Act for the relief of Percival Bovill.
An Act for the relief of Paul Charboneau.
An Act for the relief of William Franklin Darby.
An Act for the relief of Lorne Wilbert Helmer.
An Act for the relief of Mary Marjorie Jacques.
An Act for the relief of John Edward Gladstone King, otherwise known as John E. King.
An Act for the relief of Winnifred Lilias Maunsell.
An Act for the relief of Hazel Kathleen Mulligan.
An Act for the relief of Jessie McLean.
An Act for the relief of Winifred Margaret Pope.
An Act for the relief of Elizabeth May Thornley.
An Act for the relief of Norton Webster Kingsland.
An Act for the relief of Alice Edith Knowles.
An Act for the relief of John McArthur.
An Act for the relief of Charles Alfred Turner.
An Act for the relief of Lillian May Chandler.
An Act for the relief of Esther Brand.
An Act for the relief of Irene Adela Crann.
An Act for the relief of Jessie Ferguson..
An Act for the relief of William Herbert Gamble.
An Act for the relief of Mabel Maude Giles.
An Act for the relief of Alice Mockford.
An Act for the relief of Alvah Arthur Norris.
An Act for the relief of Eleanor Porter.
An Act to amend the Copper Bounties Act, 1923.
An Act to amend An Act respecting the National Battlefields at Quebec.
An Act to amend the Experimental Farms Stations Act.
An Act to authorize the raising, by way of loan, of certain sums of money for the Public Service.
An Act to facilitate the provision of storage in Lac Seul in the Province of Ontario, and to repeal the Lake of the Woods Regulation Act, 1921.
An Act respecting a certain Treaty of Commerce and Navigation between the United Kingdom and Spain and a certain Agreement between the United Kingdom and Spain regulating the treatment of companies.
An Act respecting a certain trade convention between His Majesty and the President of the Czechoslovak Republic.
An Act to amend the Dairy Industry Act.
An Act respecting trade between Canada and Esthonia, Hungary, Latvia, Lithuania, Portugal, Roumania, and the Serb, Croat and Slovene Kingdom.
An Act to amend the Excise Act.
An Act to amend the Special War Revenue Act.
An Act relating to the submission to Parliament of certain Regulations and Orders in Council.
An Act to amend the Customs Tariff.
An Act to incorporate the British Empire Assurance Company.
An Act respecting The Imperial Guarantee and Accident Insurance Company of Canada.
An Act respecting the Canadian Pacific Railway Company.
An Act respecting the Manitoba and North Western Railway Company of Canada.
An Act to amend the Customs Act.
An Act to amend and revise The Electricity Inspection Act.
An Act to amend the Prisons and Reformatories Act.
An Act to amend the Exchequer Court Act.
An Act to amend the Yukon Quartz Mining Act.
An Act to amend the Canadian National Railway Act.
An Act to amend the Militia Pension Act.
An Act to amend the Seeds Act.
An Act to amend the Dominion Forest Reserves and Parks Act.
An Act respecting The Toronto Terminals Railway Company.
An Act to provide for a loan to the Quebec Harbour Commissioners.
An Act to provide for a loan to the Saint John Harbour Commissioners.
An Act to amend the Railway Act.
An Act to amend the Gold and Silver Marking Act.
An Act to provide for a loan to the Halifax Harbour Commissioners.
An Act for the relief of Edward Bennett.
An Act for the relief of Annie Amelia Eliza Ferguson.
An Act for the relief of Laura Langstaff Dent Kemp.
An Act for the relief of Helen McLean.
An Act for the relief of Robert Pius Nageleisen.
An Act for the relief of Elsie Irene O'Meara.
An Act for the relief of Doris Read.
An Act for the relief of Thomas Zeamond Toll.
An Act for the relief of Katie Louise Turner.
An Act for the relief of Samuel Radcliffe Weaver.
An Act for the relief of Florence Elizabeth Mousley Monarque Westover.
An Act for the relief of Richard Thomas Bell.
An Act for the relief of Albert Cheney.
An Act for the relief of Katharine Adriance Burruss Christie.
An Act for the relief of Nellie Cohen.
An Act for the relief of Louis Cowell.
An Act for the the relief of Wesley Thornton Davidson.
An Act for the relief of Orfie Earl Dingman.
An Act for the relief of Edith Alice Douglas.
An Act for the relief of Radford Alonzo Dunfield.
An Act for the relief of Reuben James Fenton.

An Act for the relief of Jane Annie Field.
An Act for the relief of Charles Edward Frank.
An Act for the relief of Bernice Gatehouse.
An Act for the relief of Harriet Elizabeth Roussie Gray.
An Act for the relief of Thomas Haggith.
An Act for the relief of Ellen May Collison Keene.
An Act for the relief of Henry Peet.
An Act for the relief of Léon Proulx.
An Act for the relief of Dorothea Wilhelmina Reynolds.
An Act for the relief of Violet Robinson.
An Act for the relief of Susan Amelia Saunders.
An Act for the relief of Agnes Georgiana Smith.
An Act for the relief of Walter Edgar Soule.
An Act for the relief of Phoebe Ellen Stevens.
An Act for the relief of Thomas William Storey.
An Act for the relief of Samuel Wellington Thompson.
An Act for the relief of John Edwin Timson.
An Act for the relief of Jennie Campbell.
An Act for the relief of Annie Pearl Appel.
An Act for the relief of Dorothy Catalina Day Armstrong.
An Act for the relief of Louise Morris Hays Grier.
An Act for the relief of Thelma Katherine Halliday.
An Act for the relief of Marion Jarvis Lewis.
An Act for the relief of Annie Moore.
An Act for the relief of Olive Druker.
An Act respecting certain Patent Application of William H. Millspaugh.
An Act to amend the Fertilizers Act.
An Act respecting The Sisters of Charity of the North-West Territories.
An Act respecting a certain patent owned by Canadian Cinch Anchoring Systems, Limited.
An Act to incorporate the Northwest Canada Conference Evangelical Church.
An Act to incorporate The United Theological College, Montreal.
An Act to amend The Federal District Commission Act, 1927.
An Act to incorporate The Canadian Credit Institute.
An Act respecting the Canadian Surety Company.
An Act respecting The Interprovincial and James Bay Railway Company.
An Act to incorporate the Highwood Western Railway Company.
An Act respecting The Calgary and Fernie Railway Company.
An Act respecting The Nipissing Central Railway Company.
An Act for the relief of William James Wall.
An Act for the relief of George Rubin Sanderowich, otherwise known as Rubin Sanders.
An Act for the relief of Kathleen Elizabeth Hedges.
An Act for the relief of Lotus Henderson Conover.
An Act for the relief of Marguerite Trelawney Buller Allan.
An Act for the relief of Alexander Graham.
An Act for the relief of William Henry Phillips.
An Act for the relief of Marjory Elgin Burch.
An Act for the relief of Frances Helen Renison.
An Act for the relief of Katie Abramovitch.
An Act for the relief of Daisy Myrtle McPherson.
An Act for the relief of Claire Ellen Burke.
An Act for the relief of George Edgar Gooderham.
An Act for the relief of Pearl Hazel Clement.
An Act for the relief of John Arthur Towers Irvine.
An Act for the relief of William Henry King.
An Act for the relief of John Pepper.
An Act for the relief of Caroline Mildred Potter.
An Act for the relief of Fanny Alrheta Schaefer.
An Act for the relief of Ivy Ethel James Sergent.
An Act for the relief of Angelo Spadafore.
An Act for the relief of Lena Zimmerman Staples.
An Act for the relief of Audie Bertha Stewart.
An Act for the relief of Gertrude Aileen VanderVoort.
An Act for the relief of Roy James Vollans.
An Act for the relief of John Young.
An Act for the relief of Victoria May Cameron.
An Act for the relief of Laura Esther Phillips Fortune.
An Act for the relief of Claude Frederick Gibbs.
An Act for the relief of Lillian May Gill.
An Act for the relief of Ruth Gray.
An Act for the relief of Isabella Muriel Holland.
An Act for the relief of Lily Leona Letheren.
An Act for the relief of Sarah Jane Pinkney.
An Act for the relief of Gwendoline Proctor.
An Act for the relief of Frances Evelene Ross.
An Act for the relief of Hazell Scelena Shaw.
An Act for the relief of Amy Simmons.
An Act for the relief of William Charles Worley.
An Act for the relief of Gladys Ham.
An Act for the relief of Arthur Joel Cox.
An Act for the relief of Mary Ellen Gussie Edwards.
An Act for the relief of William Henery Leonard Gale.
An Act for the relief of Harriet Louisa Gates.
An Act for the relief of Duke Mulloy Gordon.
An Act for the relief of Victor Edward McPherson.
An Act for the relief of Annie Schreiber.
An Act for the relief of James Retson Watt.
An Act respecting the disposal of certain Canteen Funds.
An Act to amend the Dominion Lands Act.
An Act to amend the Live Stock and Live Stock Products Act.
An Act respecting the Department of Pensions and National Health.
An Act respecting Interprovincial and International Traffic in Intoxicating Liquors.
An Act respecting the Saint John River Storage Company.
An Act to amend the Income War Tax Act.
An Act to incorporate the St. Clair Transit Company.

An Act for the relief of Winifred Osborne Gimblett.
An Act for the relief of Sydney Franklin Lankin.
An Act for the relief of Edward Aranha.
An Act for the relief of Mildred Jarvis Aspinall.
An Act for the relief of William Bell.
An Act for the relief of Lillias Agnes Gressman.
An Act for the relief of Jane Glass.
An Act for the relief of Laura May Hinscliffe.
An Act for the relief of Willam Hogg.
An Act for the relief of Helen Horn.
An Act for the relief of Jessie McPherson.
An Act for the relief of Sylvia Ortenberg.
An Act for the relief of Thomas Joseph Warmington.
An Act for the relief of Florence Reno Moxon Attewell.
An Act for the relief of Mary Irene Boyd.
An Act for the relief of Augustus Vernon Ellis.
An Act for the relief of Agatha Jean Hobbs.
An Act for the relief of Hazel K. Clunie Howard.
An Act for the relief of Helen Stewart Graham Lovell.
An Act for the relief of Marie-Anne Palardy Murphy.
An Act for the relief of Joseph Patrick Nolan.
An Act for the relief of John James Ward.
An Act for the relief of Irene Matilda Ballinger.
An Act for the relief of John Hare.
An Act for the relief of Helena Martyniuk.
An Act for the relief of Francis Marmaduke Steele.
An Act for the relief of Rose Tlustie.
An Act for the relief of Robert Anderson Traill.
An Act for the relief of Violet Claire McCredie.
An Act for the relief of Garnet Britten Walton.
An Act for the relief of Rebeina Pearl Bolingbroke.
An Act for the relief of Manassa Fretz.
An Act for the relief of Charles Henry Gifford.
An Act for the relief of Joseph James Harold Graham.
An Act for the relief of Bernice Alberta Haight.
An Act for the relief of Rose Eadie Harris.
An Act for the relief of Mildred Florence McCowan.
An Act for the relief of Gabrielle Norton.
An Act for the relief of Grace Elizabeth Parker.
An Act for the relief of Charles St. Clair Parsons.
An Act for the relief of Ivy Reader.
An Act for the relief of James Ramsey Sloan.
An Act for the relief of Harold Vivian Vincent Turner.
An Act for the relief of Gordon Thomas Wilson.
An Act to amend the Immigration Act.
An Act to amend the Department of National Revenue Act.
An Act to incorporate The Canadian Commerce Insurance Company.
An Act respecting a certain patent of Anchor Cap and Closure Corporation of Canada, Limited.
An Act respecting The Dominion Fire Insurance Company.
An Act respecting a certain patent of Jean Baptiste Hurteau.
An Act to incorporate The Detroit River Canadian Bridge Company.
An Act to incorporate Eastern Bank of Canada.
An Act respecting a certain patent of Douglas J. Martin.
An Act to amend the Soldier Settlement Act.
An Act to incorporate The St. Lawrence River Bridge Company.
An Act respecting The Edmonton, Dunvegan and British Columbia Railway Company.
An Act for the relief of Frank Deering.
An Act for the relief of Mary Mabel Jennie Potten Impey.
An Act for the relief of Cyril Wilfred King.
An Act for the relief of Myrtle Adelia Baker Knauff.
An Act for the relief of James Harvey Lefurgey.
An Act for the relief of Hilda Evelyn McDowell
An Act for the relief of Catherine Ellen Hobbs.
An Act for the relief of Edith Elizabeth Poole.
An Act for the relief of Henry Frederick White.
An Act for the relief of Frederick Clayton Wilton.
An Act for the relief of Lillian May Yuill.
An Act for the relief of Ruth Ellen Braund.
An Act for the relief of Harry Alvin Heels.
An Act for the relief of Francis Augustus Pearce.
An Act for the relief of Florence Anne Salmon.
An Act for the relief of Rocco Scocco.
An Act for the relief of Mary Audry Walton Smith.
An Act to incorporate The People's Thrift Corporation.
An Act to amend the Returned Soldiers' Insurance Act.
An Act to amend the Pension Act.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1929.

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In His Majesty's name His Excellency the Governor General doth assent to these bills.

Then the Honourable the Speaker of the House of Commons addressed His Excellency the Governor General as follows:

May it please your Excellency:

The Commons of Canada have voted supplies required to enable the government to defray certain expenses of the public service.

In the name of the Commons I present to Your Excellency the following bill:

An act for granting to His Majesty certain sums of money for the public service for the financial year ending the 31st March, 1929.

To which bill I humbly request Your Excellency's assent.

To this bill the Clerk of the Senate, by command of His Excellency the Governor General, did thereupon say:

In His Majesty's name, His Excellency the Governor General thanks his loyal subjects, accepts their benevolence, and assents to this bill.

GOVERNOR GENERAL'S SPEECH

After which His Excellency the Governor General was pleased to close the second session of the sixteenth parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

I desire to express my appreciation of the careful attention you have given to the various measures submitted for your consideration during the present session of parliament.

It is a source of special satisfaction to note that the public accounts of the fiscal year recently ended disclose a substantial surplus and that you have been able to effect a further reduction in the public debt as well as a further material reduction in taxation.

The trade of our country continues to expand. Exports of manufactured goods are being well maintained and our total exports to foreign countries show a considerable increase. It is anticipated that the volume of foreign trade will reveal a further increase as a result of the trade agreements just concluded.

I am gratified to observe that the interest and benefit of ex-service men and of their dependents has had particularly close and sympathetic attention during the session. As a result of the consideration you have given to this most important subject, an act has been passed which considerably extends and improves the provisions made for pensions in respect of disabilities and deaths connected with the war, also an act reviving the beneficial provisions of the Returned Soldiers' Insurance Act, and an act affording further material relief to soldier settlers.

The amalgamation of the Department of Soldiers' Civil Re-establishment and the Department of Health into one department to be known as the Department of Pensions and National Health accords with a natural evolution and is a step which should serve to promote efficiency and economy in administration.

The general subject of immigration, including the work of the Department of Immigration and Colonization, has received careful study throughout the session by the committee on agriculture and colonization. After months of inquiry into the many phases, both national and international of this important and intricate problem, the committee has reported its conclusions and recommendations, and the report has been adopted.

The extensive and important recommendations of the commission recently appointed to investigate all phases of the fishing industry of the maritime provinces, the Magdalen islands, and the coastal portion of the province of Quebec, have been met in part, and will continue to receive the attention of my advisers.

The report of the National Advisory Committee on the St. Lawrence Waterway project together with the views expressed thereon by the government of the United States in an exchange of correspondence, which was submitted to parliament at the present session, will continue to receive careful consideration. In this connection, provision has been made for referring to the courts certain questions as to federal and provincial jurisdiction with respect to navigation and water-powers.

The offer of assistance in the formation of civil flying clubs has met with a wide-spread response. Flying training has already been started by clubs both in eastern and western Canada. The construction of the airship mooring tower at St. Hubert aerodrome, near Montreal, is being pressed with energy.

The special provision made for the establishment of national research laboratories should greatly facilitate industrial research and prove an aid to the more thorough utilization of our natural resources.

The provision made by the amendments to the Federal District Commission Act, with a view to commemorating the Diamond Jubilee of Confederation, will serve materially to enhance the position of Ottawa as the capital of the Dominion.

The appointment by His Majesty's government in Great Britain of a high commissioner to represent its interests in Canada has been received with much satisfaction.

The appropriations of this session will enable steps to be taken shortly to establish Canadian legations in France and Japan. It is gratifying to know that the arrangements recently made for the further restriction of immigration from Japan, combined with the exchange of ministers between Japan and Canada, give promise of affording a satisfactory solution of this long standing question.

The Canadian government has learned with deep interest of the proposals which the Government of the United States, following extended discussions with the Government of France, has advanced for the renunciation of war, and, in accord with His Majesty's other governments, has accepted the invitation of the United States to participate in the signature of a multilateral pact directed to this end and which it is earnestly hoped will materially strengthen the cause of peace throughout the world.

Members of the House of Commons.

I thank you for the provision you have made for the public service.

Honourable Members of the Senate:

Members of the House of Commons:

Abundant evidence surrounds us of the increasing prosperity of our country. For this and other blessings I join with you in humble gratitude to Divine Providence.

This concluded the second session of the sixteenth parliament.